

## Exponent Private Equity LLP (Exponent)

16 July 2024

**Scope 1 and 2:** Exponent commits to reduce absolute scope 1 and 2 GHG emissions 42% by FY2030 from a FY2021 base year.

### Scope 3 Portfolio Targets

#### Headline target:

Exponent's portfolio targets cover 98% of its total investment and lending by invested capital as of 2022<sup>1</sup>. As of that year, required activities made up 98% of Exponent's total investment and lending by invested capital while out of scope activities made up 2%.

#### Scope 3 asset class level targets

Asset class	Method	Target language
Private and listed equity	Portfolio Coverage	Exponent commits to 46% of its eligible private equity and listed equity portfolio by invested value setting SBTi validated targets by FY2028 and 100% by FY2035, from a FY2022 base year.

### Summary

Exponent will implement the following strategy and actions to achieve its targets:

During the ownership phase, Exponent will engage with portfolio companies to:

- Accurately and consistently track scope 1, 2, and relevant scope 3 emissions in accordance with the GHG Protocol at least annually.
- Identify emission reduction opportunities for decarbonization in line with a 1.5°C reduction pathway and develop initial strategies to achieve alignment.
- Help portfolio companies set science-based targets and get them approved by SBTi within two years from acquisition to ensure sufficient coverage of invested capital towards Exponent's portfolio coverage target.
- Ensure annual reporting of monitored emissions to Exponent.

<sup>1</sup> December 31, 2022

In line with Exponent's Responsible Investment Policy, Exponent will:

- Avoid investing in companies that derive a significant portion of their revenue from coal-fired electricity generation, coal-fired power plant operations or upgrades, and oil and gas exploration, development, and production.
- Assess physical and transitional risks during the due diligence phase, including evaluating a company's ability to take steps to reduce their GHG emissions.
- Thoroughly screen decarbonization alignment at pre-investment and integrate science-based targets consideration in investment decision-making to ensure portfolio companies will contribute to Exponent's portfolio coverage target.

In operations, Exponent will implement the following strategies:

- Annually monitor carbon footprint and energy sources used, improve data collection processes and accuracy of calculations aligned with the GHG Protocol.
- Continue to publicly disclose annual carbon footprint and progress to achieving scope 1 & scope 2 emissions reduction targets aligned with SBT.
- Transition lease vehicles to more sustainable options (e.g., hybrid or electric) upon renewal.
- Initiate internal target and switch all Exponent offices to renewable energy by changing energy supplier or by buying Virtual Power Purchase Agreements (vPPAs) depending on the office location.
- Collaborate with office maintenance suppliers to conduct energy audits and identify further opportunities for energy reduction.
- Consider low-carbon options when seeking new office spaces as Exponent grows.
- Develop policies for business travel, and purchased goods and services to encourage more virtual meetings and lower GHG emissions in procurement respectively.

## About the SBTi

The Science Based Targets initiative (SBTi) is a corporate climate action organization that enables companies and financial institutions worldwide to play their part in combating the climate crisis.

We develop standards, tools and guidance which allow companies to set greenhouse gas (GHG) emissions reductions targets in line with what is needed to keep global heating below catastrophic levels and reach net-zero by 2050 at latest.

The SBTi is incorporated as a charity, with a subsidiary which will host our target validation services. Our partners are CDP, the United Nations Global Compact, the We Mean Business Coalition, the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF).