

ETHICAL INVESTMENT POLICY

About Providence Asset Group

Providence Asset Group (**PAG**) is an organisation that is focused on creating impact investments through commercialising technology for generating and storing electricity. The Providence Infrastructure Fund (**PIF, Fund**) makes direct investment in energy generation and storage infrastructure entities.

Entities within PAG have entered into exclusive agreements with the University of Technology Sydney and University of New South Wales for commercialising cutting edge technologies that have been developed in both of those universities.

Through the commercialisation process, PAG will focus on developing infrastructure assets and consumer products that eliminate the need for electricity generated from fossil fuels. This focus on clean energy will promote reduction in greenhouse gas emissions. Future acquisitions by the Fund of renewal energy generation will consider both economic benefits and location to the electricity grid, as well as social and environmental issues. For example, electricity generation close to rural and/or remote communities can eliminate the need for those communities to pay a premium in order to receive electricity from the existing electricity grid.

PAG's collaboration with leading international research institutions, industry partners and government drives optimisation across the entire value chain of "green energy" design, constructions, project and asset management to deliver sustainable social, environmental and economic returns. PAG's ethos is to deliver sustainable returns to its investors and to communities that the group operates in.

This Ethical Investment Policy (**Policy**) has been developed to ensure that PAG is aligned with its ethos, long-term vision and strategy. PAG's vision and strategy is centralised around socially responsible investing (**SRI**) within an environmental, social, and governance (**ESG**) framework. This Policy is approved by the Board of Directors and was developed to ensure that PAG's values are reflected in the investments that it makes and its involvements within the community.

Investment approach

With a focus on clean technology, PAG is committed to investing in and developing cost-effective renewable technologies. The Fund seeks to provide investors with exposure to a diversified portfolio of infrastructure assets in Australia. PIF's core investments are within the construction and management of renewable power generation assets including infrastructure assets, energy storage, supply mix agreements and artificial intelligence optimisation.

The Fund's investments will align with PAG's long-term vision and strategy by satisfying three achievable fundamental benefits:

1. Economic – Providing its investors with sustainable dividend yields and capital returns that are comparable to non-renewable Australian infrastructure funds;

2. Environmental – Helping Australia and the rest of the world reduce its reliance on fossil fuels and achieve a reduction in CO2 emissions to assist in combating climate change; and
3. Social – Increasing investment and development in regional Australian communities to foster economic, environmental and social wellbeing.

PIF may invest in developed infrastructure assets and/or greenfield sites and/or assets to be located on greenfield sites upon which infrastructure assets are proposed to be constructed.

Clean and sustainable investing

Energy underpins every aspect of modern life and has a direct link to the standard of living for all communities globally. As a result, PAG is acutely aware of the scale of impact that its investments can potentially have to the world and its people.

PAG is committed to making investments that are both ethical and have a positive social and environmental impact. As mentioned in the Fund's Investment Approach above, the potential investee company must satisfy three fundamental benefits to society.

In order to filter and ensure PAG upholds its mission in ethical and sustainable investing, PAG's strategies include:

- Negative screening – exclusion of companies that do not comply with specific social and environmental criteria;
- Positive screening – selection of companies that promote specific social and environmental criteria;
- Impact investing – investing into entities created with the intention to generate positive, measurable social and environmental impact; and
- Active ownership and influence – engaging with investee companies, business partners, industry partners and/or governments on various environmental, social or governance issues and exercising voting rights.

The Fund and their investee companies are expected to conduct their business in a manner that recognises their inherent responsibility to employees and other stakeholders, as well as their obligations to their environment and society.

How PAG meets investment mandates with positive SRI/ESG screens

As PIF is focused on sustainable and renewable energy, PAG will actively invest in companies that are involved in any of the following activities:

- Renewable and efficient energy;
- Resource conservation; and
- Green technology.

In order to create larger environmental benefit, PAG will also collaborate with research organisations to develop and commercialise innovative technology to optimise assets invested through the PIF. PAG's initiatives include:

- Ten-year joint research and development agreement with the University of New South Wales to establish the New Energy Industry Research Centre (NEIRC). NEIRC will promote the transition of traditional energy to new and renewable energy and aim to deliver safe, stable and sustainable and low-cost energy services in Australia;
- Joint initiative with the University of Technology Sydney to develop a co-branded Smart Future Research Centre focused on artificial intelligence, smart cities and data science solutions; and
- Renewable and clean technology venture capital fund to commercialise some of these joint university research initiatives. The venture capital fund will target investments in innovative and disruptive technology to drive sustainable advances in our production, transportation, consumption and utilisation of power, water and food. This will be used to improve our environmental and economic wellbeing and to foster a healthier and safer community for future generations.

How PAG meets investment mandates with negative SRI/ESG screens

PAG will avoid investments that harm people, animals, society and the environment. Specifically, the Fund will exclude investment in companies engaged in any of the following activities:

- Fossil fuels;
- Gambling;
- Tobacco;
- Armaments and militarism;
- Nuclear and uranium-based energy;
- Live animal export;
- Old growth logging;
- Animal cruelty;
- Slave labour or other human rights abuse;
- Corruption or bribery;
- Intensive agriculture;
- Environmental destruction;
- Polluting and carbon intensive activities;
- Social harm including detention centres; and
- Harmful financing.