




# Sustainability & Impact Policy



## Purpose & Principles



TortoiseEcofin (the “firm”) has a long-standing commitment to corporate responsibility; it is deep-rooted in the firm’s DNA. Each of the firm’s business lines integrates the Principles for Responsible Investment (“PRI”), the United Nations Sustainable Development Goals (“SDGs”) and other environmental, social, and governance (“ESG”) factors throughout the security selection and post investment monitoring processes.

The firm has full-time resources dedicated to ESG, responsible investing, and sustainability and impact. The team is responsible for the firm’s sustainability and ESG policies and procedures, regulatory and governance framework, and impact reporting, and they assist with the implementation of the Sustainability & Impact Policy.

# TortoiseEcofin Guiding Principles for Sustainability & Impact

## Key Goals

We strive to deepen our focus on sustainability and impact with an authentic, credible and systematic approach.

### Key goals include:

- Document and better articulate our current policies, practices and procedures
- Create cohesive processes and reporting across the firm
- Document and standardize how ESG plays a role in our investment processes
- Identify gaps where we could either enhance or better articulate our efforts
- Create a repeatable framework for measurement and reporting that includes both quantitative and qualitative components
- Oversee communications and training with employees, clients and stakeholders with respect to sustainability, impact and ESG matters
- Staying ahead of developments in the S&I and ESG areas and continually improving our understanding of such matters

## Mission Statement

As a steward of our clients' capital, we strive to optimize investor returns, while maximizing the measurable impact of their investments, with accountability, transparency and integrity.

- 1. Investment Driven:** We seek to provide superior, long-term risk-adjusted returns and differentiated sources of income for our clients
- 2. Thematic Focused:** A proven track record and expertise of investing in essential assets and companies with long-term growth profiles
- 3. Sustainability Minded:** A systematic approach that incorporates ESG into assessing the sustainability of business models to limit downside risk and capture forward-looking opportunities
- 4. Actively Engaged:** Utilize our long-standing market reputation to engage with portfolio companies and investments in an effort to drive continuous improvement in their sustainability practices and metrics
- 5. Impact Oriented:** Strive to make positive societal and environmental impacts by aligning definitive goals with measurable outcomes, and accountability with transparency reporting

We believe that the firm offers investors unique opportunities to profitably invest in sustainability and impact oriented strategies that are grounded in this Sustainability & Impact Framework. To protect and enhance each of these principles, the firm has worked to provide appropriate resources to assess, enact and execute on each principle.

# TortoiseEcofin Guiding Principles for Sustainability & Impact

## Principle #1: Investment Driven

Behind each dollar of our assets under management sits an individual or institution that desires a specific return on investment to help reach a desired goal. That goal could be funding an individual retirement account or funding a pension fund for a large group of people. Whatever the goal an investor is trying to achieve, focusing on attractive long-term returns provides our greatest impact. We believe that each of the four other principles supports our efforts to drive performance for our investors.

## Principle #2: Thematic Focused

As detailed in the chart below, all of our offerings are thematic in nature. Thematic investing involves identifying significant, secular trends that are expected to have multi-year if not multi-decade impacts on our world, and identifying investments that stand to benefit from the materialization of those trends. At TortoiseEcofin, some examples of our thematic focuses would include water scarcity, reducing CO<sub>2</sub> emissions, demand for renewables, increasing electrification, and aging demographics.

We believe that thematic investments provide a number of advantages for investors including exposure to secular drivers of long-term growth that should lead to above average long-term returns. We further recognize that our thematic investment offerings may allow investors to directly invest in companies driving change and profitably solving some of the biggest issues facing our planet and society today.

### Investment platform

### Description

#### Sustainable infrastructure

Invests in listed companies and private infrastructure projects that are focused on decarbonization as well as wind, solar and waste-to-energy projects.

#### Energy transition

Focuses on secular growth opportunities related to changes in the way energy is produced and consumed. The sectors exposed to the energy transition include utilities, technology, cleantech, industrials, mobility, specialty chemical and waste.

#### Water & environment

Provide access to global companies that we believe are in a position to benefit from the pursuit of solving the clean water supply/demand imbalance.

#### Social impact

Direct lending to projects providing essential services to communities including educational services, affordable assisted-living and waste transition projects.

#### Energy and power infrastructure

Focuses on energy infrastructure and the transition to cleaner energy. Supports decarbonization by investing in companies helping to displace coal through natural gas and renewables as part of the global energy evolution.



# TortoiseEcofin Guiding Principles for Sustainability & Impact

## **Principle #3: Sustainability Minded**

TortoiseEcofin or an affiliate has been a signatory to the Principles for Responsible Investment (PRI) since 2019. Signatories agree to uphold six principles that focus on incorporating ESG issues into their investment-analysis process where consistent with their fiduciary responsibility.

It is core to Principle #3 that strong ESG practices enhance long-term value creation for our clients. The firm defines ESG evaluation as a process of the identification of potentially material sustainability opportunities and/or risks in the underlying business that could positively or negatively affect an investment. The following table provides a sub-set of ESG-related matters that the firm's investment teams typically research as part of their overall investment appraisal and due diligence process.

