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# ENVOLVE CAPITAL UAB
# SUPPLY CHAIN VIGILANCE

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The Supply Chain Vigilance Procedure (the **Procedure**) is published for the information of suppliers, business partners and other stakeholders of Envolve Capital UAB (the **Management Company**), the collective investment undertakings (the **CIUs**) it manages, and the companies controlled by the latter (**SPVs**) – together, the **Group**. It describes the vigilance processes by which the Group selects, verifies and monitors its suppliers, contractors and business partners (the **Suppliers**) on environmental, social and governance (ESG) grounds. It does not reproduce the substantive ESG standards Suppliers must meet, as they are set out in the Group's Supplier Code of Conduct, which is made available to the Suppliers and forms an integral part of the Supplier agreement.

## *1. Purpose and Scope*

1.1. The Group applies a structured, risk-based vigilance process across its supply chain, covering key Suppliers that provide goods, services or works to the Group.

1.2. This Procedure applies from the pre-contractual screening of a prospective Supplier throughout the duration of the business relationship, and, where relevant, to its termination.

## *2. Governance and Ownership*

2.1. The policies and procedures on which the vigilance Procedure is based, including the Supplier Code of Conduct, the Code of Business Ethics, the International Sanctions Implementation Procedure and the Whistleblower Protection Policy, and any amendments to them, are approved by the Board of the Management Company.

2.2. The day-to-day implementation of the vigilance process is the responsibility of the Group's Compliance and ESG functions, under the oversight of the Board of the Management Company.

## *3. Pre-Engagement Due Diligence*

3.1. Before entering into a business relationship, prospective Suppliers are subject to a screening process covering, as relevant to the nature and risk of the relationship: corporate identity and beneficial ownership verification, sanctions and restrictive-measures screening, screening for public officials and politically exposed persons, adverse media screening and, where relevant, export-control checks (strategic and dual-use goods). Personal data collected for these purposes is processed in accordance with applicable data protection law and the Group's Privacy Policy.

3.2. As part of the screening, key prospective Suppliers (as determined by the risk categorisation referred to in paragraph 3.4) are required to complete a self-assessment questionnaire (the SAQ) before the Group enters into a business relationship with them. The completed SAQ is assessed by the Group's Compliance and ESG functions, which evaluate, among other matters, the prospective Supplier's:

a) commitment to the OECD Guidelines for Multinational Enterprises, the OECD Due Diligence Guidance for Responsible Business Conduct, the UN Guiding Principles on Business and Human Rights, the fundamental ILO conventions and other relevant international standards, and whether it requires its own business counterparties to comply with them;

b) standing and practices in key regulatory areas, namely human and labour rights, health and safety at work, personal data protection, environmental protection, competition, taxation, public procurement, anti-bribery and anti-corruption, and the prevention of money laundering and terrorist financing, as well as its whistleblowing channels and environmental impact management (including greenhouse gas (GHG) emissions measurement);

c) ownership structure (including ultimate beneficial owners and any persons otherwise exercising control) and management bodies, verified through the sanctions, adverse media and politically exposed persons screening; and

d) any investigations or legal proceedings the prospective Supplier has been involved in due to alleged breaches of the laws governing the regulatory areas referred to above.

3.3. Where the evaluation identifies deficiencies or non-compliance, the Group requires the prospective Supplier to clarify whether corrective action plans have been developed, or are intended to be developed, to address the deficiencies identified. Where no such plan is in place and the Supplier does not intend to develop one, the Group may, depending on the circumstances, exclude the Supplier from the Group's list of potential business partners. Irrespective of the above, the Group does not enter into or continue a business relationship where the Supplier or prospective Supplier, its beneficial owners or members of its management bodies are subject to sanctions or restrictive measures applicable to the Group.

3.4. Suppliers are categorised by risk based on sector, geography, spend, the criticality of the goods, services or works they provide, and the likelihood of adverse impacts. The level of due diligence applied is proportionate to the Supplier's risk category (e.g. enhanced measures apply to Suppliers whose products carry higher ESG or regulatory relevance, such as providers of photovoltaic (PV) and battery energy storage system (BESS) equipment to the SPVs).

3.5. Acceptance of the Group's ESG requirements, including its Supplier Code of Conduct and, where applicable, the product- or sector-specific ESG clauses, is a condition of contracting and is incorporated as an integral part of the Supplier agreement. Suppliers are expected to select their own subcontractors carefully and to engage only subcontractors that comply with mandatory legal requirements and, as far as possible, with the principles of the Supplier Code of Conduct.

## *4. Certification, Third-Party Assurance and Contractual ESG Clauses*

4.1. In addition to the requirements set out above, the Group requests from its Suppliers – proportionate to their risk category – documentary evidence of the following:

a) the Supplier's Code of Conduct or equivalent policy applied globally;

b) a valid ISO 45001 (Occupational Health and Safety Management Systems) certificate issued by an accredited certification body, or, where such certification is not held, equivalent documented evidence of a functioning occupational health and safety management system applied on a global basis;

c) an independent third-party ESG audit report or ESG rating covering the Supplier's environmental, social and governance performance;

d) evidence of adequate internal policies, procedures and controls to prevent corruption, bribery, money laundering and terrorist financing;

e) a valid ISO 14001 (Environmental Management Systems) certificate issued by an accredited certification body, or, where such certification is not held, equivalent documented evidence of a functioning environmental management system applied on a global basis;

