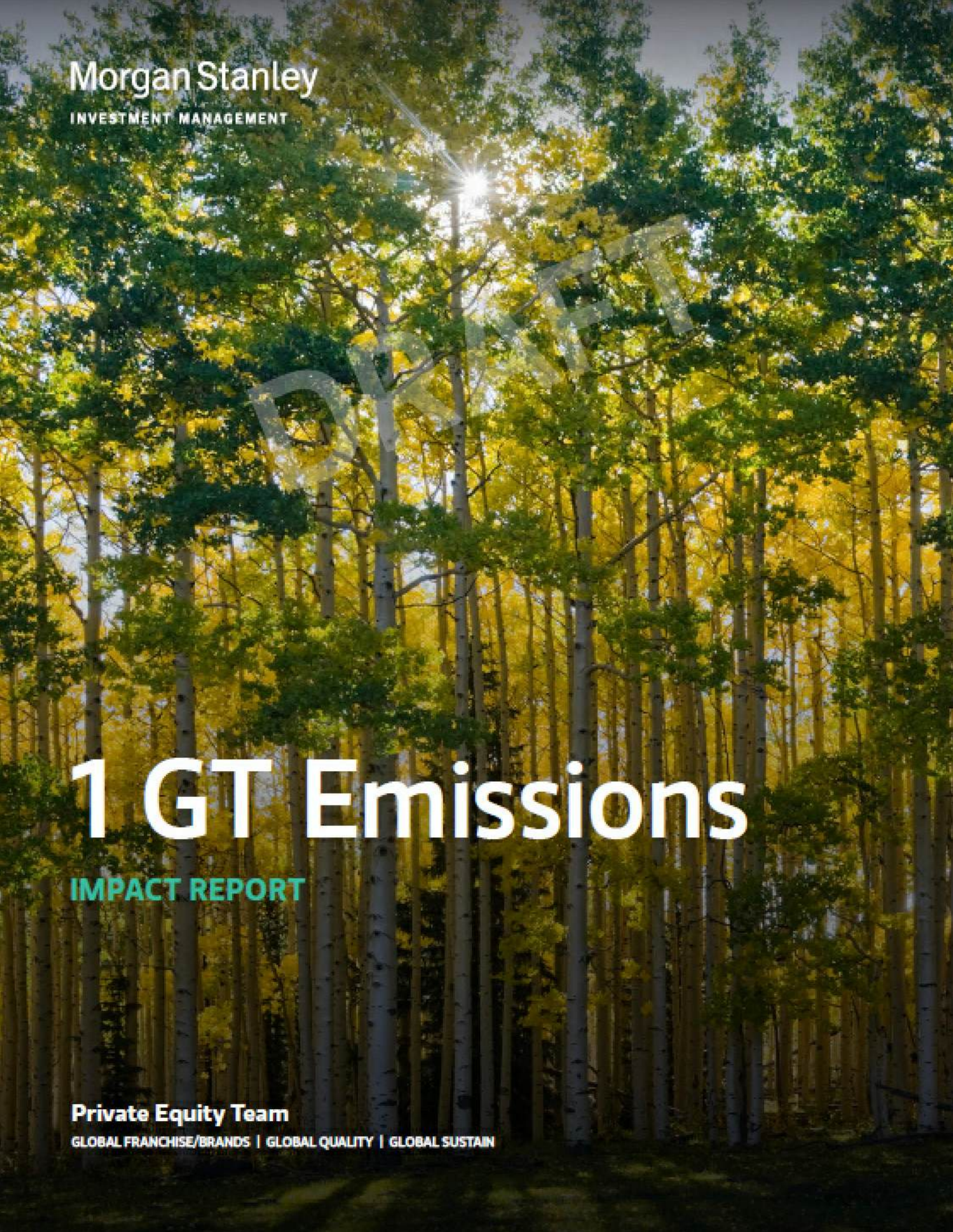

Morgan Stanley
INVESTMENT MANAGEMENT
1 GT Emissions
IMPACT REPORT
Private Equity Team
GLOBAL FRANCHISE/BRANDS | GLOBAL QUALITY | GLOBAL SUSTAIN

VIKRAM RAJU
Head of Climate Investing, 1 GT

As the world emerged slowly from the disruption of COVID-19 there was hope that climate issues would take centre stage in 2021. Indeed, at COP26, 197 countries agreed a new deal re-affirming the Paris Agreement's goal of limiting global temperature rises to well below 2°C above preindustrial levels. Furthermore 140 of those countries, representing 90% of global GDP, pledged to reach net zero emissions while more than 100 countries planned to reverse deforestation by 2030. Most importantly, more than 40 countries agreed to move away from coal given its position as the most environmentally damaging fossil fuel. Despite these being some of the most ambitious set of targets seen yet, the damage we have already caused to our planet continues to impact daily lives. 2021 was the warmest year on record in our oceans and at least the seventh warmest overall. There were 41 hot extreme weather events, 19 heavy precipitation events and 12 major droughts across the globe, occurrences which are expected to become more frequent.[1] Annual CO_2 emissions from energy combustion and industrial processes alone rose to 36 Gt (6% YoY growth) and the IPCC predicts global surface temperatures will continue to increase until at least the mid-century under all potential scenarios.[2] We are closer than ever to permanent climate change, despite the COVID induced respite.

For the team at 1 GT, 2021 was a productive and positive year. We considered over 1,000 deals, completing 6 across multiple geographies. Themes were broad as we looked to drive positive impact across numerous sectors including mobility, renewable power, sustainable agriculture, and the circular economy.

First in mobility where the team delivered a successful exit from a previously highlighted deal in InstaVolt, an operator of rapid EV charging stations. Having identified that the personal transportation sector was undergoing a generational shift, 1 GT looked for opportunities which had measurable impact without taking major technology risk. InstaVolt's move to secure strategic partnerships with key locations alongside a focus on premium experience, delivering 99% uptime, made it a compelling opportunity which was successfully sold to an infrastructure fund in 2022 for a return of 5.6x MOIC, gross.[3] With the transport sector accounting for 23% of annual CO_2e emissions, emitting 7.9 GT CO_2 in 2020, the team will continue to look for innovation in a space that remains highly dynamic.[4,5]

[1] IPCC Sixth Assessment Report, 2021.
[2] IEA Global Energy Review 2021.
[3] Gross IRRs and gross TVPIs are deducting all of underlying managers (where applicable) fees, expenses and carried interest paid or accrued to date and taking into account cash balances drawn in advance of funding underlying investments but before AIP fees, expenses and carried interest paid or accrued to date.
[4] Morgan Stanley "The New Oil: Investment Implications of the Global Battery Economy", 2021.
[5] IEA Global Energy Review 2021.

