



Introduction

i(x) Net Zero Plc (“i(x)” or the “Company”) is an investing company that provides its shareholders and investors the opportunity to create long-term capital growth with positive, scalable, measurable, and sustainable impact on the environment and on the communities it serves. This Responsible Investment Policy describes i(x) Net Zero Plc’s commitment to sustainability and how it is integrated in its investment process.

Purpose, Objective and Scope

The Company’s support for a greener and more sustainable future comes from its investments in a portfolio of businesses that contribute to net zero and carbon neutral solutions. i(x) is committed to driving the energy transition and promoting sustainability in the built environment. The Company’s investments are focused on innovative technologies and solutions to achieve carbon neutrality at scale.

i(x) is dedicated to investing in businesses that contribute to the energy transition and utilization of energy efficiency by incorporating green/biomaterials, management systems and renewable resources. The Company recognizes the urgent need to address climate change and environmental degradation by supporting projects and initiatives that mitigate carbon emissions, enhance energy efficiency, and promote sustainable practices in the construction and infrastructure sectors.

UN PRI:

i(x) is a signatory to the UN Principles for Responsible Investing (PRI), demonstrating its commitment to incorporating ESG factors into investment decision-making processes and promoting sustainable finance practices. As a signatory, i(x) recognizes that applying UN PRI principles to its investment philosophy may better align The Company to the broader objectives of society as articulated by the United Nations sustainable development goals.

Green Economy Mark:

i(x) qualified for the London Stock Exchange's Green Economy Mark, reflecting its focus on products and services that contribute to the global green economy. The Company's investments aim to drive positive environmental impact while generating sustainable revenue streams.

Through strategic investments, stakeholder engagement, and adherence to rigorous governance practices, i(x) aims to create long-term value while contributing to a more sustainable and resilient future.

Our Strategy and Goals

i(x) Net Zero’s ambition is to create an investment vehicle of size that delivers meaningful impact in the sectors relevant to the energy transition from fossil fuels to clean energy. In particular –

- We focus on investments in bioenergy, industrial decarbonisation and green technologies and services.
- We look for investments where there are opportunities to generate impact, as well as financial returns that are in line with the market or better.
- By providing growth investment into companies with technologies that address the challenges of the energy transition, our aim is to help them to reach scale.



- We focus on business models that are readily adaptable and transferrable to other markets, thus enhancing the potential for impact through demonstration and replication.
- We also seek to add value to our investee companies through engaging with them strategically. We target a stake in a company of 30% or more, to give us a meaningful role and influence.
- We expect each of our investee companies to develop metrics to demonstrate their impact.

i(x) Net Zero's structure and strategy allows it to apply a responsible investment approach to each individual investment in its pipeline and portfolio.

Our Approach – The Environment

We address and record climate-related risks and opportunities during the due diligence process. All of our investments are selected for their potential to have a climate-positive impact.

Energy Transition Investments:

i(x) has invested in renewable energy projects such as scalable technologies to convert municipal (trash) and agricultural waste into low-carbon fuels, renewable natural gas, and green methanol. The Company has also supported a project for Direct Air Capture (DAC) technology that captures carbon dioxide from the air at megaton-scale. These investments aim to accelerate the adoption of clean and sustainable energy sources, reduce reliance on fossil fuels, and contribute to decarbonization efforts.

Sustainability in the Built Environment Investments:

The Company's investments in the built environment are focused on sustainable construction practices, green building technologies, and energy-efficient infrastructure. i(x) has supported projects that prioritize resource efficiency, waste reduction, and the use of environmentally friendly materials, with the mission to provide much-needed affordable apartment units and permanent supportive housing for homeless service organizations.

Carbon Neutrality Efforts:

i(x) recognizes the importance of achieving carbon neutrality in its own operations. To this end, The Company is adopting a fully auditable carbon accounting program that is designed to enable it to achieve carbon neutrality (or better) in its own activities by 2025 or before.

