



ARETE

ARETE ENERGY TRANSITION FUND

Sustainability Report | Q4 2025

Sustainability Within the Arete Group



The ARETE Group considers responsible investing one of its priorities. **On 1 November 2025**, we adopted the ESG strategy of ARETE ENERGY TRANSITION, which we have since been successfully implementing. As a financial market participant, we comply with SFDR. Pursuant to Article 8, ARETE ENERGY TRANSITION, as a **"light green fund"**, is committed to actively promoting environmental and social characteristics through our investments.□□ We believe that implementing a sustainability policy of global standard will boost returns over the long term while reducing sustainability-related risks and the costs of transitioning towards climate neutrality.

Driving the Energy Transition

ARETE ENERGY TRANSITION holds a **100% stake in the modern highly-efficient cogeneration heat and power plant BIO TERM** in Poland.

With an electrical output of **6.7 MW** and a thermal output of **11 MW**, we continuously **supply energy to 5,000 households**.

The district heating network managed by **BIO TERM reduced the need for non-renewable primary energy per unit of heat by 60%** (2022–24). This result reflects the ongoing modernisation of the heating sector and confirms the irreplaceable role of high- efficiency cogeneration in the transformation of Europe’s district heating.



Fuel Transition Roadmap by 2035

100% biomethane technology ready to transition to low-carbon fuels as per EU Taxonomy

Up to 30% of hydrogen - blending capacity built into current infrastructure

Bonuses for reduced environmental impact of cogeneration of power and heat

Measuring Impact on Society

Using **35 indicators**, we launched regular measurement of the impact of our investments on society and set objectives in accordance with international reporting standards. Our ambitions include **promoting energy efficiency, natural resource management** as well as **supporting partner communities with emphasis on health and safety**.

Environmental

Share of non-renewable energy sources (consumption & production)

Energy consumption intensity

Energy consumption breakdown by type of non-renewable energy source

Exposure to fossil fuel companies

Direct & indirect GHG emissions

Water consumption and recycling

Share of projects in protected areas / endangered species

Emissions to water

Share of hazardous & radioactive waste

Social

Share of investments in companies without occupational accident prevention policies

Rate of occupational accidents

Employee satisfaction survey

UN Global Compact principles & OECD guidelines

Procedures for monitoring UNGC & OECD

Exposure to controversial weapons

Support for local activities/organisations

Employee volunteering activities

Governance

Good Governance and Management Policy

Code of Conduct

Supplier Code of Conduct

Whistleblowing policy

Share of resolved whistleblowing submissions

Share of entities with a whistleblower protection policy

Share of entities with a human rights policy

Anti-bribery and anti-corruption laws, standards & policy

Gender balance in company management

Gender pay gap

Employee grievance mechanisms

ESG employee training

Q4 2025 Sustainability Highlights

By the end of 2025, we have collected and analysed **non-financial data for 100% of the fund's portfolio**. Over this two-month period, we are particularly proud of our achievements in the following selected areas:

Environmental

We met emission limits for **SO₂, NO_x, CO and PM10/PM2.5** in accordance with EN and ISO standards.

We monitored direct and indirect CO₂ emissions.

We achieved **zero emissions** to water.

Portfolio is located **outside flood zones and biodiversity-sensitive areas**.

We operate **a closed water cycle** connected to the cogeneration unit, minimising own water consumption (180 m³; 1348 m³/year).

99% water reuse rate
when delivering heat
to households

244 g CO₂/kWh
BIO TERM operational
carbon footprint

Social & Governance

We adopted and adhere to **Good Governance and Management Policy, Code of Conduct** and **Whistleblowing Policy**.

ARETE Group provided financial support to the **Plešouni Foundation**, which contributes to **awareness-raising activities** in support of **paediatric oncology patients**.

Health and workplace safety trainings were completed.

We shaped CEE energy capital market trends also through the associations **AIMA, AKAT, ISFC and CzechSIF as part of EuroSIF**.

100% new employees
trained in Code of Conduct

Zero workplace accidents and
internal policy breaches



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