Website disclosures pursuant to Article 10 of Regulation (EU) 2019/2088 and Articles 37 to 49 of Commission Delegated Regulation (EU) 2022/1288

Product Name: Incus Renewables Credit Fund, SCSp

a) Summary

b) **No significant harm to the sustainable investment objective:** To ensure that the sustainable investments do not cause significant harm to any environmental or social objective, the fund follows certain processes during screening and due diligence. It also considers the Principal Adverse Impacts (PAIs) of these investments and assesses alignment with OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles set out in the eight fundamental conventions identified in the Declaration of the ILO on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

c) **Sustainable investment objective of the financial product**: The sustainable investment objective of the fund is climate change mitigation, extending credit to companies, assets and projects that focus on renewable energy and climate change solutions, with a primary focus on photovoltaic plants and onshore windfarms.

d) **Investment Strategy:** The fund's investment strategy revolves around credit investments in renewable energy projects, primarily focused on Spain, Portugal, Italy, and France. The fund aims to provide capital to a diversified portfolio of 10 to 15 investments over an 8-year term.

e) **Proportion of investments:** The fund expects 100% of its investments to be "sustainable investments" within the meaning of Article 9 (2) of Regulation (EU) 2019/2088. A minimum 10% of the fund's capital will be invested in Taxonomy-aligned activities.

f) **Monitoring of sustainable investment objective:** The monitoring of the sustainable investment objective and the associated sustainability indicators occurs throughout the entire lifecycle of the fund.

g) **Methodologies:** The fund considers the Principal Adverse Impacts of its investment choices on sustainability factors, utilising the methodology outlined in Commission Delegated Regulation (EU) 2022/1288 to calculate these indicators. Additionally, fund-wide Key Performance Indicators (KPIs) have been established.:

  a. Emissions avoided (tCo2eq)
  b. MWh of renewable energy for sale

For those investments where taxonomy alignment is sought, the Fund adheres to the methodologies prescribed by Commission Delegated Regulation (EU) 2021/2139.

h) **Data sources and processing:** The fund engages with borrowers on a quarterly basis to monitor progress throughout the reporting year.

  a. **Data sources:** Information is gathered directly from borrowers. PAI indicators are collected via a data request Excel sent to the appropriate person.

  b. **Data quality:** The fund may engage with external advisors to check and review the information to ensure data quality. In cases where data quality is put into question, the fund will, with the help of an external advisor if applicable, engage with the borrower to iterate the data until it is correct and undertakes an internal validation.

  c. **Data processing:** The data obtained from borrowers and is processed by the fund. The data is collected in a digital format and processed in an ESG monitoring tool.

  d. **Data estimation:** The fund relies on real data provided by borrowers and does not use estimates to the extent possible, with the limitations outlined below.

i) **Limitations to methodologies and data:** Limitations to the methodologies and data referred to in the above sections include, but are not limited to:

   a. limited capacity to measure or report from borrowers,
   b. different reporting periods and group perimeters,
   c. human error in the provision of data,
   d. data collection is done by email and Excel, which could lead to human error.

   We expect to improve data quality and minimize the limitations mentioned above as we improve the data collection process.

j) **Due diligence:** The ESG due diligence process of the fund follows a structured and formal approach that ensures a thorough evaluation of the environmental, social, and governance aspects of potential investments.

k) **Engagement policies**: The investment team holds monthly/quarterly meetings with borrowers to monitor and assess the progress made.

l) **Attainment of the sustainable investment objective:** The fund has not designated a reference benchmark, nor does it have carbon emissions as its objective and does not have a reduction in carbon emissions as its objective.

Summary provided in the official language of the home Member State of where the fund is made available (Luxembourg):

b) No significant harm to the sustainable investment objective

To ensure that the sustainable investments do not cause significant harm to any environmental or social objective the fund follows the following processes:

1. Screening: The fund will screen all investments against its exclusion list which prevents investments in weapons manufacturing, oil and gas, tobacco production and distribution, prosititution, coal-based businesses, gambling, pornography, drugs and alcohol-related activities, and any operations involving serious or systematic human rights violations. Investments that pass the negative screening phase are then assessed to identify any key ESG risks that will likely have a material impact on the financial and operational performance of the investment.

