



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

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

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**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

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

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Energy consumption intensity

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Energy consumption breakdown by type of non-renewable energy source

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Exposure to fossil fuel companies

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Direct & indirect GHG emissions

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Water consumption and recycling

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Share of projects in protected areas / endangered species

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Emissions to water

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Share of hazardous & radioactive waste

## Social

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Share of investments in companies without occupational accident prevention policies

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Rate of occupational accidents

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Employee satisfaction survey

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UN Global Compact principles & OECD guidelines

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Procedures for monitoring UNGC & OECD

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Exposure to controversial weapons

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Support for local activities/organisations

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Employee volunteering activities

## Governance

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Good Governance and Management Policy

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Code of Conduct

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Supplier Code of Conduct

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Whistleblowing Policy

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Share of resolved whistleblowing submissions

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Share of entities with a whistleblower protection policy

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Share of entities with a human rights policy

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

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Gender balance in company management

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Gender pay gap

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Employee grievance mechanisms

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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 **SO<sub>2</sub>, NO<sub>x</sub>, CO and PM10/PM2.5** in accordance with EN and ISO standards.

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We monitored direct and indirect CO<sub>2</sub> emissions.

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We achieved **zero emissions** to water.

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

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We operate **a closed water cycle** connected to the cogeneration unit, minimising own water consumption (180 m<sup>3</sup>; 1348 m<sup>3</sup>/year).

99% water reuse rate  
when delivering heat  
to households

244 g CO<sub>2</sub>/kWh  
BIO TERM operational  
carbon footprint

### Social & Governance

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

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

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**Health and workplace safety** trainings were completed.

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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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