Our Approach – Social

Employee Well-being and Diversity:

i(x) places a strong emphasis on promoting employee well-being and maintaining a diverse and inclusive workforce. The Company has implemented policies and programmes to ensure a safe working environment, offering professional development opportunities and fostering a culture of respect, equality, and diversity.

Human Rights:

The Company supports human rights in all its forms and supports efforts of global organizations to abolish social injustice such as modern slavery, forced labor, and/or child labor. i(x)'s overall policies and procedures support this commitment to human rights. During the due diligence process the Company considers the risk of human rights offenses within portfolio investments and their supply chain.



Our Approach – Governance

As an AIM-listed company, we have independent non-executive directors who oversee the implementation of the Responsible Investment Policy alongside the executive directors. We have an ESG and Impact Committee chaired by the independent non-executive Chair. The directors have experience in responsible investment. The ESG Committee serves as an advisory adjunct to the Board. Its mission is to authenticate and guide all aspects of the operations and investments of the Company from an ESG perspective. The Committee will periodically assess the initiatives of the Company to determine accountability to company-held and third-party standards adopted by the Company as part of its overall ethos.

Corporate Governance Structure:

The Company maintains a well-defined governance structure, including a board of directors with diverse expertise, committees overseeing ESG matters, and policies that align with global best practices.

Risk Management:

i(x) conducts thorough due diligence on potential investments, assesses environmental and social risks, and develops risk mitigation strategies to safeguard the long-term value of its investments.

ESG Key Performance Indicators:

i(x) is focused on establishing KPIs to measure its ESG performance. These KPIs will include carbon emissions reductions, renewable energy capacity added, energy efficiency improvements, community engagement metrics, and diversity and inclusion goals. The Company is currently formulating the engagement and data sharing strategy with the portfolio companies to further understand how they articulate and measure their positive impact and approach to ESG risk measurement to establish a forward-looking reporting framework.

Implementation of the Policy

The Responsible Investment policy is embedded in our activities through various steps in our investment process.

- Identification of target companies - All target companies need to be aligned with the investment strategy and, in particular, be making a meaningful contribution to the energy transition.
- Due diligence - Our due diligence process includes an assessment of the expected impacts of the potential investment as well as a review of the Company's compliance with environmental, social and governance criteria.
- Monitoring - Each investee company is expected to develop a monitoring framework to enable reporting on ESG and impact to i(x) Net Zero.
- Engagement – We engage with our investee companies on impact and ESG, ensuring that these issues are discussed at the companies' Board meetings where appropriate.
- Reporting - We undertake to report on an annual basis on
 - our own carbon emissions and on the carbon emissions of the companies in our portfolio
 - environmental, social and governance risks and how we manage them, both in our own activities and in the companies in our portfolio
 - the impact of our portfolio companies.



Responsible Investment Policy

Revised May 23, 2024

In addition to evaluating a prospective investment's anticipated or potential financial return, the Company looks to answer the following questions:

1. What is the stated and desired area of impact (for example, climate change, energy efficiency, etc.)?
2. How significant is the specific issue that the business seeks to address?
3. How significant an impact can the business make on the overall issue? How does the business intend to achieve the impact?
4. How sustainable is the impact, and how scalable is it?
5. How central is the impact to the business' core operations – is it the focus of the business' revenue model, or is it tangential to the business' main focus?
6. How does the business measure its impact, and does its approach align with generally accepted metrics for its sector?

We then evaluate how we will assess the business' overall impact achievements going-forward, whether by building our own sustainability metrics and scorecard or by engaging an independent third party to perform that function.

We hold ourselves accountable by developing proprietary methodology framework that measures how effective an investment is at accomplishing a specific impact and how much of a given platform's impact goal is achieved by that investment. We develop, implement, and monitor impact measurement with our investee companies to provide transparency not just to the financial returns that investors should anticipate from their investments, but also the impact results.

[Review of the Policy](#)

The ESG and Impact Committee reviews the Responsible Investment policy on an annual basis and will adjust where appropriate to reflect any changes in i(x) Net Zero strategy or other elements of this Policy.