



Transparency of the promotion of environmental or social characteristics and of sustainable investments

This document includes information relating to environmental and social characteristics of financial products and information relating to sustainable investments, in accordance with article 8 of the Sustainable Finance Disclosure Regulation (SFDR)¹.

Product name: First Global Alternative Energy S.à r.l.

RCS Number: B253224

SFDR Classification: Article 8 Fund

ESG Naming Compliance: Compliant with ESMA Guidelines 34-1592494965-657

Summary

This fund promotes certain environmental and/or social characteristics in accordance with Article 8 of the Sustainable Finance Disclosure Regulation (the “SFDR”) but does not have as its objective sustainable investment.

The Fund does not have as its objective sustainable investment but commits to a minimum proportion of such investments. Specific sustainability metrics will be used to measure the attainment of the environmental and/or social characteristics of the fund in accordance with the methodologies described below.

The fund's asset distribution is shown in a chart that details the expected percentage of investments aligned with the environmental and/or social characteristics of the fund and the commitment to sustainable investments.

Internal and external data sources and data providers are used to ensure that the fund is invested in accordance with the environmental and/or social characteristics promoted. Data obtained from outside sources can be enhanced by internal research and analysis. We seek to reduce limitations on data sources by using strong due diligence practices regarding external data providers, and manual verification steps.

¹Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

B. Does this financial product have a sustainable investment objective?

Product name: First Global Alternative Energy S.à r.l. RCS Number: B253224	
Does this financial product have a sustainable investment objective?	
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ____% <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It will make a minimum of sustainable investments with a social objective : ____%	<input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investments <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments

This fund promotes environmental or social (“E/S”) characteristics but does not have as its objective sustainable investment. The fund will not have a commitment to a minimum proportion of sustainable investment, as illustrated above.

C. Environmental or social characteristics of the financial product

Environmental or social characteristics of the financial product

The E/S characteristics promoted can be environmental and/or social and include the following features:

Sector- and value-based exclusions: The fund promotes E/S characteristics by excluding companies that are deemed to be inappropriate based on their business activities or corporate behavior.

Paris-Aligned Fossil Fuel Policy: The fund promotes E/S characteristics by refraining from investing in companies that have significant exposure to fossil fuels unless they have a credible transition strategy.

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

D. Investment strategy

What investment strategy does this financial product follow?

The overall Investment Objectives of the Fund are to generate long-term risk-adjusted gains and returns for its Partners comprising a portfolio of directly or indirectly held complete or partial holdings in companies in the Energy, Energy Servicing, and Ancillary Support industry, with a focus on but not limited to Renewable Energy Businesses.

The strategy applies sector and value-based exclusions, and the fund does not invest in companies that are on the Fund's exclusion list based on their business activities or conduct following the principles for responsible investment.

Exposure to companies involved in fossil fuel related activities is restricted through the Fund's Policy. As part of the investment process, companies are screened to ensure that they follow good governance practices. Exclusions Companies that are materially involved in the activities below are excluded from the investment universe of the fund.

Companies' involvement is measured as the proportion of revenues deriving from the excluded activities. Different thresholds apply for determining the level of involvement that will result in an exclusion of a company from the investment universe.

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The list shows an aggregation of exclusions that result from the Fund's general policy and the additional exclusions that are added to the specific investment strategy.

- Pornography
- Alcohol
- Conventional weapons
- Coal
- Gambling
- Gas
- Nuclear weapons
- Oil
- Arctic drilling and oil sand
- Tobacco
- Controversial weapon

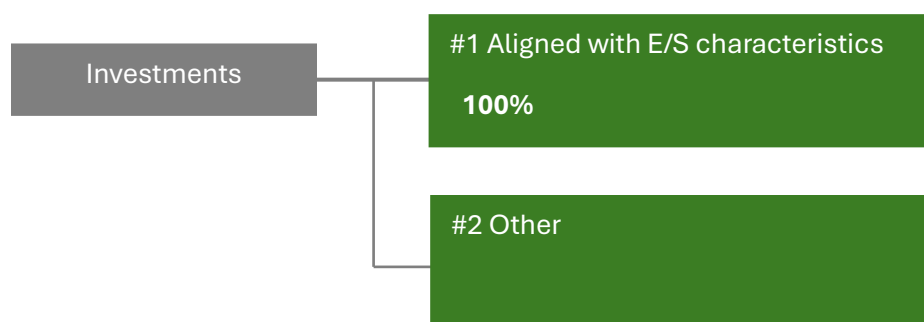
Description of the policy to assess good governance practices of the investee companies

Good governance practices of investee companies are addressed in various layers of the investment selection process. Companies are screened for good governance by assessing, among other elements, their employee relations, pay practices, management structures and tax compliance. The main objective is to ensure that investee companies operate in a manner that aligns with best practices, ethical norms and contributes to long-term value creation.