f) a self-declaration by which the Supplier commits to zero tolerance of forced labour (i.e. all work or service which is extracted from any person under the menace of any penalty and from which the said person has not offered himself or herself voluntarily as further defined in the ILO instruments on forced labour (the **Forced Labour**)), and child labour (i.e. work performed by children below the minimum working age, or work that is likely to harm their health, safety or morals as defined in the ILO Conventions on Minimum Age and the Worst Forms of Child Labour (the **Child Labour**)), including confirmation that:

   i. no Forced Labour or Child Labour is used in the Supplier's own operations or in the production of the products it supplies;

   ii. the Supplier carries out due diligence on its supply chain to identify and address Forced Labour and Child Labour risks; and

   iii. to the best of the Supplier's knowledge, it does not source products, materials or components from suppliers that use Forced Labour or Child Labour;

g) documented evidence of supply chain traceability, identifying the origin of key materials and components and the main manufacturers involved in their production; and

h) evidence of stakeholder engagement and grievance mechanisms, including internal whistleblowing channels, contractually flowed down to the Supplier's own suppliers and subcontractors.

4.2. Where a Supplier does not hold a current ISO 45001 or ISO 14001 certificate or an independent ESG audit or rating referred to in items (b), (c) and (e) of paragraph 4.1, the Group may: (i) request that the Supplier commit to obtaining one within an agreed timeframe; (ii) apply enhanced monitoring measures in the interim; and/or (iii) take the absence into account in its supplier selection and continuation decisions.

4.3. Suppliers from whom the evidence listed in items (f) and (g) of paragraph 4.1 is requested are required to provide continuing representations and warranties for the duration of the agreement (including as to ongoing supply chain due diligence and monitoring), and to maintain records enabling the Group, or an independent auditor appointed by it, to verify compliance.

4.4. The validity of the certificates, ratings and other documentary evidence requested under this section is checked at onboarding and, in the case of a long-term business relationship, re-verified periodically; higher-risk Suppliers may be asked to provide updated evidence more frequently.

4.5. Compliance with the requirements set out in this section is verified through the documentation that the Supplier is contractually required to provide at onboarding, at the re-verification intervals and, for equipment Suppliers, at the stages of delivery specified in the relevant supply agreement (whether prior to, upon or following the delivery).

## 5. *Ongoing Monitoring and Verification*

5.1. The Group reassesses the risk profile of its Suppliers at the re-verification intervals and whenever it becomes aware of a relevant change, such as a change in the Supplier's ownership, control or management, a sanctions designation, adverse media or a serious incident, adjusts the applicable vigilance measures accordingly.

5.2. The Group may, at any time, request from a Supplier the information, evidence and supporting documentation reasonably necessary to verify compliance with the Group's vigilance requirements.

5.3. The Group reserves the right to conduct, itself or through a mandated third party, verification visits to a Supplier's premises. A Supplier's refusal to provide requested information or to allow a verification visit is treated as a compliance failure under this Procedure.

5.4. Suppliers are expected to inform the Group without delay of any actual or potential significant non-compliance identified in their own operations or in those of their subcontractors, of any actual or potential adverse human rights impacts, of any serious workplace incidents, accidents or fatalities related to their business relationship with the Group, and of any material change to the information provided in the SAQ (including changes in ownership, control or management).

## 6. *Identifying and Handling Non-Compliance*

6.1. Where a non-compliance is identified, whether through self-reporting, monitoring, a verification visit, a third-party audit or rating, or a report received through the Grievance and Reporting Channel referred to in Section 7, the Group opens a review of the matter with the Supplier concerned.

6.2. The Supplier is expected to propose and implement corrective measures within a timeframe agreed with the Group, proportionate to the severity of the non-compliance. The Group favours dialogue and joint remediation plans where the Supplier engages constructively and in good faith.

6.3. If a Supplier fails to cooperate, provides false or incomplete information, does not correct a significant non-compliance within the agreed timeframe, or if correction proves impossible, the Group reserves the right to suspend or unilaterally terminate the business relationship, in whole or in part. In cases of particularly serious non-compliance (such as Forced Labour or Child Labour, corruption or a breach of sanctions), the Group may take such measures with immediate effect, without a prior remediation period.

## 7. *Grievance and Reporting Channel*

7.1. Employees of a Supplier, its own suppliers and subcontractors, and other parties connected with the business relationship may report suspected breaches of the Group's supplier ESG requirements, or of the Group's Code of Business Ethics by Group employees in connection with the business relationship, through the Group's whistleblowing channel, available at envolve.capital/whistleblowing-complaints (where reports may also be submitted anonymously), or by e-mail to pranesimai@envolve.capital.

7.2. Reporting persons are not required to be certain of the facts reported, but the channel must not be used to provide knowingly false information. The Group ensures the confidentiality of reporting

persons and applies its Whistleblower Protection Policy to protect them, their family members and colleagues from retaliation, including the premature termination of a supply agreement.

## *8. Review and Continuous Improvement*

8.1. This Procedure is designed with reference to internationally recognised frameworks, including the OECD Guidelines for Multinational Enterprises, the OECD Due Diligence Guidance for Responsible Business Conduct, the UN Guiding Principles on Business and Human Rights, the fundamental conventions referred to in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the International Bill of Human Rights and the UN Global Compact principles, and is adjusted over time as the Group's own risk assessment evolves.

8.2. Questions about this Procedure may be addressed to the Group at info@envolve.capital.

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