

# Wafra

## Sustainable Investment Policy

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March 2026

A decorative graphic consisting of a thick, curved band that starts from the bottom left and curves upwards and to the right, ending at the top right. The band has a gradient from light grey to dark blue.

# Introduction

In keeping with its institutional heritage, Wafra Inc. (“Wafra” or the “Firm”) seeks to provide long-term oriented investment solutions that can span not just years, but generations. Wafra believes that integrating a sustainability approach into its traditional investment process can be a component of both the preservation and creation of long-term financial value, as such, Wafra became a signatory to the Principles for Responsible Investment (“PRI”) in 2016.<sup>1</sup>

Wafra views sustainability integration as an approach that complements a traditional investment process that aims to reduce risk or capture opportunity as it relates to material environmental, social, and governance (“ESG”) factors. Wafra seeks to integrate these considerations within its applicable investment processes<sup>2</sup> to holistically assess investment risks and build long-term value (“Sustainability Integration”).

## Purpose

The purpose of this policy<sup>3</sup> (the “Sustainable Investment Policy” or “Policy”) is to provide a broad framework on Wafra’s approach to considering financially material ESG factors during the lifecycle of the firm’s funds consistent with and subject to any applicable fiduciary duties or legal, contractual or regulatory requirements.<sup>4</sup>

## Scope and Limitations

This Policy is designed to provide a broad framework for Wafra’s approach to Sustainability Integration across its investment strategies.<sup>5</sup> Investors may use this Policy as a complement to fund constituent documents to further understand any applicable sustainability frameworks for particular strategies.

For the purposes of this Policy, “material” ESG factors are defined as those factors that Wafra, in its sole discretion, determines have - or have the potential to have - a significant impact on an organization’s going forward ability to create, preserve, or erode economic value for that organization and its investors. Wafra may utilize sector-specific guidance issued by organizations such as the Sustainability Accounting

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<sup>1</sup> Wafra’s views may be different than PRI’s, and Wafra’s status as a signatory and any reporting thereunder is subject to change at any time in its sole discretion.

<sup>2</sup> Subject at all times to the scope and limitations set out in this Policy.

<sup>3</sup> The term “sustainable investment” or any variation thereof in relation to this policy is not intended to imply that Wafra seeks to make “sustainable investments” pursuant to Regulation (EU) 2019/2088 or Regulation (EU) 2020/852. No commitment is made that any investment made by Wafra complies with or meets a particular environmental or social definition, standard or benchmark and as such Wafra’s approach may not align with the views, beliefs or values, internal policies or preferred practices of any particular investor or with future market trends and/or regulatory requirements.

<sup>4</sup> Wafra is an SEC registered investment adviser and none of its existing funds are registered for marketing in the EU. Therefore, Wafra does not currently make disclosures in accordance with the EU’s Sustainable Finance Disclosure Regulation (SFDR), as a firm or in respect of its existing funds.

<sup>5</sup> This policy supersedes any policies or commitments made public prior to its effective date. For the avoidance of doubt, Sustainability Integration did not apply to investments preceding the formation of Wafra’s Sustainable Investment Group in January 2018. Sustainability Integration was implemented at different times for various funds. Please reach out to Wafra for questions.

Standards Board (“SASB”)<sup>6</sup> as a baseline and lean on its proprietary materiality framework to establish a set of material topics to assess in diligence. These topics can vary based on the asset class, sector, intensity, geography and likelihood of a risk or opportunity, and investment time horizon and thereby are assessed holistically alongside other attributes. Findings may not necessarily preclude Wafra from acquiring or owning any investment on behalf of an investor and the final approach will be subject to the legal documents of the fund or investment.

In cases where the Firm determines it has limited ability to conduct diligence or to influence and control an investment, the Firm will only apply those elements of this Sustainable Investment Policy that it determines to be practicable. Examples of such cases at the investment level may include where a fund is a minority shareholder or has limited governance rights, or where other circumstances affect the fund’s ability to assess, set, or monitor performance goals. Examples of such cases at the fund level include a jointly-managed fund, co-investment, sub advised investment or where a fund is a lender with no indicia of influence or control.

For the avoidance of doubt, Wafra does not expect to subordinate any fund’s or investor’s investment returns or increase any fund’s or investor’s investment risks as a result of (or in connection with) the consideration of sustainability. Wafra may exercise its discretion on whether to implement this Policy with respect to any given investment and may consider any applicable fiduciary, confidentiality, privacy or other applicable contractual, regulatory or legal obligations in doing so.

## Governance

In 2018, Wafra established the Sustainable Investment Group (“the SIG”) to lead efforts to integrate sustainability-related considerations into the investment process for investments and to work with its investment teams to provide associated guidance. The SIG is led by Wafra’s Head of Sustainable Investing, who reports directly to the Firm’s Chief Investment Officer. The SIG is responsible for:

- I. Investment Sustainability Integration: For private direct investments, the SIG seeks to conduct pre-investment due diligence on material, sector-specific topics. To the extent that the relevant investment team or the SIG identifies a material risk, the SIG typically works with the investment team to determine whether and how identified risks should be addressed in the investment decision-making process and/or managed during the ownership process.
- II. Value Creation: For private direct investments, the SIG seeks to engage in a collaborative dialogue on investment-specific key performance indicators (“KPIs”). Wafra views its investments as partnerships in which it aims to educate, engage, and empower its portfolio companies to adopt effective sustainability practices, capture efficiencies, and pursue innovative business & technology opportunities in order to enhance financial value.