E. Proportion of investments

What is the asset allocation planned for this financial product?

The fund commits to a minimum proportion of investments as illustrated below. Where no percentage proportion or 0% is displayed, such investments may be relevant for the strategy, but the fund is not committed to always holding a specific proportion, and the proportion of such investments may be as low as 0% at the investment manager's discretion.



#1 Aligned with E/S characteristics: includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other: includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU Criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that consider the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not consider the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund does not commit to making a minimum portion of sustainable investments with an environmental objective aligned with the EU Taxonomy.

Does this financial product consider principal adverse impacts on sustainability factors

☐ Yes

☒ No, although the Fund consider sustainability factors as part of their investment processes, there is currently limited and inconsistent reporting of the indicators for principal adverse impacts (as outlined in SFDR) due to limitations in obtaining reliable and comprehensive data on sustainability impacts. The fund’s investment strategy currently prioritizes other aspects of ESG integration, and the Portfolio Managers of the Fund will keep their position on principal adverse impacts under review on an annual basis.

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Does the financial product invest in fossil gas and/ or nuclear energy related activities that comply with the EU Taxonomy?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

☒ No

2 Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

What is the minimum share of investments in transitional and enabling activities?

As the Fund does not commit to investing in any sustainable investment within the meaning of the EU Taxonomy, the minimum share of investments in transitional and enabling activities within the meaning of the EU Taxonomy is therefore also set at 0%.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund promotes environmental and social characteristics but does not commit to making any sustainable investments. Therefore, the Fund does not commit to a minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

F. Monitoring of environmental or social characteristics

Description of how the environmental or social characteristics promoted by the financial product and the sustainability indicators used to measure the attainment of each of those environmental or social characteristics promoted by the financial product are monitored throughout the lifecycle of the financial product and the related internal or external control mechanisms.

The following sustainability indicators are used to measure the attainment of the E/S characteristics of the fund:

- **% of investments, aligned with the E/S characteristics, that do not comply with sector and value-based exclusions:** Measures the proportion of the E/S aligned investments in % of the fund's total investments that are in breach of the sector and value-based exclusions that apply to the investment strategy.
- **% of investments, aligned with the E/S characteristics, that do not comply with Paris-Aligned Fossil Fuel Policy:** Measures the proportion of the E/S aligned investments in % of the fund's total investments that do not comply with Paris-Aligned Fossil Fuel Policy.

Investments by the Fund will be periodically monitored on an on-going basis for ESG violations and real-time risks by leveraging third party big data capabilities as well as a monitoring questionnaire sent to investee companies on an annual basis to collect data about ESG matters whether there are material changes to their ESG practices or policies or if there are ESG risk events that occur at the investee level.

G. Methodologies

Description of the methodologies used to measure how the social or environmental characteristics promoted by the financial product are met.

The methodologies that apply to measure how environmental and social characteristics promoted by the fund are as follows:

Sector and value-based exclusions

Exclusions aim at limiting investment exposure to certain sectors or activities that may be damaging for the environment and/or society at large. Sector screenings assess a company's involvement in a specific activity measured by the revenue derived from this activity. Sector exclusions are the result of screenings based on the data and methodology of our selected data vendors.

Paris-Aligned Fossil Fuel Policy

The Fund's Paris-Aligned Fossil Fuel Policy ("PAFF"), will be developed with the Paris agreement in mind. The Paris agreement is a legally binding international treaty on climate change. Its goal is to limit global warming, preferably to 1.5 degrees Celsius, compared to pre-industrial levels. The Fund's PAFF Policy will set thresholds for companies' exposure to fossil fuel production, distribution and services, which will be implemented and monitored as specific exclusions in our limit system. However, investments may be allowed in companies that help accelerate the transition to clean energy and phase out of fossil fuel.

H. Data sources and processing

a. What are the data sources used to attain each of the environmental or social characteristics promoted by the financial product?

The Fund uses a range of different internal and external data sources. ESG data inputs are derived from multiple datasets including international financial organizations, external vendors, company direct disclosures (e.g., sustainability reports, annual reports, regulatory filings, and company websites), company indirect disclosures (e.g., government agency published data, industry and trade association data, and third-party financial data providers) to ensure that the fund is invested in accordance with the environmental and/or social characteristics promoted. Data received from external providers may be complemented by internal research and analysis provided by the Investment Team.

More information about the external data sources used by the Fund is available upon request.

b. What are the measures taken to ensure data quality?