Elsewhere, the team remained focused on opportunities in sustainable agriculture. As it stands today, 770m people go hungry and, with the population expected to hit ~9 billion by 2050, a 70% uptick in food produced is likely required.[6,7] This will be difficult given that 38% of the world's land surface is already in use for agriculture and traditional farming practices having degraded existing soil quality.[8] The agricultural sector is responsible for roughly ~11% of emissions in the U.S. and ~20% of global emissions and thus offers a real opportunity for emissions reduction.[9,10] The solutions to this problem are varied and complex and the team took time to understand which investments were positioned for both long term impact and resilient growth. Anuvia, a manufacturer of high efficiency bio-based fertilizer, fit those characteristics well. The company's product re-purposes organic matter to create a fertilizer which releases nutrients into the soil at a slower rate. This lowers costs for farmers while improving yields and crucially reducing the amount of traditional fertilizer required per acre. Given Anuvia's proven and scalable technology, the team expects continued traction with blue-chip customers and distribution partners.

1 GT continues to look for opportunities in the power sector as zero carbon energy generation has reached cost competitiveness with incumbent fossil fuel sources. Indeed, with governments and consumers overwhelmingly supportive of increasing renewable energy, there is a concomitant opportunity for providers of technology that promise to accelerate phases of project development through site selection, feasibility studies, and environmental assessments. With grids moving to a digitized, interoperable, and decentralized structure, the team continues to assess opportunities benefitting from the energy transition.

Looking forward, while COVID continues to impact the portfolio, geo-political issues have begun to take center stage. Global conflicts are beginning to disrupt supply chains and put upward pressure on prices, creating a platform for lower economic growth in 2022. These factors, combined with the re-assessment of ESG as a metric, make it more critical than ever to drive measurable, auditable impact within an investment portfolio. We must ensure the collective focus of COP26 is continued and COP27 (later this year) provides further commitments to solving the climate crisis. The 1 GT Fund will continue to catalyze capital towards businesses focused on this goal.

[6] Food | United Nations.
[7] United Nations, Population Facts, December 2019.
[8] Land use in agriculture by the numbers | Sustainable Food and Agriculture | Food and Agriculture Organization of the United Nations (fao.org)& Morgan Stanley "The New Oil: Investment Implications of the Global Battery Economy", 2021.
[9] Sources of Greenhouse Gas Emissions | US EPA.
[10] Emissions due to agriculture (fao.org).

1 GT Overview

1 GT is a dedicated climate impact growth-oriented fund at Morgan Stanley Investment Management. 1 GT catalyzes impactful companies by combining internal expertise with extensive Morgan Stanley resources to drive a transition to the low carbon economy.

1 GT is focused on accelerating the growth of impactful and innovative companies operating across four key themes: Mobility, Power, Agriculture and Circularity. The team believes climate impact can and should be measured works exclusively with opportunities where the CO_2 impact is tangible. We utilize our measurement methodology to target critical de-carbonization opportunities across the economy.

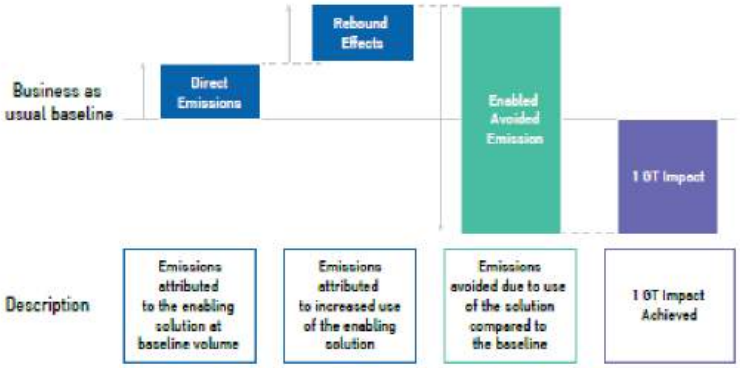
CO_2 is the vital KPI when discussing climate change. It is the source of our issues and the way in which we measure the success of our solutions. 1 GT is therefore entirely focused on companies whose product or service has a CO_2 impact that can be catalyzed, measured and eventually audited. The metric used is Carbon Dioxide Equivalent (CO_2e) which consolidates all greenhouse gas emissions into one metric based on their global warming potential.

To identify, measure and accelerate climate impact 1 GT has developed a methodology which considers both the emissions of portfolio companies and the climate impact of their products. Our methodology builds on existing thinking on measuring emissions with innovations that 1 GT believes create a complete picture of how companies are accelerating the transition to a low carbon economy. These include a dynamic forecast of decarbonization pathways in key industries and the reporting of the entire company's impact. We see little benefit from splitting up impact into segments based on ownership or an alternative metric as this detracts from the goal, to catalyze the transition to a lower carbon economy.

DISPLAY 1

1 GT's Impact Methodology

Impact is measured as a net figure combining the emissions from the portfolio company and the avoided emissions driven by their

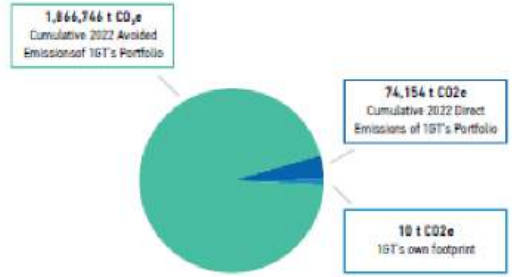


Impact Data

1 GT portfolio companies are expected to deliver CO_2 savings, in the form of avoided emissions, that far outweigh their own carbon footprint, ultimately targeting the avoidance of 1 gigaton of CO_2e across the portfolio. As a result, the total carbon savings of 1 GT's portfolio companies in 2021 was more than 25x their combined carbon footprint.

DISPLAY 2

2021 Data

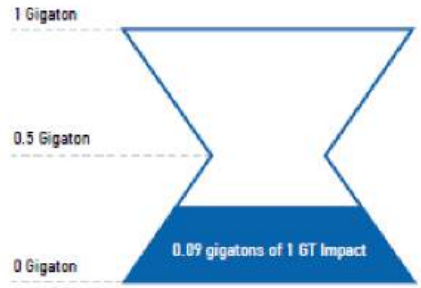


1 GT Goal

1 GT's goal is to catalyse the avoidance, or removal, of 1 Gigaton of Carbon Dioxide Equivalent between fund inception and 2050. Our impact is defined as the total cumulative impact of the companies we are working with. We work exclusively with companies who's impact will outlast our investment period as the Team believes that only be catalyzing lasting impact will we make a meaningful contribution to the climate issue. Below is a summary of our progress so far.