### **Six Principles for Responsible Investment**

1. We will incorporate ESG issues into investment analysis and decision-making processes.
2. We will be active owners and incorporate ESG issues into our ownership policies and practices.
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.
4. We will promote acceptance and implementation of the Principles within the investment industry.
5. We will work together to enhance our effectiveness in implementing the Principles.
6. We will each report on our activities and progress towards implementing the Principles.

*Source: Principles for Responsible Investment, [www.unpri.org](http://www.unpri.org)*

# TortoiseEcofin Guiding Principles for Sustainability & Impact

## Principle #4: Actively Engaged

We believe that being a shareholder carries the responsibility of actively engaging portfolio companies in a range of discussions, including those related to ESG issues. To do so, we may employ a variety of tools including initiating direct dialogue with senior company leadership, actively voting proxy statements, and coordinating with other owners where it's in the best interest of our investors to do so. We believe these actions encourage companies to take positive and effective actions that are consistent with shareholder interests.

Our goal is to leverage longstanding relationships as a leading stakeholder by encouraging management teams to improve transparency, implement operational best practices, complete proper environmental reporting disclosures, and improve upon shareholder and management alignment through strengthened corporate governance.

Consistent with the Principles in this document, the firm desires to continuously improve on and standardize our engagement with investments.

## Principle #5: Impact Oriented

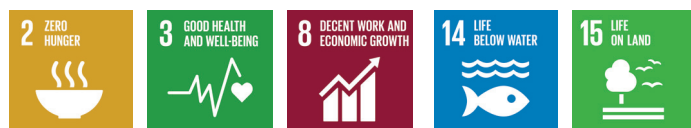
The Global Impact Investor Network (GIIN) defines impact investments as investments made with the intention to generate positive, measurable social and/or environmental impact alongside a financial return. GIIN stresses that each of the factors, intentionality, measurability, and return, mentioned in the definition are important for impact investment. We embrace the GIIN definition.

All of the TortoiseEcofin investment strategies are designed to provide our investors with attractive long-term returns and a level of impact that aligns with the United Nations Sustainable Development Goals:

### Primary:



### Secondary:



# TortoiseEcofin Stewardship for Success

In an effort to meet the firm's sustainability objectives, the firm values a collaborative approach, both internally and externally with key stakeholders. By making our stewardship practices a priority, we are able to ensure that we provide accountability, transparency and integrity in all that we do. We believe that stewardship is multi-faceted, and is a critical component of success for both our clients and our employees. As such, stewardship for TortoiseEcofin encompasses engagement, proxy voting, exclusionary guidelines, conflicts of interest and corporate social responsibility.

## **Engagement**

Through our engagement activities, we strive to maximize long-term returns while reducing risks for our investments by communicating risks and opportunities we see in our relevant investable markets, encouraging innovative best practices, and driving continuous improvement in sustainability practices. The firm's Engagement Policy was created in alignment with the objectives outlined in Guiding Principle 4. The TortoiseEcofin Engagement Policy outlines the firm's key areas of focus: Engagement in Action, Engagement Prioritization, Escalation Strategies and Engagement with other institutions.

## **Proxy Voting**

Given the thematic nature of our investment strategies, the proxy voting policies may vary depending upon the respective strategy, but with the overarching commitment to voting in favor of positive change for sustainability and environmental, human rights, and diversity initiatives.

## **Exclusionary Guidelines**

As stewards of our clients' capital, TortoiseEcofin aims to avoid making any investments which we or our clients deem unsuitable. As part of our stewardship efforts, our investment exclusionary list is applied to all discretionary assets under management and is outlined in the TortoiseEcofin Stewardship Policy.

# TortoiseEcofin Stewardship for Success

## **Conflicts of Interest**

We acknowledge our position as a fiduciary for our clients and always seek to act in their best interests. Accordingly, we take all reasonable steps to identify actual or potential conflicts of interest and maintain and operate arrangements to minimize the possibility of such conflicts giving rise to a material risk of damage to the interests of our clients. The TortoiseEcofin Stewardship Policy provides additional information on our practices surrounding conflicts of interest.

## **Corporate Social Responsibility**

As part of the firm's overall Stewardship efforts, we believe that we must expect of ourselves, the same level of sustainable responsiveness that we expect of our investments, our peers and our service providers. The firm seeks to promote a culture of diversity & inclusion, environmental betterment, social awareness, volunteerism and philanthropy. We believe Corporate Social Responsibility is not only a responsibility, but an essential principle we expect of all employees at TortoiseEcofin.

## **Conclusion**

We believe our Guiding Principles combined with our differentiated, thematic investment capabilities and expertise creates a unique opportunity for investors to invest for both financial as well as non-financial returns.

At TortoiseEcofin, we are excited about the opportunities that await our clients and our firm. We truly believe we have the framework in place to make a positive impact on our clients, communities and environment.