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<sup>6</sup> SASB forms part of the IFRS Foundation, a global non-profit that oversees financial reporting standard-setting. Originally established in 2011, the SASB Standards identify a set of sustainability factors that are likely to impact the operating or financial performance of a company within a particular industry. More information can be found here: <https://www.sasb.org/>.

- III. Research & Industry Outreach: The SIG develops insights on financially-focused sustainability projects and participates in industry research. The SIG participates in a number of advisory groups and regularly contributes to sustainability -related research publications. Additionally, the team conducts research on emerging related industry trends to share with Wafra's investment teams.

## Approach to Sustainability Integration

The Firm believes that its Sustainability Integration approach can lead to risk reduction and resiliency, growth of investment efficiencies, and increased brand value of its investments. Wafra seeks to consider material ESG factors throughout the lifecycle of an investment (which may include via a proprietary scoring approach) in support of its aim to assess and build long-term resilient businesses.

### I. Investment Integration

Wafra views financially material sustainability factors as potential investment risks and therefore seeks to pay close attention to these factors within the diligence process. Depending on the investment vertical, diligence can range from a screening approach to a quantitatively-driven scoring approach.

In some cases, investors may be values-based allocators and ask for screens of investments that have certain business involvements or have been shown to violate global norms and frameworks including the UN Global Compact Principles.<sup>7</sup> To do this, Wafra may conduct due diligence in the pre-investment process or may utilize a third-party data source. Additionally, Wafra may also screen for evidence of labor and human rights violations to assess and monitor its portfolio companies' practices towards employees and external parties.

For private direct strategies, the SIG is integrated into investment diligence and aims to provide its own analysis based on potential investment-specific risks and opportunities. The SIG typically uses a proprietary sustainability assessment to highlight material risks and opportunities to the investment team during the due diligence and decision-making process. A sustainability assessment may be presented alongside any identified potential opportunities for enhancing financial value through engagement (if applicable) for consideration during the approval process.

**Climate-Related Factors:** Wafra seeks to understand how potential portfolio companies may be impacted by climate change including to support the long-term resiliency of the Firm's portfolios in respect of climate risk, as appropriate. Where deemed material by Wafra in its sole discretion, the SIG may conduct a forward-looking climate analysis as part of its diligence process. This assessment aims to identify and assess material climate risks and opportunities, evaluating each potential portfolio company quantitatively under different future climate scenarios, where possible. Specifically, the SIG may focus on material physical risks (e.g., exposure to wildfires, hurricanes, flooding), transition risks (e.g., exposure to shifts in regulations and consumer preferences), and climate-related opportunities (e.g., resource efficiency initiatives, adoption of low-carbon technologies). In line with the team's sustainability analysis,

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<sup>7</sup> The UN Global Compact specifies a set of minimum standards as it relates to human rights, labor rights, environmental practices, and corruption.

findings are generally included in Wafra’s investment committee materials and may help inform the SIG’s post-investment engagement approach for individual portfolio companies.

## II. Value Creation

Wafra is committed to being an active owner and seeks to incorporate consideration of sustainability where it may be financially beneficial throughout its asset management practices. The Firm believes that meaningful engagement with portfolio companies may enhance their long-term value and resiliency, and aid in managing risk over time.<sup>8</sup>

For certain private direct investments, the SIG seeks to engage portfolio companies on financial value creation opportunities. Engagements typically focus on issues identified during diligence that may, in Wafra’s view, create material risks for a portfolio company or offer significant value creation opportunities. As part of this process, Wafra may focus on investment-specific issues as well as broader systemic risks.

Wafra’s scoring approach in diligence allows for a structured approach to setting short- and long-term KPIs for portfolio companies and tracking progress over time. The specific KPIs vary by portfolio company and by strategy, but engagement may generally follow one of several pathways, including advisory services, collaborative engagements, CapEx enhancement projects, and OpEx reduction measures, all with the aim to improve long-term value at Wafra’s assets.

## III. Research & Industry Outreach

The SIG actively engages with the broader investor community to share insights on strong sustainability practices and to explore opportunities to continue enhancing Wafra’s Sustainability Integration approach. The Firm participates in sustainability-focused working groups as appropriate and presents at conferences with well-established organizations such as Private Equity International and CFA Society New York.

# Strategy-Specific Frameworks

## Private Equity

Wafra’s private equity strategy targets direct investments in alternative asset management businesses across established and next generation managers (“strategic partnerships”), and associated adjacent opportunities. Anchored by Wafra’s strategic partnerships business, the Firm’s private equity capabilities span direct investments, co-investments, and secondary opportunities.