DISPLAY 3

1 GT's Progress Against the 1 GT Goal



Sustainable Investing

1 GT are committed to investing the right way in the right companies. While our goal is centered on the impact our companies generated, we recognize the vitality of Environmental, Social and Governance policies. While Impact is focused on the external influences a company has, ESG remains centered on the health of the company itself.

Quality ESG strategies have multiple goals. They identify and implement good management strategies, ensuring companies scale in the correct way. They also identify and act upon potential factors that may harm the environment a company is operating in. 1 GT believes that to achieve the impact a company hopes to generate, it must have ESG completely integrated into its operations.

As an Article 9 Fund under the EU SFDR regulation 1 GT is committed to maintaining the highest standard of ESG within its portfolio.

DISPLAY 4

ESG Processes are combined with Impact Measurement

Sustainable Investments

As an Article 9 product under the EU SFDR regulation, 1 GT will only work with opportunities that qualify as sustainable investments. All investments must have significant 1 GT Impact potential and an attractive ESG profile.

1GT USES 4 CRITERIA TO DEFINE AN INVESTMENT AS SUSTAINABLE, BROKEN DOWN INTO 8 KEY STEPS:

1. 100% OF INVESTMENTS CONTRIBUTE TO SUSTAINABLE OBJECTIVES

The fund is committed to catalysing *1 gigaton of emission avoidance* by targeting opportunities with significant emission reduction potential.

'1 GT Impact' is defined as net portfolio emissions; the combination of an opportunity's Scope 1 – 3 emissions and the Avoided Emissions from its product or solution.

2. ESTIMATION OF CARBON EMISSION REDUCTION POTENTIAL DURING DD

For an opportunity to be eligible for investment in 1 GT, contribution towards the fund's objective is measured by an *estimation of carbon emission avoidance* as part of investment due diligence.

Investment opportunities without potential for significant carbon impact will be rejected.

3. INCORPORATING DOUBLE MATERIALITY IN THE DUE DILIGENCE FRAMEWORK

The concept of *double materiality* is incorporated in 1 GT's investment approach, taking into account:

- The impact that ESG considerations may have on the value of a company
- The impact that a company may have on ESG considerations as a result of its operations, through the integration of Principal Adverse Impact Indicators

4. OPPORTUNITIES CATEGORIZED ACROSS A SPECTRUM OF PERCEIVED RISK

- Principal Adverse Impacts are categorized along a spectrum of perceived risk (low > medium > high)
- Against each PAI, a threshold for significant harm is set. Thresholds may be quantitative or qualitative

5. INCORPORATING INTERNATIONAL NORMS TO ENSURE A MINIMUM STANDARD OF GOVERNANCE

The Fund will not invest in companies that fail to comply with the *UN Global Compact, the ILO Fundamental Principles* or the *OECD Guidelines for Multinational Enterprises*.

This is achieved through the inclusion *supplemental governance checklist*, that will require attestations that the potential investee company complies with the aforementioned international standards.

6. STRONG GOVERNANCE PRACTICES FULLY INTEGRATED IN DUE DILIGENCE

Broader assessments of governance practices are guided by the 1 GT ESG framework.

7. CONTRACTUAL AGREEMENTS BETWEEN 1GT AND PORTFOLIO COMPANIES

If an opportunity is selected for investment, 1 GT requires a *binding legal agreement* to cooperate with the team in relation to *monitoring and engagement activities*.

Engagement activity is tailored to each investment and seeks to *drive positive change* within the company.

8. ENHANCED ENGAGEMENT PROTOCOL

If, through monitoring, it is deemed that a portfolio company may no longer qualify as sustainable due to significant harm to a Principal Adverse Impact indicator, an *enhanced engagement protocol* will be enacted.

* The positive, measurable contribution to E/S.

Climate Impact

We are not on track. Globally we emit roughly 40bn tons of CO_2 per year which indicates that emissions must be cut by 50% by 2030 to keep the Paris Agreement's 1.5 degree goal in reach[11]. Indeed, emission cuts of roughly 7.5% per year in terms of intensity and 4.2% in absolute terms are required to achieve a net zero pathway[12].

Alongside these facts are we know global warming is proportional to cumulative emissions. This means that the planet will keep heating for as long as global emissions remain more than zero. So, this is not a problem for the future, it is something we must solve today.

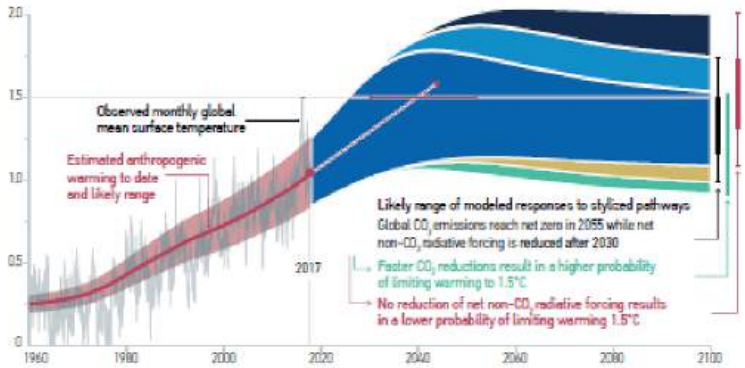
The world has recognized this. Over 130 countries, 7,000 corporates and 500 financial institutions (including Morgan Stanley) have pledged to achieve Net Zero by 2050 or earlier[13]. Fortunately, this group has the potential to solve the problem given they represent the majority of emissions. Unfortunately, many industries lack the scaled technology to do so.

As such, huge change is needed. Decarbonizing the US power grid alone will likely require $4.5trn of investment while globally this number could be as high as $110trn[14]. Similar investments are required across industry and investors should be incentivized to deliver this. 1 GT's platform hopes to be one of the many steps needed to decarbonization global systems.