We apply various measures to control the quality of the external and internal data sets used. This may include internal control measures such as:

- Quality assurance test whereby controls are made to check that the external data values are in the expected range and behave as intended.
- Unit testing whereby individual data and functions created to generate insights is tested to determine if data fits for use and produce the expected output.
- Four-eyes review of any code changes by our specialists.
- Segregation of duties whereby there is a separation of responsibilities of key processes between more than one person, based on their area of expertise.
- Segregation of IT environments that protects the integrity and availability of the environment producing the data and allows for testing of new data in terms of quality and robustness before it is used in a production environment.
- Sanity test whereby the functionality and output of the system is tested to ensure that it works as expected.
- Review of the data and insights generated by said data by our analysts/specialists.

Furthermore, to the extent possible, data reported by companies, regulatory authorities and/or non-governmental organizations are prioritized over data from data providers' estimation models. This is done to minimize the reliance on third party estimation efforts which improves the overall quality of the data we use as input in our investment processes. The external data providers and other data sources are assessed on an ongoing basis for data quality, coverage and other attributes.

c) How is data processed?

As described above, the data used partly derives from external data providers that provide raw data on issuer level. We seek to obtain as much and the most granular company data possible.

The external data received is enriched with additional external data sets, it may be complemented by in-house ESG analysis of the data, and company identifiers (**ISIN**) are matched with the incoming raw data to companies that we can potentially invest into as well as current investee companies.

d) What proportion of data is estimated?

ESG data reported by investee companies is used where available. Although we prioritize reported data over estimated data, we do rely to some extent on estimations and on estimated data provided by external data providers where reported data is not available or not structured properly. Some data providers do not differentiate between estimated and reported data making it challenging to precisely calculate the proportion of data that is estimated. We expect the proportion of estimated data to decrease over time. The proportion of data that is estimated will depend on the composition of investee companies, the nature of their business and sectors in which they operate. We expect that data availability and quality will improve as the market and methods for obtaining and reporting data mature.

I. Limitations to methodologies and data

a. Are there any limitations to the methodologies and data sources used?

The fact that some proportion of the data received from external data providers may be estimated data, may be seen as a limitation to the methodologies and data sources. Information is mainly based on historical data and may not reflect the future ESG performance or risks of the investments.

b) How do those limitations not affect how the environmental or social characteristics promoted by the financial product are met?

To mitigate the limitations to data sources, we have ensured to have solid due diligence measures in place in relation to external data providers. Manual verification processes is another mitigating factor. We evaluate the quality of internal and external data on an ongoing basis, and continuously assess if new data providers can improve the analysis and models. We have also implemented a Code of Conduct for ESG ratings and data providers to follow. Prior to a data provider being chosen as a supplier, extensive market research is conducted, and the potential data providers are assessed on issues such as: data quality, coverage, security, methodology, price, reliability and conflict of interest.

J. Due diligence

Description of the due diligence carried out on the underlying assets of the fund, including the internal and external controls on that due diligence

The Fund conducts due diligence reviews of all internal and external data on an ongoing basis and continuously assesses if new data providers can improve the analysis and models. As set out above, we have also implemented a Supplier Code of Conduct for ESG ratings and data providers to follow. Prior to a data provider being chosen as a supplier, extensive market research is conducted, and the potential data providers are assessed on issues such as data quality, coverage, security, methodology, price, reliability and conflict of interest. When it comes to calculation of any potential alignment with the EU Taxonomy, we strive to source data directly from companies, but as self-reported data remains scarce, this may be supplemented with data sourced from third party providers. ESG data in general is continually maturing and the data coverage is improving. The Fund is constantly searching the market for data which adheres to EU regulation requirements and can be used to provide our clients with necessary reports on the products' ESG profiles.

The Management Team believes the most effective way to integrate ESG factors into an investment process is for investment teams to consider ESG factors as part of due diligence and ongoing portfolio management. As such, the investment teams are responsible for researching and integrating ESG issues into the investment decision making process. Investment teams are responsible for conducting the ESG analysis and the Investment Committee is responsible for considering ESG factors as a part of their overall investment evaluation.

Description of the due diligence carried out on the underlying assets of the fund, including the internal and external controls on that due diligence. The Fund conducts due diligence reviews of all internal and external data on an ongoing basis, and continuously assesses if new data providers can improve the analysis and models.

K. Is engagement part of the environmental or social investment strategy?

Engagement is not part of the investment strategy of the fund. However, we undertake a range of engagement activities with investee companies to encourage them to improve their ESG practices and promote a long-term approach to decision-making.

L. Reference benchmark

Has a specific index designated as a reference benchmark to meet the environmental or social characteristics promoted by the financial product?

☐ Yes

☒ **No**, a reference benchmark has not been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

M. Where can more product-specific information be found?

More product-specific information and periodic reports can be found on the website:

<https://www.firstglobalgroup.com>

Appendix

UN sustainability Goals

The UN SDGs are a set of 17 Sustainable Development Goals adopted by the United Nations in 2015 as a call for action to end poverty, protect the planet, and ensure peace and prosperity by 2030.

