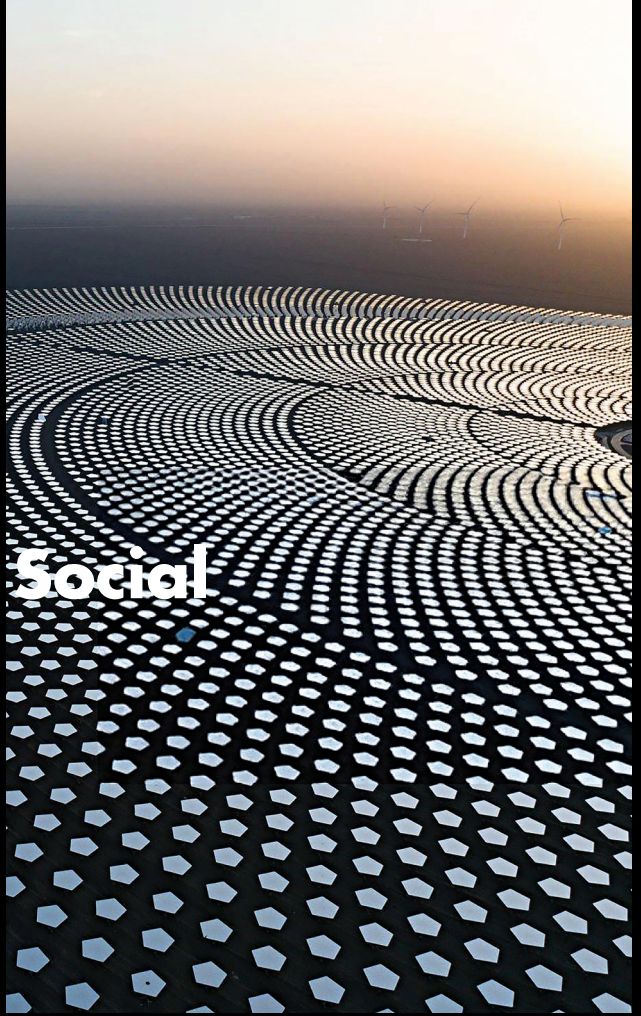

Environmental, Social & Governance

January 2025



ESG is not a filter—it's our blueprint to build enduring systems where people, markets, and the planet can thrive.

Filion Capital





P R E F A C E

At Filion Capital, Environmental, Social, and Governance (ESG) principles are not secondary considerations or compliance afterthoughts—they are embedded into the core of our philosophy, our fiduciary duty, and our investment mandate. We view ESG as a foundational pillar of long-term value creation, systemic stability, and institutional foresight. For us, it is not about adhering to checklists imposed by regulation or investor demand. It is about conviction. It is about aligning capital with the moral and material realities of a world in flux.

In an era marked by climate volatility, rising inequality, and institutional distrust, we believe private markets have an irreplaceable role to play—not just in mitigating risk, but in restoring trust, rebuilding resilience, and delivering equity across geographies and generations. As stewards of sovereign-scale capital, we hold ourselves accountable not only to returns, but to outcomes. Outcomes that are measurable, durable, and aligned with the long-term flourishing of people and planet.

Our ESG framework is not static—it is strategic, data-driven, and dynamic. It integrates rigorous measurement with moral intentionality. We seek investments that strengthen ecosystems, empower underserved populations, and uphold the governance standards necessary for transparent, resilient institutions. Whether we are underwriting digital infrastructure in emerging economies or scaling critical minerals platforms in resource-rich regions, ESG is not a layer added post-deal. It is part of our sourcing thesis, diligence methodology, operational playbook, and impact tracking from day one.

Filion Capital exists to finance the future—and we believe the future will belong to those who recognize that financial returns and social stewardship are not opposing goals. They are mutually reinforcing imperatives. The next era of private equity will not be won by those who move the fastest, but by those who invest the most responsibly, the most intelligently, and the most justly. From infrastructure to intelligence, our capital is designed to regenerate value, not just extract it.

Edward Diogu

Managing Partner & Founder of Filion Capital

Building Systems with Integrity

Filion Capital's ESG Commitments

We believe that ESG must operate at two levels:

foundational and transformational. Foundationally, ESG frameworks protect against downside risks—environmental degradation, labor malpractice, regulatory blowback, and reputational harm. But transformationally, ESG unlocks upside value—new markets, community trust, better governance, and brand equity. At Filion, both perspectives inform our investment decisions.

Our ESG lens is rooted in three pillars:

- **Environmental Resilience:** Climate-smart investments, resource efficiency, clean energy adoption, and ecological restoration.
- **Social Inclusion:** Equitable access to jobs, education, and healthcare, with special focus on underserved regions and populations.
- **Governance Integrity:** Ethical leadership, transparent decision-making, and robust stakeholder alignment.

These principles shape how we screen deals, structure terms, operate platforms, and assess outcomes. ESG is not the final checkbox—it is the first lens.

ESG Governance & Integration

To ensure rigor and consistency, ESG is embedded into Filion's core governance. Every investment undergoes an ESG assessment at the sourcing and diligence stage. These assessments are reviewed by our ESG Committee—comprising investment professionals, external advisors, and internal specialists. The committee scores deals using a proprietary tool aligned with frameworks from the UN PRI, SASB, and IFC Performance Standards.