2. Due diligence:

   a. A due diligence is carried out on each investment to assess the materiality and importance of any ESG issues identified in the screening phase.

   b. If an investment's ESG record is deficient, the investment will not automatically be excluded. However, the fund is committed to engaging with the borrower to improve that performance.

   c. EU Taxonomy DNSH criteria: as the fund is committed to investing in taxonomy-eligible assets, all investments will be screened against the technical screening criteria for the specific economic activity of the asset.

This information is monitored periodically by the advisor as part of the portfolio management process.

Principal Adverse Impact Indicators:

The 14 indicators for adverse impacts outlined in Table 1 of Annex I of Commission Delegated Regulation (EU) 2022/1288 are calculated for each investment in the company's portfolio. The fund has selected the following two additional indicators from Tables 2 and 3 of the same Annex:

1. Environmental:
    a. Investments in companies without carbon emission reduction initiatives
2. Social:
    a. Rate of accidents: rate of accidents in companies expressed as a weighted average.

Alignment with OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles set out in the eight fundamental conventions identified in the Declaration of the ILO on Fundamental Principles and Rights at Work and the International Bill of Human Rights:

- All of the fund’s investments are in companies headquartered in OECD countries,
- The fund’s exclusion criteria screen all potential targets for their performance with respect to social and governance themes. The methodology used in the ESG due diligence assesses the company’s performance on social and governance themes along the value chain.
- A minimum safeguards questionnaire aligned with the principles outlined above, is used to assess a target’s performance on these topics in the due diligence phase.

If required, it will also participate in developing policy, regulation and standard setting to ensure that ESG factors are considered and subsequently reported on accurately.

c) Sustainable investment objective

The sustainable investment objective of the fund is climate change mitigation, extending credit to companies, assets and projects that focus on renewable energy and climate change solutions, with a primary focus on photovoltaic plants and onshore windfarms. The investments made by the fund support the transition from fossil fuel-based energy sources to cleaner and more sustainable alternatives. Solar PV and wind energy technologies are recognized as low-carbon and environmentally friendly solutions for electricity generation. These projects have the potential to significantly reduce greenhouse gas emissions, which are a major contributor to climate change.

The fund adheres to the definition of climate change mitigation as prescribed by Article 9 and 10 of Regulation (EU) 2020/852 (EU Taxonomy).

d) Investment Strategy

The fund's investment strategy revolves around credit investments in renewable energy projects, primarily focused on Spain, Portugal, Italy, and France. The fund aims to provide capital to a diversified portfolio of 10 to 15 investments over an 8-year term.

The fund's investment strategy encompasses projects at different stages of development. This approach allows for a diverse portfolio that includes projects in the permitting phase, where necessary licenses and permits are obtained; greenfield projects, involving the construction of new renewable energy facilities; and brownfield projects, which involve repurposing or retrofitting existing infrastructure for renewable energy generation.

Recognizing the potential in addressing the funding gap for independent power projects (IPPs), the fund strategically focuses on directing its investments towards these types of projects. By targeting IPPs, the fund aims to contribute to the growth of the renewable energy sector while generating attractive risk-adjusted returns.

In order to manage risk and enhance the fund's investment profile, it adopts a diversified approach by investing in various technologies and projects at different stages of development. This approach effectively spreads the fund's exposure across a range of investments, reducing the concentration risk associated with any particular technology or project. As a result, the fund benefits from a more balanced risk profile, providing potential stability and resilience to its investment portfolio.

Moreover, the fund deliberately targets sophisticated counterparties who are highly committed to securing capital for their renewable energy initiatives. These counterparties demonstrate a strong willingness to fulfill the requirements set forth by the lender. This alignment of interests and commitment to cooperation establishes a solid foundation for successful partnerships, enabling the fund to effectively deploy its capital and exert influence through its lending activities.