DISPLAY 5

Global warming relative to 1850-1900

Measured in °C



Investment Themes

1 GT focuses on four key investment themes which offer attractive opportunities for investments by coupling the potential for compelling financial returns with maximal climate change:

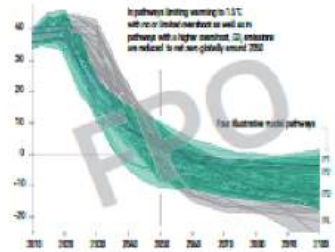
- Mobility
- Power
- Sustainable food and agriculture
- Circular economy

[11] IPCC 2018 Report.
[12] Damon Matthew et al, Commun Earth Environ, 2021.
[13] Race to Zero, United Nations Framework Convention on Climate Change
[14] World Energy Transitions Outlook 2022: 1.5C Pathway, International Renewable Energy Agency, 2022, Abu Dhabi

DISPLAY 6

Global total net CO_2 emissions

Billion tonnes of CO_2/yr



Emissions of Sectors

These sectors contribute significantly to global emissions and therefore are vital to decarbonize. Numerous players in these sectors understand the importance of cutting emissions now, seen in the form of net zero targets and climate pledges. It is these companies which 1 GT expects to work with via our portfolio investments.

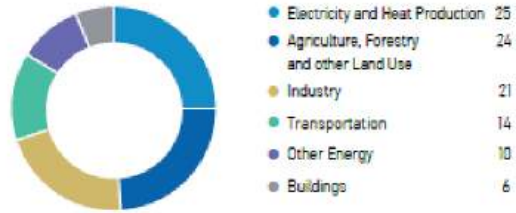
1 GT BELIEVES THE LEADING GLOBAL CORPORATES RECOGNIZE 3 SIMPLE TRUTHS

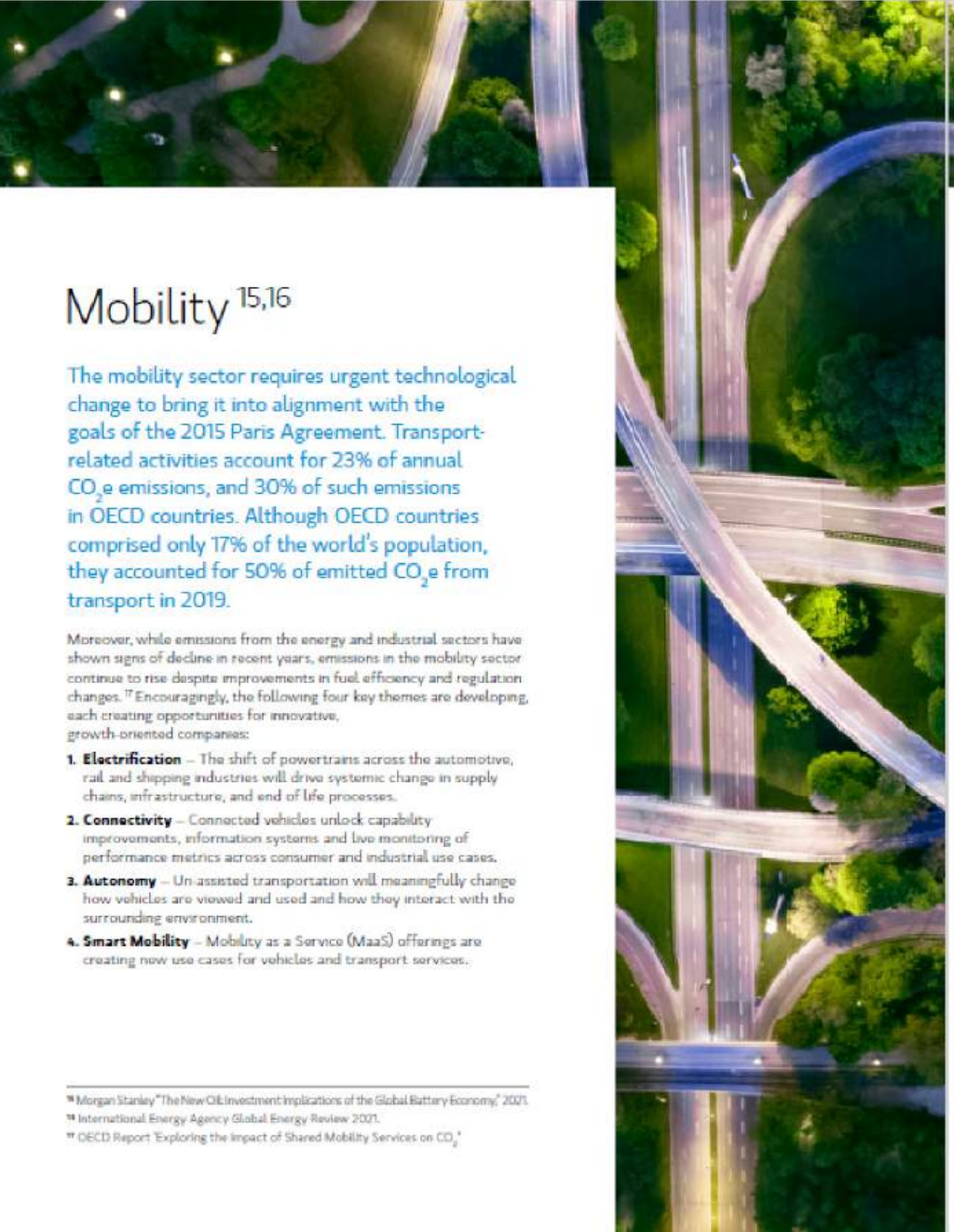
1. **Falling behind the decarbonization pathway could be fatal**
   Moving too slowly now increases the need to move faster tomorrow. Some companies might get away with this bet, but many will not. If regulation or consumer behavior demands a more rapid shift in the near future, some may find themselves unable to deliver
2. **Investing in the transition now will generate long term returns**
   Products are not made overnight. Solutions which capitalize on the need for decarbonization will not be developed at the point of need. They will have been testing and re-worked over multiple iterations so that they capture the opportunity. The companies that benefitted from the COVID transition to digital infrastructure already had products in place.
3. **Change is Coming**
   Even those denying the human impact on global warming recognize the climate is changing. Record extreme weather events, from droughts in Europe to floods in Pakistan, are impacting our daily lives. Companies that fail to recognize how this will affect them are not performing the role that shareholders expect.

DISPLAY 6

Emissions of Sectors

Measured in %





Mobility [15,16]

The mobility sector requires urgent technological change to bring it into alignment with the goals of the 2015 Paris Agreement. Transport-related activities account for 23% of annual CO_2e emissions, and 30% of such emissions in OECD countries. Although OECD countries comprised only 17% of the world's population, they accounted for 50% of emitted CO_2e from transport in 2019.