Once an investment is made, ESG plans are developed for implementation in the first 100 days. These plans include baseline audits, key milestones, and board-level accountability. ESG performance is tracked quarterly, reported annually, and directly tied to executive compensation for both Filion and portfolio company leaders.

Each platform is assigned an ESG lead from our team to monitor adherence, provide support, and liaise with

external evaluators. In high-impact sectors—like energy, agriculture, and critical resources—we conduct scenario stress-testing for climate, biodiversity, and human capital variables.

Environmental Strategy

Filion operates with a recognition that environmental risks are financial risks. Our environmental strategy is focused on both mitigation and opportunity.

Mitigation: We screen every investment for its climate footprint, water usage, biodiversity impact, and supply chain exposure. We avoid or restructure deals that pose high carbon liability or deforestation risk. We implement resource optimization systems, green procurement standards, and circularity frameworks within each platform.

Opportunity: We actively seek investments that accelerate decarbonization, energy transition, and ecosystem regeneration. This includes clean energy platforms, waste-to-value infrastructure, and climate-smart agriculture. In African and Southeast Asian markets, we invest in decentralized renewable systems that serve off-grid and underserved communities.

By 2027, our goal is to align 70% of our portfolio with a net-zero pathway and publish carbon intensity benchmarks for each sector.

Social Strategy

Our social lens focuses on dignity, equity, and access. We believe that economic inclusion is a force multiplier for growth and cohesion.

Job Creation: We prioritize sectors that generate long-term employment—particularly in frontier and emerging markets. Our investments aim to create 22,000 skilled jobs per \$1B deployed, benchmarked against IFC metrics.

Health & Safety: We implement world-class labor standards, including those set by the ILO, in every jurisdiction. Each platform is required to track worker satisfaction, safety incidents, and workforce turnover.

Community Impact: We co-design community benefit agreements and partner with local stakeholders to ensure long-term alignment. In sectors such as mining or real assets, we fund local development programs, public health initiatives, and educational infrastructure.

Equity & Inclusion: We assess every deal for its impact on marginalized groups—women, youth, indigenous communities, and informal workers. Social safeguards are integrated into our legal documentation and operating manuals.

Governance Strategy

We believe that good governance is the ultimate risk mitigant and value unlock. Our approach is disciplined, data-informed, and culturally contextualized.

Board Composition: We set board diversity targets and support inclusive succession planning. Each portfolio company is expected to adopt a governance code tailored to its size, geography, and industry.

Ethics & Compliance: We enforce zero-tolerance policies on corruption, bribery, and abuse. All investments include anti-corruption clauses, and every executive undergoes compliance training. We implement whistleblower systems and conduct third-party audits where warranted.

Data & Cybersecurity: Governance in the digital age includes robust data protection. We require cybersecurity reviews in all tech-enabled investments and provide security playbooks for high-risk sectors.

Stakeholder Governance: Beyond shareholders, we recognize employees, customers, regulators, and communities as key stakeholders. Our frameworks emphasize stakeholder voice, participatory decision-making, and reputational equity.

ESG Metrics & Reporting

Transparency is critical to the credibility of our ESG commitments. Filion publishes an annual ESG & Stewardship Report beginning in 2026. This report will include:

- Portfolio-wide ESG performance dashboards
- Sector-specific benchmarking
- Case studies and outcome narratives
- Climate risk disclosures aligned with TCFD
- Social impact analysis, including jobs, inclusion, and public benefit metrics

We are in the process of adopting the ILPA ESG Data Convergence Project metrics for consistency and comparability. Our LPs receive quarterly updates, and we engage in third-party verification for high-impact platforms.

Strategic Partnerships

Filion collaborates with DFIs, sovereign funds, NGOs, and academic institutions to evolve the ESG field. We support shared R&D, co-investment programs, and policy engagements that advance ESG integration globally. We are exploring joint ventures focused on impact infrastructure, energy transition, and sustainable finance capacity-building.

We are also formalizing a partnership with an ESG-focused university research lab to refine our scoring tools and launch a Fellowship for young ESG practitioners in emerging markets.

The Road Ahead

Our ESG strategy is built for iteration, evolution, and institutional excellence. We believe the next era of capital belongs to those who can invest with foresight, integrity, and systemic responsibility. ESG is not a sidecar to performance—it is part of the engine.

By 2030, we aim to:

- Fully align 100% of assets under management with ESG screening and active management
- Achieve carbon neutrality across all Filion operations
- Launch a public data portal tracking ESG performance by platform
- Help standardize ESG disclosures across frontier market GPs

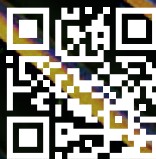
We welcome collaboration, scrutiny, and innovation. Our success will be measured not only by returns—but by the strength and stability of the systems we help build.

Let's invest in a future worth inheriting.

An aerial photograph of a vast solar farm at sunset. The rows of solar panels stretch across a green field, reflecting the golden light of the setting sun. The sky is filled with soft, orange and yellow clouds. In the background, there are rolling green hills and a few scattered trees.

Capital with Conviction.
Impact with Integrity.

Scan the QR code
to explore how Filion Capital is redefining
ESG for the next era of private markets.



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