

## Entity Level Website Disclosure

### Sustainability related disclosures

As the impacts of climate change are increasingly being felt across the globe, there is renewed urgency in transitioning to a low-carbon and sustainable economy. The European Union ("EU") has developed initiatives with the aim of redirecting capital towards sustainable businesses. One of its key initiatives being the Sustainable Finance Disclosure Regulation ("SFDR"), which aims to create a robust framework for ensuring transparency around Environmental, Social and Governance ("ESG") claims made by financial market participants.

Frontier Renewables Capital SGEIC, S.A. ("FRC") incorporates ESG factors throughout its entire investment, asset management and divestment process. The company's sustainable investment objectives are particularly focused on substantial climate change mitigation by accelerating the transition to renewable energy sources. Our ESG due diligence framework allows us to identify and prioritize any principal adverse impacts on sustainability factors and assess sustainability risks throughout our entire investment cycle.

Frontier believes that this strategy is critical to providing attractive sustainable risk-adjusted returns for its investors.

This document is the entity level disclosure for FRC prepared in accordance with the requirements in the European Union's SFDR ((EU) 2019/2088) and the regulatory technical standard ((EU) 2022/1288).

It includes the disclosures in accordance with:

Article 3: Transparency of sustainability risk policies

Article 5: Transparency of remuneration policies in relation to the integration of sustainability risks

Article 4: Transparency of adverse sustainability impacts at entity level

Link to Regulation (EU) 2019/2088: <https://eur-lex.europa.eu/eli/reg/2019/2088/oj>

### Sustainability risk integration in the investment decision-making process (Article 3)

FRC is committed to the integration of sustainability risks into our decision-making process. The company has developed an ESG Policy and ESG due diligence framework to identify and prioritize any possible adverse impacts to sustainability factors and assess possible sustainability risks on its returns.

### Integration of sustainability risks in remuneration (Article 5)

FRCs remuneration policy is designed to align the long-term interests of FRC and its funds under management with the goals of its employees. These are considered when hiring, evaluating, and promoting employees.

## Statement on principal adverse impacts of investment decisions on sustainability factors (Article 4)

**Financial market participant** Frontier Renewables Capital SGEIC, S.A.

### Summary

Frontier Renewables Capital SGEIC, S.A. ("FRC") considers principal adverse impacts ("PAI") of its investment decisions on sustainability factors in all of its investments by Frontier Renewables European Fund I ("FREF I") and any subsequent fund under its management. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of Frontier Renewables Capital SGEIC, S.A.

This statement on principal adverse impacts on sustainability factors covers the reference period from 26 August 2022.

Frontier Renewables Capital SGEIC, S.A. ("FRC") considera las principales incidencias adversas ("PAI") de sus decisiones de inversión en los factores de sostenibilidad en todas sus inversiones por parte de Frontier Renewables European Fund I ("FREF I") y cualquier fondo posterior bajo su gestión. La presente declaración es la declaración consolidada sobre los principales impactos adversos en los factores de sostenibilidad de Frontier Renewables Capital SGEIC, S.A.

Esta declaración sobre las principales incidencias adversas en los factores de sostenibilidad cubre el período de referencia desde el 26 de agosto de 2022.

Frontier Renewables Capital SGEIC, S.A. ("FRC") berücksichtigt bei allen Investitionen des Frontier Renewables European Fund I ("FREF I") und aller nachfolgenden Fonds unter seiner Verwaltung die wesentlichen nachteiligen Auswirkungen ("PAI") seiner Anlageentscheidungen auf Nachhaltigkeitsfaktoren. Die vorliegende Erklärung ist die konsolidierte Erklärung zu den wesentlichen nachteiligen Auswirkungen auf Nachhaltigkeitsfaktoren von Frontier Renewables Capital SGEIC, S.A.

Diese Stellungnahme zu den wesentlichen nachteiligen Auswirkungen auf Nachhaltigkeitsfaktoren bezieht sich auf den Bezugszeitraum ab dem 26. August 2022.

### Description of policies to identify and prioritise principal adverse impacts on sustainability factors

FRC conducts ESG due diligence based on its ESG Policy (approved by FRC board of directors on 26 August 2022) and related ESG Due Diligence framework in all investments by the funds under its management. The purpose of this is to ensure that all relevant and material ESG risks and Principle Adverse Impacts ("PAI") on sustainability factors are identified, prioritized, and mitigated.

ESG due diligence is conducted by the investment team in co-operation with external expertise where required. The ESG due diligence process ensures that relevant and material ESG risks are identified, their impacts are analysed, and the risks are treated or mitigated where required. The results of the ESG due diligence are presented to FRC's management or the respective Investment Committee prior to investments. These metrics are regularly tracked and will be included in annual ESG reports.

FRC commits to report on following 18 PAI metrics (as presented in Annex I to the Commission Delegated Regulation (EU) 2022/1288):

Table 1: The 14 mandatory indicators applicable to investments in investee companies.

Table 2: #13. Non-recycled waste ratio, and #14. Natural species and protected areas.

Table 3: #2. Rate of accidents, and #3. Number of days lost to injuries, accidents, fatalities, or illness.

Data is delivered directly from the assets, consequently data sources are the assets themselves. Data is approved and checked by a representative or similar from the asset or a relevant contractor. FRC will either use an external advisor with specific knowledge on this type of data to ensure that data processing and calculations follow international standards or an internal subject matter expert, in which case the management of FRC is responsible for ensuring the quality of the data.

Investments can be made in the development stages of a renewable energy project. For these investments, there will be limitations to the data. In the beginning of the ownership period, data required to report on PAI may not be relevant.

FRC will seek to report on these limitations in a transparent manner for FREF I. The methodology and the underlying asset's part of the calculations will be stated clearly to increase transparency.

As the investments will mature, the limitations will diminish.

Table 1 of Annex I will be updated accordingly following the first reporting cycle with operating assets.

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**Engagement policies**

FRC will take a majority stake in investments, which consequently means that FRC will take an active role in the ownership and management of the investments. We are committed to ensure integration of sustainability factors and risks in the development and management of renewable energy projects. This may include PAIs, if FRC does not identify improvement on material PAIs over more than one period reported on.

**References to international standards**

All investments are expected to be aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

FRC is a signatory of UN Principles of Responsible Investment (UN PRI) and is committed to the advancement of responsible investment behaviour by signatories.

Annual reporting by the funds under FRCs management on principal adverse impact metrics and the sustainability indicators ensures monitoring its attainment of sustainable investment objectives. An external advisor or internal subject matter expert with an appropriate governance structure established ensures that methodologies, data sources, and data quality live up to international standards.

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FRC does not currently use a forward-looking climate scenario but invests in companies that accelerates the transition to renewable energy sources. FRC does not find climate scenarios irrelevant and could in the future explore opportunities to include forward-looking climate scenarios.

Table 1 of Annex I will be updated accordingly following the first reporting cycle with operating assets.

**Historical comparison**

As this is the first-time publishing, there will be no historical comparison.