Moreover, while emissions from the energy and industrial sectors have shown signs of decline in recent years, emissions in the mobility sector continue to rise despite improvements in fuel efficiency and regulation changes. [17] Encouragingly, the following four key themes are developing, each creating opportunities for innovative, growth-oriented companies:

1. **Electrification** – The shift of powertrains across the automotive, rail and shipping industries will drive systemic change in supply chains, infrastructure, and end of life processes.
2. **Connectivity** – Connected vehicles unlock capability improvements, information systems and live monitoring of performance metrics across consumer and industrial use cases.
3. **Autonomy** – Un-assisted transportation will meaningfully change how vehicles are viewed and used and how they interact with the surrounding environment.
4. **Smart Mobility** – Mobility as a Service (MaaS) offerings are creating new use cases for vehicles and transport services.

[15] Morgan Stanley "The New Oil: Investment Implications of the Global Battery Economy," 2021.
[16] International Energy Agency Global Energy Review 2021.
[17] OECD Report 'Exploring the Impact of Shared Mobility Services on CO_2'

Power

The power sector is one of the most significant contributors to CO_2e emissions and is a major focus for policymakers in setting decarbonization targets. With underlying macro drivers such as population growth and energy usage per capita pointing to an inexorable rise in energy consumption [18], decarbonizing the power sector is an increasingly urgent priority - the sine qua non of limiting temperature increases to 1.5°C above pre-industrial levels.

While much progress has been made towards increasing the renewable energy portion of global primary energy supply, the current installed base and the near-term trajectory of capacity additions still imply significant shortfalls vs stated targets. [19] As such, opportunities abound not only to catalyze the roll-out of existing renewable energy technologies such as wind and solar, but also to spur innovation to overcome pain points and hurdles in renewable energy adoption.

[18] Electricity demand is expected to rise by 123% from 25 PWh p.a. in 2018 to 56 PWh p.a. in 2050. "Energy Transition Outlook: A Global and Regional Forecast to 2050," DNV-GL, pub. 2020
[19] Morgan Stanley Equity Research expect a 2.8 Gt reduction in CO_2 emissions from renewable energy by 2030 vs 5.7 Gt needed to limit global warming to 2oC above pre-industrial levels by 2050. "Decarbonisation: The Race to Net Zero," Morgan Stanley Equity Research, pub. Oct-2019.

Sustainable Food and Agriculture

The invention of agriculture is considered the catalyst for modern society, and humanity is amid another food and agriculture revolution that is employing various technological and biological breakthroughs to usher in a cleaner, more stable future.

As it stands today, about 770 million people go hungry with the global population projected to reach ~9 billion people by 2050.[20,21] These figures translate to a required uptick in food production by 70% or more by 2050 to feed a growing population with increasing per capita income and diet demands.[22] This requirement is difficult to achieve when considering that 38% of the world's land surface is already in use for agriculture, traditional farming practices having degraded existing soil quality and intensified global emissions, and climate change has increasingly put pressure on farm yields from temperature increases and more frequent extreme weather events.[23] The agricultural sector is responsible for roughly ~11% of CO_2e emissions in the U.S. and ~20% of global CO_2e emissions, thus offering a real opportunity for CO_2e emissions reduction.[24,25]

Given the multi-trillion-dollar size of the global food and agriculture sectors, there are opportunities for companies up and down the value chain. Innovations across a range of hardware, software, biological, and synthetic solutions in high-growth sectors like precision agriculture, sustainable agriculture, alternative foods (plant-based, fermentation, cultured meat), aquaculture, and renewable chemistry all offer opportunities for commercial and carbon abatement success.

[20] Food | United Nations.
[21] United Nations, Population Facts, December 2019.
[22] FAO - News Article: 2050: A third more mouths to feed.
[23] Land use in agriculture by the numbers | Sustainable Food and Agriculture | Food and Agriculture Organization of the United Nations (fao.org).
[24] Sources of Greenhouse Gas Emissions | US EPA.
[25] Emissions due to agriculture (fao.org).

Circular Economy

Employing circular models that reduce our consumption of natural resources has the ability to cut global CO_2e emissions by 39%.[26] Studies suggest that demand-side opportunities could reduce EU industrial CO_2e emissions by almost 300 million tons per year by 2050, or 56%.[27] If food waste was a country, it would have the equivalent CO_2e emissions as the third largest CO_2e emitting country in the world.

However, for an opportunity to organically gain traction without significant government intervention, there needs to be clear economic rationale, and this is where the circular economy makes even more sense for businesses. Reducing waste from the industrial chain by the maximum amount possible would lead to production cost savings and less resource dependence. This, in turn, results in substantial net material savings and mitigation of supply chain risks, such as the increasingly volatile commodity prices. If, instead of creating plastic through fossil-based virgin feedstock, a business was to recycle and reuse plastic that is already in global circulation, the effects from changing oil prices could be significantly reduced. Adoption of more circular solutions has the scope to create an additional $4.5 trillion of economic output by 2030.[28] Taking the consumer goods industry alone, 80% of the $3.2 trillion of materials it uses are never recovered.[29] A company that is able to extract value from the extreme amount of wasted resources would have a tangible effect on both the planet and their bottom line.

[26] Source: CGR 2021 (circularity-gap.world).
[27] Material Economics: The Circular Economy.
[28] Accenture: Waste to Wealth.
[29] Remaking the industrial economy | McKinsey

Intro to Emissions

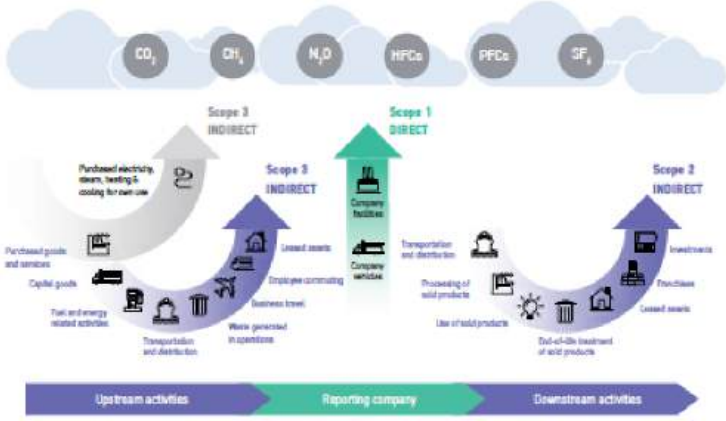
Greenhouse Gas Emissions

Any efficient climate strategy should track and report a portfolio's carbon emissions. 1 GT uses the Greenhouse Gas ("GHG") Protocol as its framework for measuring emissions from portfolio companies. The GHG Protocol provides the world's most widely used standard for accurately reporting emission activity across the 7 major greenhouse gases.

1 GT uses one emission metric, Carbon Dioxide Equivalent (CO_2e). CO_2e is a standardized metric allows investors to compare the impact of GHGs based on their Global Warming Potential (GWP). It is a weight-based metric, typically measured in tons.

