



Ecofin Advisors Limited Fossil Fuel Policy

In order to limit global warming to 1.5°C in alignment with the Paris Agreement, a 50% global reduction in emissions by 2030 is required, and net zero must be achieved by 2050.¹ Ecofin supports a rapid transition to a low-carbon economy and is a proud signatory of the Net Zero Asset Managers initiative. Ecofin has elected to utilise the Science Based Targets initiative (SBTi) Portfolio Coverage Approach for financial institutions to quantify this initiative, whereby Ecofin will set engagement targets to have a portion of its investees set their own SBTi-approved science-based targets (SBTs) such that Ecofin is on a linear path to 100% portfolio coverage by 2040. Please see Ecofin's Net Zero Disclosure posted to the website, as well as sciencebasedtargets.org/ for further details.

Ecofin is committed to 75% SBT portfolio coverage by 2030, a pace that should put it on track towards 100% SBT portfolio coverage well before SBTi's financial institution coverage deadline of 2040. As part of Ecofin's Net Zero Asset Manager commitment, the firm monitors and reports the percentage of public equity investments that have an SBT. Ecofin encourages all companies to develop and implement a credible and time-bound plan to decarbonise their operations in line with 1.5°C pathways. As such, Ecofin intends to actively engage with portfolio companies that do not have an SBT. For further detail please see Ecofin's Net Zero Disclosure.

Ecofin does not intend to invest in a company that has a significant amount of revenues from selling fossil fuel reserves or whose principal business is extracting, processing, or refining coal, tar sands, oil, or natural gas, as these businesses are not currently aligned with Ecofin's sustainability themes or its view of the long-term trends in energy demand. For companies with exposure to fossil fuels, Ecofin generally seeks to identify and invest in companies which are deemphasising fossil fuel technologies and contributing to a low-carbon transition.

¹ The Intergovernmental Panel on Climate Change (IPCC).