Policies to assess good governance:

The assessment of good governance practices is a key element of he Fund's due diligence, and adherence to the appropiate standards of governance are continously assessed during the holding period. This assessment encompasses areas such as bribery and corruption, fraud, personal data protection, and third-party environmental, social, and governance (ESG) impacts.

Findings os such assessment will be ranked as "high", "medium" and "low", depending on the severity. High risk issues will automatically prevent the investment from occur or, if during the holding period already, trigger the relevant cure and/or accelaration mechanisms in the loan documentation. During the due diligence phase, the fund assesses and continues to monitor good governance practices throughout the holding period.

e) Proportion of Investments

We expect 100% of the fund's investments to qualify as sustainable investments within the meaning of Article 9 (2) of Regulation (EU) 2019/2088. 10% of capital will be invested in Taxonomy-aligned activities.

f) Monitoring of the sustainable investment objective

The monitoring of the sustainable investment objective and the associated sustainability indicators occurs throughout the entire lifecycle of the fund:

Acquisition Phase

The fund channels investments into renewable energy technologies that align with the objective of climate change mitigation set by the Taxonomy Regulation. In its pursuit of taxonomy alignment, the fund meticulously evaluates each prospective investment based on the technical criteria tailored to its economic activity, such as solar or wind energy. Should any gaps arise in achieving taxonomy alignment, the Fund will promptly devise a corrective action plan.
In addition, two indicators have been set to assess the attainment of the sustainable investment objective at a fund-level:

- Emissions avoided (tCO_2e)
- MWh of renewable energy for sale

Control Mechanisms:

- Due diligence completed by an external third party to assess alignment and ESG performance.
- ESG covenants included in the loan agreement.

Holding Period

The fund actively engages with its borrowers to evaluate their progress towards achieving taxonomy alignment and to assess their overall performance in ESG aspects. This is done through monthly/quarterly meetings.

Control Mechanisms:

- KPIs will be tracked on a regular basis by the Fund as part of its regular asset management engagement with the borrowers (typically on a quarterly basis).
- Non compliance with any of such ESG undertakings will follow the ordinary course of remedies set our in the loan documentation. These can reach from cure mechanisms all the way to acceleration events or events of default, depending on the severity of the breach.

g) Methodologies

Environmental:

- Carbon emissions (Scope 1 & 2) in tCO2e
  - *Scope 1 emissions are defined as direct emissions at company facilities and company-owned vehicles.*
  - *Scope 2 emissions are defined as indirect emissions from energy purchased and used by the organization.*
- Carbon footprint intensity (tco2eq/€)
  - *Carbon footprint intensity is calculated per company as the total scope 1 and 2 emissions, divided by the company's revenues, in €, multiplied by the weight of the current investment.*

$$\sum_{n}^{i}\left(\frac{current\ value\ of\ investment_i}{current\ value\ of\ all\ investments\ (€M)} \times \frac{investee\ company's\ Scope\ 1,2\ and\ 3\ GHG\ emissions_i}{investee\ company's\ €M\ revenue_i}\right)$$

- GHG intensity (tco2eq/€revenue)
  - *GHG intensity of investee companies is calculated per company as the sum of current value of investment divided by the current value of all investments, multiplied by the company's Scope 1,2 and 3 GHG emissions divided by the investee company's revenue in millions of euros.*

$$\sum_{n}^{i}\left(\frac{current\ value\ of\ investment_i}{current\ value\ of\ all\ investments\ (€M)} \times \frac{investee\ company's\ Scope\ 1,2\ and\ 3\ GHG\ emissions_i}{investee\ company's\ €M\ revenue_i}\right)$$

- Renewable and non-renewable energy consumed, expressed as a percentage.
  - *Information provided by companies based on their office/facility energy bills. Where no information is available, a proxy is used based on the national electricity mix.*