1 GT follows the GHG Protocol Corporate Standard which defines emissions from companies into 3 distinct buckets:

1. **Direct Emissions** – Emissions from company owned or controlled sources. These include onsite activities, internal transportation, and internal energy output
2. **Indirect Emissions** – Emissions from purchases energy such as electricity, steam and heat/cooling. These include the emissions from producing the energy which powers the company's process.
3. **Indirect Emissions** – Emissions from the surrounding value chain of a company's product. These are both upstream and downstream and cover a range of activities which often dwarf Scope 1 and 2.



Source: GHG Protocol scopes and emissions across the value chain.

Avoided Emissions

To reach our global decarbonization goals it is vital we catalyze climate innovations and technologies. Capital is already beginning to move however, investors are lacking in a robust framework to understand its potential. Qualitative impact metrics have not proven effective enough in driving change and traditional carbon metrics treat emissions as a problem for companies to somehow solve.

IMPORTANTLY THE BUILDING BLOCKS IN CLIMATE ARE ALREADY IN PLACE. WE HAVE:

1. A measurable tangible consensus metric (CO_2).
2. A clearly understood target from the Paris Agreement.
3. Widespread acceptance of the importance of solving the climate issue.

Investors should take this base and use it to accelerate the growth of compelling opportunities in climate. 1 GT believes Avoided Emissions provides that additional viewpoint making carbon impact analysis more comprehensive. Avoided Emission analysis focuses on the impact created by companies and gives financial markets a complete picture of the climate impact of a company.

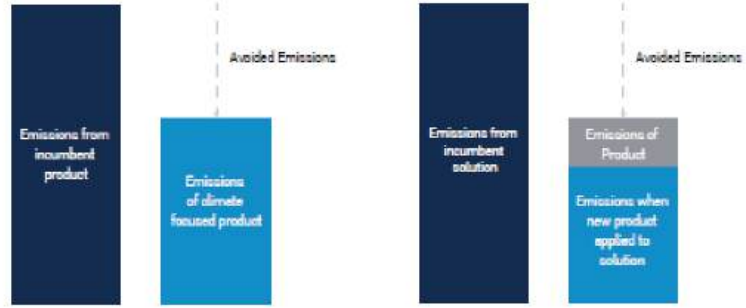
The most exciting companies in the decarbonization space are looking beyond their own emission to develop products which drive emission reductions. This means their impact far outweighs their own carbon footprint and it is these companies who can unlock Net Zero for the wider economy.

Avoided Emissions analysis requires a robust, transparent, and scalable framework to be successful. The process should be focused on understanding the company's impact and ensure that impact outlasts an investor's hold period. 1 GT sees Avoided Emissions as the next stage of carbon impact investing and hopes its framework can catalyze more capital to the businesses directly solving the climate issue.

What Are Avoided Emissions

Avoided Emissions are the emissions that don't occur when a climate efficient product replaces an incumbent. These occur outside of a products value chain as they are unlocked by the use of a product. These come in two main forms, illustrated below.

To use an example, the production and operation of a wind turbine requires numerous fossil-based inputs. These range from the raw materials to build the blades to the transportation of the component parts to the turbine site. Using only Scope 1 – 3 emissions analysis, a wind turbine has a negative environmental impact. However, the energy it produces will often directly replace fossil fuel. Therefore, every kWh generated is displacing a kWh which was created by emitting CO_2e. 1GT believes identifying and measuring this impact provides investors with a vital tool to scale those companies that will drive the green transition.



Source: Cleantech Scandinavia

Avoided emissions accounting has a long history

The GHG Protocol in the early 2000s was one of the oldest attempts to manage the avoided emissions issue. 1 GT is focused on accelerating the growth of impactful and innovative companies operating across four key themes: Mobility, Power, Agriculture and Circularity. The team believes climate impact can and should be measured works exclusively with opportunities where the CO_2 impact is tangible. We utilize our measurement methodology to target critical de-carbonization opportunities across the economy.

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To identify, measure and accelerate climate impact 1 GT has developed a methodology which considers both the emissions of portfolio companies and the climate impact of their products. Our methodology builds on existing thinking on measuring emissions with innovations that 1 GT believes create a complete picture of how companies are accelerating the transition to a low carbon economy. These include a dynamic forecast of decarbonization pathways in key industries and the reporting of the entire company's impact. We see little benefit from splitting up impact into segments based on ownership or an alternative metric as this detracts from the goal, to catalyze the transition to a lower carbon economy.

Characteristics of 1GT's Avoided Emissions Methodology

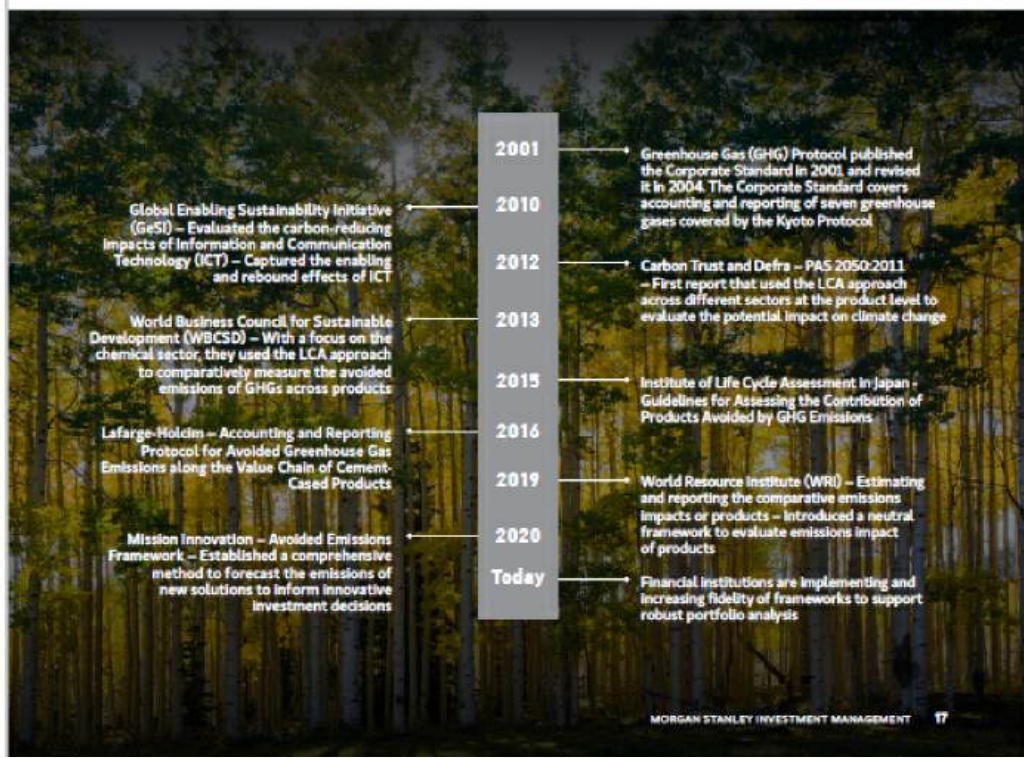
Our methodology has been guided by some key strategic choices

