

Reed SHIFT SLP – Summary for Product website disclosure

Summary

Reed SHIFT SLP ensures no significant harm by excluding harmful activities and conducting comprehensive environmental and social due diligence. It invests 90% of its net assets in sustainable investments that contribute positively to environmental objectives and follow good governance. The fund focuses on energy, waste, and water sectors, promoting a low-carbon, circular economy. Sustainability performance is monitored quarterly, and sustainability-linked incentives align team objectives. Investments are assessed using a proprietary SROI framework, with data sourced from investees and third-party experts. Due diligence is conducted externally, and active engagement with portfolio companies enhances impact. Benchmarks and baselines ensure investments achieve maximum environmental and social benefits.

1. No significant harm to the sustainable investment objective

Reed SHIFT SLP ensures no significant harm to the objective occurs through 1) a comprehensive exclusion list of activities that we deem as doing significant harm (ESG Policy Appendix B) 2) a check of all potential investments for significant harm on environmental or social objectives and for good governance practices, notably on (i.) the Principle Adverse Impacts (PAI) as defined in Table 1 of Annex I of Regulation EU 2022/1288, (ii.) alignment with international codes (e.g., OECD Guidelines, UN Guiding Principles on Business & Human Rights) as well as (iii.) any other material sustainability topics or controversies identified in the due diligence phase. The performance on those aspects is also monitored over the holding period.

2. Sustainable investment objectives of the financial product

Reed SHIFT SLP will invest 90% of its assets in sustainable investments as defined by Reed Management SAS, i.e. investments in that can demonstrate 1) a positive contribution to an environmental objective measured by a positive social return on investment (“SROI”) as detailed below, provided that 2) these investments do not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

3. Investment strategy

Reed SHIFT SLP aims to support and accelerate the sustainable transformation of the energy (incl. mobility and digital economy), waste and water sectors. By facilitating investments in the transition into a more low-carbon, inclusive and circular economy, it contributes to the “shift” of the markets where Reed SHIFT SLP is active. The fund offers an innovative response to the challenges of the transition, to unlock long-term financing for infrastructure projects and long-dated assets, coupled with enabling technologies to optimise their scale and efficiency. By channelling financial capital to these enabling projects, Reed SHIFT SLP strives to create positive impact through enhancing the provision of more sustainable essential and affordable services.

All portfolio companies are required to adhere to our ESG Charter which sets out our expectations on maximizing positive contributions and mitigating negative impacts on material sustainability topics, including good governance, employee relations, remuneration and tax compliance.

4. Proportion of investments

Reed SHIFT SLP will achieve 90% of sustainable investments, by investing 100% of its net assets in portfolio companies, and allowing a 10% allowance for cash or cash equivalent.

5. Monitoring of the sustainable investment objective

Reed SHIFT SLP team is responsible for implementing the sustainability strategy along the investment lifecycle, ensuring that the investment decision-making always identifies and addresses material sustainability issues, and meets the sustainable investment definition. The process is carried out with the support of a suite of guiding materials and tools from peer-reviewed sources and external subject matter experts when applicable. The remuneration of Reed Management team will be linked to

sustainability performance and management of our portfolio, with the CEO and CIO accountable for sustainability in investment committees.

Reed SHIFT SLP has a comprehensive step-by-step process along the investment cycle:

- **Pre-screening and due diligence:** we do not invest in activities that we deem as doing significant harm, as listed in our exclusion list (ESG Policy Appendix B). For opportunities fitting our investment strategy, we conduct a comprehensive sustainability due diligence that considers (i.) the Principle Adverse Impacts (PAI), (ii.) alignment with international codes (e.g., OECD Guidelines, UN Guiding Principles on Business & Human Rights) as well as (iii.) any other material ESG controversies.
- **Investment decision:** Reed Management's investment team assesses both the potential for positive contribution to society and ESG risks to guide the final investment decision. All portfolio companies are required to adhere to our ESG Charter which sets out our expectations on maximizing positive contributions and mitigating negative impacts on material sustainability topics.
- **Holding period:** Sustainability performance of our assets will be measured quarterly with a collection of KPIs on various impact dimensions. The data will feed into the SROI computation which will steer our evaluation and active stewardship of the investment.

6. Methodologies

Reed Management has chosen to build a unique evaluation framework to robustly assess the contribution to society of each investment, by evaluating the value created on Environmental and Social (E&S) objectives compared to the baseline they replace, and thus ensuring our sustainable investment goal is met. Our proprietary methodology is designed based on the concept of SROI, that synthesizes diverse E&S impact dimensions into a single, quantifiable impact KPI that allows effective comparison of the potential investment's impact versus other technologies/solutions. It is complemented by an ESG assessment and monitoring throughout the investment cycle.

7. Data sources and processing

A data collection system is in place to ensure complete coverage of all material sustainability topics during our analysis across the investment cycle. A complete yet concise list of indicators supports the analysis by generating actionable insights leading us to making better informed decisions. Information will be gathered through a combination of questionnaires and interviews, involving third-party experts as necessary. Data are provided by investee companies and independent advisors or engineering firms (e.g. for emission factors). When not available, they can be assessed by Reed Management on the basis of transparent and auditable methodologies as explained below. Reed Management expects however that such data will represent less than 50% of the overall data used to compute its sustainability assessment.

8. Limitations to methodologies and data:

Reed Management has developed its SROI methodological framework for use on our investee companies. We are refining our methodology to measure and attribute the impacts of investee companies that indirectly achieve the transition (enablers - e.g. charging infra. to enable EV rollout). Limitation around data availability are worked on in two ways 1) by expanding and improving our data sets by working with investee companies, industry experts, local regulators, etc. for activity and context-related data and 2) by ensuring we rely on robust and maintained databases for impact factors. This will help us develop a sustainability action plan for each investee company to constantly improve its SROI performance and achieve sustainable investment objectives. Some metrics may be recalibrated in future reports to align with the most recent updates to our methodology.

9. Due diligence

The sustainability and ESG due diligence described above is conducted by Reed Management with the support of external parties.

10. Engagement policies

Leveraging its active shareholding position, Reed SHIFT SLP will work closely with the management of portfolio companies, to agree upon an action plan to maximise the positive contribution to society, and thus sustainable investment potential, while mitigating identified negative externalities of the activity.

11. Attainment of the sustainable investment objective

The baseline defined in the methodology serves as a benchmark to compare the investments against other solutions to ensure it invests in the best available technologies and maximizes positive environmental and social impact. This benchmark is defined on a case by case basis per investment.