- Renewable and non-renewable energy produced (if the company produces energy), expressed as a percentage.
  - *Information provided by companies based on their office/facility energy bills. Where no information is available, a proxy is used based on the national electricity mix.*

- Energy intensity (kWh/€m revenue)
  - *Energy intensity is calculated as total energy consumption per million EUR of revenue of investee companies.*
- Emissions to water
  - *Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average.*
- Quantity of hazardous waste produced, expressed in tonnes.
- Hazardous waste ratio
  - *Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average.*

Social:

- Unadjusted gender pay gap: *average unadjusted gender pay gap of investee companies, where the pay gap means the difference between average gross hourly earnings of male paid employees and of female paid employees as a percentage of average gross hourly earnings of male paid employees.*
- Rate of accidents: *rate of accidents in investee companies expressed as a weighted average.*

Governance:

- Board gender diversity: *diversity average (woman/man ratio) in investee companies.*

h) Data sources and processing

The fund engages with borrowers on a quarterly basis to monitor progress throughout the reporting year.

a. **Data sources:** Information is gathered directly from borrowers. PAI indicators are collected via a data request Excel sent to the appropriate person.

b. **Data quality:** The fund may engages with an external advisor to check and review the information to ensure data quality. In cases where data quality is put into question, the fund, with the help of the external advisor, engages with the borrower to iterate the data until it is correct and undertakes an internal validation.

c. **Data processing:** The data obtained from borrowers and is processed by the advisor. The data is collected in a digital format and processed in an ESG monitoring tool.

d. **Data estimation:** The fund relies on real data provided by borrowers and does not use estimates to the extent possible, with the limitations outlined below.

i) Limitations to methodologies and data

Limitations to the methodologies and data referred to in the above sections include, but are not limited to:

- limited capacity to measure or report from the borrowers,
- different reporting periods and group perimeters,
- human error in the provision of data,
- data collection done by email and Excel, which could lead to human error.

We expect to improve data quality and minimize the limitations mentioned above as we improve the data collection process.

j) Due Diligence

The ESG due diligence process of the fund follows a structured and formal approach that ensures a thorough evaluation of the environmental, social, and governance aspects of potential investments:

The conducts a due diligence for each prospective investment to evaluate the significance and materiality of any ESG issues identified during the initial screening phase. This process is crucial to ensure that the investments align with the fund’s commitment to ESG principles.

Should an investment exhibit deficiencies in its ESG record, it does not lead to an automatic exclusion. Instead, the fund takes a proactive approach by engaging with the borrower to enhance ESG performance, demonstrating its commitment to fostering responsible investment practices.

Furthermore, the fund is dedicated to investing in assets that are eligible under the EU Taxonomy. Consequently, all investments undergo a thorough screening against the technical criteria specific to the economic activity of the asset, adhering to the Do No Significant Harm (DNSH) criteria of the EU Taxonomy. This step is integral to ensuring that the investments contribute to sustainable development and align with the fund's focus on renewable energy infrastructure. This assessment includes an analysis of minimum social safeguards as mandated by the taxonomy regulation. This assessment involves utilizing a questionnaire to evaluate the lender's practices and performance, ensuring alignment with internationally recognized guidelines.

The fund manager/advisor will consistently strive to enhance processes aimed at ensuring alignment with the principles.

Action Plan: For assets that are eligible under the EU Taxonomy and where alignment is sought, a mutually agreed action plan will be developed with the borrower to achieve such alignment. Progress on this action plan will be regularly monitored through monthly/quarterly meetings with the borrowers.

k) Engagement Policies

The investment team holds quarterly meetings with borrowers to monitor and assess the progress made.

Failure to comply with ESG covenants will trigger the ordinary remedies foreseen in the loan documentation. These will range from customary cure remedies to loan acceleration mechanisms and/or events of default depending on the severity of the breaches.

l) Attainment of sustainable investment objective

The fund has not designated a reference benchmark, nor does it have carbon emissions as its objective and does not have a reduction in carbon emissions as its objective.