1. **Ensure robust emissions identification process,** including a clear materiality assessment and clear documentation.
2. **Leverage a consistent source of emission factors,** with limited updates and clear disclosure of updates.
3. **Prevent double counting within the portfolio** while accepting that double counting may occur across the market.
4. **Rebound effects are acknowledged** and understood to give a full picture.
5. **Macro factors are consistent** across the portfolio and forecasts are dynamic to capture industry decarbonisation.

Hallmarks of 1GT's Avoided Emissions Methodology

Therefore, we ensured our methodology has 3 key factors driving it

ROBUST	SCALABLE	TRANSPARENT
Ensure the Methodology provides a result that is an accurate reflection of a given technology's potential and best practise in the market	Create a foundational framework that allows for scaling across all technologies and scenarios	All stakeholders are aware of the methodology and its processes



1 GT Avoided Emissions Methodology

1. Establish the solution, baseline, and boundaries

1. Outline the technology (product or service) and solution scenario that enables avoided emissions
2. Define the business-as- usual incumbent (baseline) scenario, including how it may evolve over time
3. Define the system boundaries

2. Obtain emissions data and abatement factor

1. Obtain solution carbon emission factor data from research or existing databases and tailor to analysis needs
2. Obtain incumbent (baseline) carbon emission factor data from research or existing databases and tailor to analysis needs
3. Derive carbon abatement factor by taking the difference between solution and incumbent emission factors

3. Apply emissions conversion factors

1. Retrieve investment case yearly sales forecast data from the portfolio company or investment diligence
2. Determine intensity conversion factor, which allows for the conversion/ alignment of the carbon abatement factor with investment case volume forecasts

4. Calculate avoided emissions

1. Calculate avoided emissions by taking the product of the abatement factor from step 2 and volume outlined in step 3
2. Conduct a sensitivity analysis to consider results under different assumptions or scenarios

5. Attribute emissions across the system

1. Calculate solution attribution share based on relevance to system

Third Party Measurement

1 GT believes if impact can be measured, it can also be audited. The Team is committed to the highest level of transparency and rigor when measuring climate impact and therefore works directly with a third party CO_2 measurement specialists at every stage of the investment process.

	1 GT TEAM	CO_2E SPECIALIST
Screening	Identify opportunities with 1 GT Impact potential	
Investment Process	Build investment case which drives 1 GT Impact	Define, refine and verify 1 GT Impact forecast
Annual Reporting	Collect emissions data and company specific KPIs	Certify ongoing 1 GT Impact for annual reporting to LPs
Exit	Ensure exit maximises 1 GT Impact	Underwrite realized 1GT Impact of each deal upon exit
Fund Liquidation		Audit 1 GT's achievement of the goal

Impact Management Project [30] Five Dimensions of Impact

Impact is a change in an outcome cause by an organization. This can be positive or negative or even unintended. To measure the impact delivered, 1 GT builds on the framework created by the Impact Management Project which captures impact using 5 key dimensions

[30] Impact Management Project Principles

Portfolio Case Studies

PORTFOLIO COMPANY	LOCATION	SECTOR	REVENUE
ANUVIA	Florida, USA	Agriculture	$XX mm
INSTAVOLT	UK	Mobility	$XX mm
uplight	Colorado, USA	Power	$XX mm

ANUVIA
PLANET INSPIRED PRODUCTS

Established in 2015 Anuvia is a manufacturer of high-efficiency, bio-based fertilizers primarily for the agriculture industry. Currently, the company has operations in North America, with significant potential to expand globally.

The product utilizes repurposed organic matter to create a docking site for crop inputs, which binds with existing soil microbes to create an enhanced efficiency solution by releasing nutrients over time.

Location: Florida, USA

Sector: Agriculture

Revenue: $XXmm

Impact Theme: Sustainable Fertilizer

SDGs Impacted:

WHAT	WHO	HOW MUCH	CONTRIBUTION	RISKS
Reduces the quantity of fertilizer required per acre of crop	Society, local farmers, natural world, humanity	Meaningful CO_2 reduction in the form of traditional fertilizer not used for equal output!	Anuvia's product has unique capabilities when used which allow farmers to reduce the amount of Urea or AMS applied to fields	Increases the lifespan of fossil fuel based fertilizer Farmers may not apply Anuvia product as expected

	SCOPE 1	SCOPE 2	SCOPE 3	AVOIDED EMISSIONS	1 GT IMPACT	EMISSIONS INTENSITY
CO_2e **2022 Emissions Data**	42,857t	30,252t	514t	764,767	691,143	1,752t CO_2/m USD rev
CO_2e **1 GT Impact**	1.2 Mt	0.8 Mt	0.2 Mt	46 Mt	43 Mt	1,300t CO_2/m USD rev

DISPLAY 7

1 GT Impact Breakdown

Measured in Mt CO_2e

Impact Measurement Process

1. Establish the solution, baseline, and boundaries	The incumbent solution is traditional fertilizer in the United States being applied to corn acres. Emissions come from production of raw materials, transportation, product production and application
2. Obtain emissions data and abatement factor	Traditional fertilizers in relevant geographies produce 1,063 kg CO_2e/acre. Typically, 50kg of Anuvia's product is required per acre of corn and Anuvia expects to produce 1.05m tons annually in 2026
3. Apply emissions conversion factors	Emissions are compared on a weight of product applied basis. Meaning the carbon abatement factor is calculated in Kg CO_2e/acre by directly comparing traditional fertilizer to Anuvia's product
4. Calculate avoided emissions	Anuvia's product produces 11% less CO_2e per acre than the incumbent. We multiply this reduction by the total acres forecast in the investment case to produce cumulative avoided emissions
5. Attribute emissions across the system	Anuvia's product is a 1 for 1 replacement of the incumbent meaning it claims 100% of the avoided emissions

ESG KPIS		KEY IMPACT INDICATORS	
% of Women Employed	12%	Waste Re-Used	15,000 t
% of Women in Management	18%	Factory sites revived	2
% of Women on Board	20%		
New Jobs Created Since Investment	50		

INSTAVOLT

Established in 2016 InstaVolt owns and operates open-access rapid electric vehicle (EV) charging stations.

