

# Net Zero policy

## Context

Climate change is a global issue affecting all elements of society and the biosphere, threatening the ability of future generations to meet their own needs.

The 2015 Paris Agreement aims to reduce global greenhouse gas emissions in an effort to limit the global temperature increase to well below 2° Celsius from pre-industrial levels requiring a global net greenhouse gas emissions decline from ca. 50 Gt to zero by 2050. In parallel, the United Nations' 2030 Agenda for Sustainable Development formed in 2015 placed climate action, Goal 13 of the Sustainable Development Goals (SDGs), as a global priority.

As a leading sustainability-focused asset manager, and a proud signatory of the UN Principles for Responsible Investment (UN PRI) since 2012, taking an active role in achieving net zero and committing to TCFD is an economic imperative for us.

While Ambienta, a certified B Corp since 2019, had already committed to Net Zero by 2030, as part of the most ambitious climate action movement called Climate Emergency Declaration COP 25, the firm adopts this policy to set long-term objectives with respect to its carbon reduction and compensation efforts.

This policy describes Ambienta's Net Zero Plan, which outlines the firm's approach and guidelines to achieve and maintain net zero emissions and become net positive in the near future.

Ambienta's Net Zero Plan sets ambitions and targets with respect to creating a truly positive contribution to global emission reduction efforts. It expands at firm level the activities implemented at portfolio company level within its private equity division. For instance, since 2019 the firm requires its portfolio companies to run a third-party carbon footprint analysis and develop a dedicated carbon strategy to reduce emissions related to their operations.

## Purpose

Climate change is one of the key issues facing investors, as it poses significant risks to investment performance and long-term social and economic stability. Through this policy, Ambienta adopts a proactive approach to contribute to the United Nations' 2030 Agenda objectives to address climate change.

The purpose of this policy is to outline Ambienta's commitment to achieve net zero status and become net positive before 2030. Further, Ambienta commits to monitor and address any future incremental emissions that will arise from expansion of reach and operations.

## Scope

The policy applies to all full-time and part-time employees of Ambienta across all its offices.

The scope relies on the results of Ambienta's third-party carbon footprint analysis performed by specialist consultant South Pole, which sets the boundaries of the footprint in line with its Climate Neutral Label. Ambienta assessed the firm's entire carbon footprint for Scope 1, 2 and 3 emissions:

- Scope 1 emissions derive from heat generation, fuelling of company's vehicles and fugitive emissions;
- Scope 2 emissions occur from the consumption of electricity, heat, steam, or cooling;
- Scope 3 emissions derive from purchased goods, waste, business travel, employee commuting.

The Net Zero Plan describes the firm's targets and actions to reduce energy consumption to the extent possible, starting from the two main sources of emissions identified in the carbon footprint analysis: a) business travel; b) office footprint.

## Net Zero Plan

Ambienta's Net Zero Plan aligns with the firm's core sustainability mission and ambitions with respect to climate change mitigation. The plan rests on four main pillars: 1) decarbonisation of company's operations; 2) a forest conservation project; 3) an afforestation initiative; 4) guidelines for promoting climate consciousness among stakeholders.

Ambienta commits to calculate its carbon footprint annually and take action to fulfil this policy accordingly.

### 1) Decarbonisation of company's operations

Ambienta commits to implement and monitor a number of carbon reduction activities to tackle the two main emission sources identified in the carbon footprint analysis including, by way of example, the following:

- a) business travel
  - increase use of videoconferencing and teleconferencing to reduce business travel;

- minimise the frequency of air and ground travel through adequate planning and scheduling of meeting and events;
- increase use of alternative transportation methods such as rail as opposed to air travel /private car trips when appropriate;
- work with external travel agents to ensure they select hybrid/electric cars and direct flights wherever possible, as well as favour airlines that are committed to net zero emissions (e.g. Easyjet);
- progressively promote adoption of low emissions vehicles (i.e. Hybrid and electric) as company's cars;
- provide financial incentives to employees commuting to work by means of public transportation;
- create a Home Working policy and provide adequate training to all employees.

b) office footprint

- switch to renewable energy across all offices;
- replace incandescent light bulbs with LED lights;
- purchase office equipment and appliances (e.g. photocopiers) that are Energy Star rated. Replace all non-energy star appliances wherever practicable;
- continue sourcing 100% recycled and Energy Star certified paper and set all printers and copiers to default 2-sided printing to reduce paper usage;
- purchase commonly used items (pens, pencils, paper clips, erasers, etc.) in bulk to reduce the amount of packaging waste;
- eliminate single-use plastics by installing water filtration systems and provide reusable water bottles to each employee;
- conserve natural resources by reusing or recycling materials and by extending the life of equipment through preventative maintenance scheduling and reworking used equipment;
- introduce organic waste bins to increase the amount of waste recycled;
- provide waste management training to cleaning service team on the correct disposal of waste;
- improve working relationships with landlords to ensure they embrace the Net Zero scheme and help drive further energy efficiency practices.

## 2) Forest conservation

In June 2020 and before the approval of this policy, Ambienta had already invested in a conservation project in Zimbabwe called Kariba REDD+, one of the world's largest verified initiatives aimed at preserving vulnerable species and preventing deforestation.

## 3) Afforestation initiative

Ambienta commits to exceed Climate Neutral label requirements and, to fulfil this objective, the firm will invest in an afforestation initiative in Kenya; a unique project that enables to support reforestation and replenish depleted areas while providing local communities with alternative income solutions deriving from agricultural activities. This project is truly incremental in terms of forestry assets and carbon removal thanks to the ability of newly planted trees to absorb CO<sub>2</sub> emissions that are driving global heating.

## 4) Guidelines for promoting climate consciousness among stakeholders

As a leading sustainability focused investor, and a proud signatory of the UN Principles for Responsible Investment (UN PRI), being an environmentally sustainable organisation is a key priority for Ambienta. In this context, the Net Zero Plan includes guidelines for promoting climate awareness and action among all stakeholders of Ambienta, including employees, consultants, contractors, and investors.

Examples of guidelines shared across Ambienta's network include, but are not limited to, the following:

- favour bike, walk, or public transportation alternatives to get to and from work when possible;
- evaluate the necessity of every business trip planned and consider alternatives to travel where possible;
- rent hybrid/electric cars when possible (1/4 of vehicles of "Drive Now", most popular car sharing scheme, are electric);
- conserve energy within the office by switching off lights and electronic equipment around the office during off-hours;
- only print when necessary and use both sides of the paper when making photocopies.

## **Policy Revision**

This policy may be revised from time to time at the discretion of Ambienta's Sustainability & Strategy (S&S) team. All changes will be appropriately communicated by the S&S team to the Board of Directors.

## **Queries**

Should you have any questions regarding this policy, or the supporting principles, please contact:

[info@ambienta.com](mailto:info@ambienta.com)

## **Roles and Responsibilities**

The Chief Executive Officer is the main board director with primary responsibility for overseeing the implementation of this policy.

The Head of Sustainability & Strategy is ultimately responsible for the implementation of the Net Zero Plan described in this policy, and for monitoring progress and achievements on a regular basis.

Sustainability, however, is the responsibility of all of us, at every level within our organisation.

The Board of Ambienta has approved this policy and has delegated responsibility for its oversight to Nino Tronchetti Provera.

Approved:

Milan, 26th March 2021