1. Investment Integration: Wafra recognizes that Sustainability Integration plays a key role within the Firm’s strategic partnerships. The SIG works in close collaboration with the investment teams, seeking to apply a two-tiered approach to sustainability diligence, assessing relevant factors at both the Firm

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<sup>8</sup> Please refer to the section titled “Strategy-Specific Frameworks” below for details on engagement within each investment strategy.  
SUBJECT TO FURTHER AMENDMENT WITHOUT NOTICE TO THE RECIPIENT.

level (Tier 1) and the underlying investment level (Tier 2). Tier 1 primarily focuses on governance and social factors of the strategic partner. This may include consideration of the expertise of the strategic partner's management team, as well as the firm's management and compliance structures. Tier 2 involves a deeper assessment of sustainability integration, including sector-specific ESG and climate analyses that a strategic partner may incorporate as part of its investment process.

- II. Value Creation: Post-investment, the SIG may engage with Wafra's strategic partners to build capacity for Sustainability Integration within their respective organizations and to support strong, long-term stewardship practices. Through a systematic approach, the SIG aims to support strategic partners in embedding relevant considerations into due diligence and value creation plans, with the objective of strengthening operational performance, improving risk management, and enhancing long-term value across their portfolio companies. For certain funds, investments may be subject to specific reporting standards, or Wafra may elect for some or all investments to provide voluntary reporting.

## Constellation

Within Wafra's private equity strategy, Constellation is an innovative, global joint venture making structured, growth-oriented investments in next generation, alternative investment management firms ("next generation managers") and supporting value creation by providing strategic direction and operational support. The Constellation platform presents an opportunity to facilitate the adoption of strong, long-term sustainability practices, not only among the platform's next generation managers but also across their underlying investments ("Underlying Investments"). This approach is designed to allow Wafra's sustainability expertise to be leveraged at the next generation manager level and flow through to the Underlying Investments. This enables Constellation's objective to help build long-term value for businesses that are well positioned to navigate future challenges and opportunities. The Constellation platform requires next generation managers to (i) undergo sustainability diligence of material factors at the firm-level and with respect to their investment approach, (ii) engage with the SIG at least once on an annual basis on Sustainability, if requested, and (iii) complete an annual questionnaire that aims to track each manager's sustainability progress and quantify specific sustainability value creation outcomes which are then shared with the Limited Partners of the fund. The SIG will typically present findings from diligence for consideration during the investment committee approval process. If the relevant investment team or the SIG identifies a material risk, the SIG seeks to coordinate with the deal teams on potential areas of value creation. Finally, the platform also seeks to require formal acknowledgment by next generation managers of Wafra's Sustainable Investment Policy in contractual agreements.

## Real Estate and Real Assets

Wafra's real estate strategy targets alternative strategies focused on niche, thematic investments and traditional strategies. Wafra's real assets strategy targets real assets and infrastructure opportunities across a number of essential industries.

- I. Investment Integration: As an owner and operator of a range of real estate and real assets investments, Wafra recognizes the importance of developing a holistic understanding of material ESG

factors. Therefore, the SIG works closely with the Firm’s investment teams seeking to analyze the sustainability performance of both the individual assets as well as certain third parties. Asset-level analyses are designed to be consistent with the SIG team’s quantitative and materiality-based approach to sustainability diligence. For transactions where Wafra purchases an asset outright, the team may conduct diligence on property managers to assess their ability to implement sustainability measures. For transactions in which Wafra enters a joint venture (“JV”), the SIG may conduct additional diligence on governance and social practices of the prospective JV partner.

- II. Value Creation: Post-investment, the SIG aims to drive value across Wafra’s assets through risk mitigation initiatives and longer-term value creation opportunities. The team generally focuses on targeted, project-based initiatives that may include implementing OpEx reduction measures (e.g., health and safety enhancements to reduce workers’ compensation insurance premiums), incorporating CapEx and resilience improvements (e.g., lightning protection systems, LED retrofits, wildfire adaptation measures) to futureproof assets, and advancing sustainability-focused site enhancements (e.g., electric vehicle charging stations). These initiatives are typically tailored to each portfolio company and asset, based on findings from Wafra’s ESG and climate findings and ongoing monitoring efforts.

## Absolute Return

Absolute return strategies seek to access attractive, risk-adjusted returns for Wafra’s clients via two channels: special situations and customized hedge fund solutions.

Investment Integration: Wafra may conduct pre-investment sustainability diligence that is customized to target a specific set of factors that are deemed material to the transaction.

This strategy generally does not seek to engage or create value on sustainability topics during the life of the investment.

## Accountability and Transparency

Wafra generally seeks to promote accountability and transparency with respect to its consideration of sustainability issues in relation to its firm-level activities and investment strategies by:

- 1) Disclosing this Sustainable Investment Policy to investors and prospective investors;
- 2) Reviewing, and, as appropriate, revising this Sustainable Investment Policy annually<sup>9</sup>.

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<sup>9</sup> This fully amended and restated policy was revised as of February 2026 and is subject to change as the Firm considers necessary or advisable. It fully replaces and supersedes any policies or commitments made or issued prior to its effective date.