The company had a first-mover advantage in rapid charging with a differentiated and premium offering in prime locations.

The team were excited by a highly capable & ambitious management team with prior experience growing and successfully exiting a leading renewable energy company in the UK.

Location: UK

Sector: Mobility

Revenue: $XXmm

Impact Theme: Vehicle Electrification

SDGs Impacted:

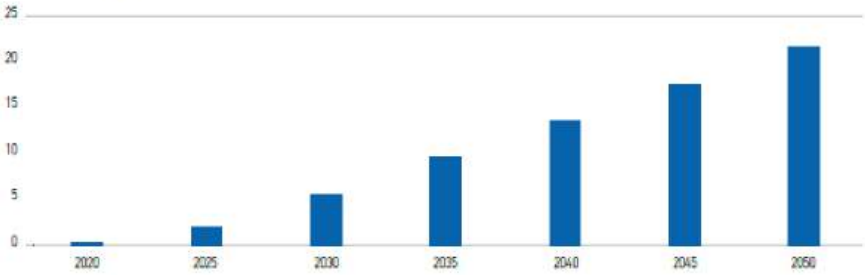
WHAT	WHO	HOW MUCH	CONTRIBUTION	RISKS
Increased Usage of EVs in the UK	Society and humanity	Meaningful net CO_2 reduction in the form of avoided emissions	50% of consumers identify Lack of charging infrastructure as the key reason for not purchasing an EV	EV supply chains are themselves polluting and recycling is required to generate full impact

	SCOPE 1	SCOPE 2	SCOPE 3	AVOIDED EMISSIONS	1 GT IMPACT	EMISSIONS INTENSITY
CO_2e **2022 Emissions Data**	10t	14t	500t	127,260	126,736	227t CO_2/m USD rev
CO_2e **1 GT Impact**	230t	420t	13,336t	23,022,962	23,020,976	150t CO_2/m USD rev

DISPLAY 8

1 GT Impact Breakdown

Measured in Mt CO_2e



Impact Measurement Process

1. Establish the solution, baseline, and boundaries	The incumbent is Internal Combustion Engine Class D vehicles (ICE) driven the average amount by consumers. The company operates in the UK and life cycle emission of vehicles are considered
2. Obtain emissions data and abatement factor	EV vehicles emit 200g less CO_2e per Km driven in 2022 given fuel usage and component emissions of ICE vehicles. The difference is adapted throughout the forecast to account for technological improvements
3. Apply emissions conversion factors	Comparison is made on a per km driven basis between ICE vehicles and average Electric Vehicles (EV) technology. Number of vehicles impacted is a result of InstaVolt charger location and capacity
4. Calculate avoided emissions	InstaVolt charger locations and potential charge offered is converted into miles charged to drive the impact of a per mile driven basis
5. Attribute emissions across the system	50% of the avoided emissions which occur due to EVs replacing ICE vehicles are a result of the charging network. The rest of the impact is allocated between Batteries, Manufacturers, Motor and a reserve

ESG KPIS		KEY IMPACT INDICATORS	
% of Women Employed	10%	Waste Re-Used	13t
% of Women in Management	15%	Miles Enabled	654m
% of Women on Board	0%	Renewable Enery Used	100%
New Jobs Created Since Investment	50	Sites Accessed	1,100

uplight

Established in 2004 the company provides a customer engagement and energy demand response software for utilities, enabling an efficient use of the energy grid.

The company's dynamic proprietary data set allows for better performance and more targeted analytical capabilities.

Numerous tailwinds drive growth including energy conscious consumers, increasing energy efficiency regulation and use of smart home devices.

Location: Colorado, US

Sector: Power

Revenue: $XXmm

Impact Theme: Energy Efficiency

SDGs Impacted:

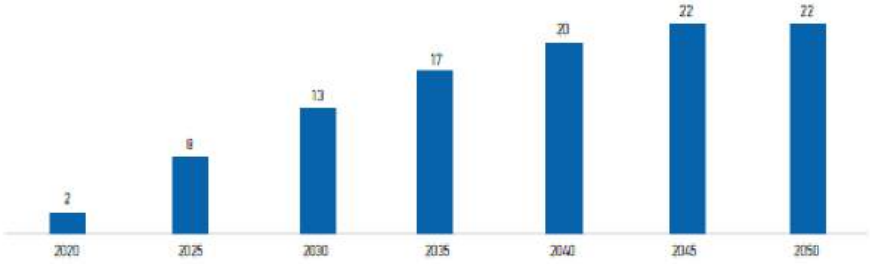
WHAT	WHO	HOW MUCH	CONTRIBUTION	RISKS
Decrease energy demands for households	Society, local municipalities, and humanity	Meaningful CO_2 reduction in the form of avoided emissions via lower fossil fuel usage	Uplight directly reduces energy consumption in homes by a measurable amount	Increases the lifespan of fossil fuel-based energy sources Households offset positive impact with less care elsewhere

	SCOPE 1	SCOPE 2	SCOPE 3	AVOIDED EMISSIONS	1 GT IMPACT	EMISSIONS INTENSITY
CO_2e **2022 Emissions Data**	0t	2t	4t	971,719t	971,713t	N/A
CO_2e **1 GT Impact**	10t	50t	120t	22,428,642	22,428,372	N/A

DISPLAY 9

1 GT Impact Breakdown

Measured in Mt CO_2e



Impact Measurement Process

1. Establish the solution, baseline, and boundaries	The incumbent is household energy usage without an energy efficiency software applied. The relevant baseline is therefore households who are using Uplight's platform in specific geographies
2. Obtain emissions data and abatement factor	Uplight measures the amount of energy saved, in kWh, across its portfolio. The abatement factor is derived from the grid factor (kg CO_2 per kWh) in relevant states in the US
3. Apply emissions conversion factors	No conversion is required as energy can be directly converted into CO_2 avoided from reduced fossil fuel requirements
4. Calculate avoided emissions	Avoided emissions are calculated as the energy not required to provide the same output (e.g. heating) to households
5. Attribute emissions across the system	Uplight takes 100% of the avoided emissions given its software is directly reducing the energy requirement

ESG KPIS		KEY IMPACT INDICATORS	
% of Women Employed	48%	Clean Energy Saved	3,130
% of Women in Management	38%	Regions Covered	14
% of Women on Board	14%		
New Jobs Created Since Investment	214		

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