Haveli Investments

Greenhouse Gas Emissions Report

2022

Letter from Leadership

At Haveli Investments we seek out good technology companies on a path to greatness, and aim to partner closely with them to help them achieve their potential. We believe our investment strategy is differentiated across multiple dimensions but is centered on a strong conviction that the great companies of tomorrow will share certain attributes. They will, presumably, have great products and great teams. But we aim to help them have great ambition in ensuring that they are creating solutions, not problems, for people and the planet. We believe all these attributes together will be required to unlock value for entrepreneurs and operators, and drive returns for investors. That is why we prioritize environmental sustainability as a core part of our culture, values, and operations. And as a new firm, we have the privilege and responsibility of doing that from the early stages.

Our commitment to sustainability is centered on climate – what we consider the most pressing environmental challenge of our times. As we note below, our Sustainability Squared strategy includes not just Haveli's operations, but also the way we partner with our portfolio companies on their operations and product solutions. It includes a set of principles that guide our work, and a set of operational best practices gleaned from experience working with leading companies. The technology sector isn't the highest emission sector in the world, nor is it the hardest to abate. But it will play a critical operational role in any future net zero carbon economy, and it is imperative that technology companies lead the way in decarbonizing their operations. That is why at Haveli we have our own great ambition – to be net zero from fund one.

Of course, we wouldn't ask our portfolio companies to go down this path if we weren't leading the way. This, our first annual sustainability report, details the steps we have taken to account for and mitigate our own carbon emissions. As you will read below, we wasted no time in getting started. For our first year of existence we completed a full greenhouse gas inventory, matched our emissions with the purchase of high-quality carbon removal credits, received limited assurance about whether any material modifications should be made to the emissions estimates, and are sharing our results with external parties through this report. That spirit of transparency will continue as we advance our own efforts within Haveli and across our growing portfolio of companies. We believe that together we will learn, share, occasionally fail, but ultimately succeed.

Thanks for reading. We look forward to many more years of sharing our journey with you.

Lucas Joppa

Chief Sustainability Officer &

Senior Managing Director

Brian Sheth

Chief Investment Officer

Our Ambition: Net Zero from Fund One

At COP28, the UN Climate Change Conference in 2023, the world's governments agreed in their final resolution – avoiding socioeconomic catastrophe will require society to move quickly and decisively to stabilize our climate. To keep global warming to no more than 1.5° C – as called for in the Paris Agreement – the world must transition to a net zero carbon economy by 2050 where all the carbon that humans put into the atmosphere is ultimately removed. At Haveli we are committed to doing our part in helping the world move towards this environmentally and economically sustainable future. That is why we work every day towards our ambition to become the first private equity firm to be net zero from Fund One. This includes our operations as a management firm, as well as the operations of our portfolio companies. Our investment model, which we view as highly collaborative, allows us to work closely with our portfolio companies to help measure emissions, identify areas for emission reductions, and purchase high quality durable carbon removal solutions. We hope that our efforts will help others understand that decoupling economic growth from environmental degradation is not only possible, but ultimately preferable. And we believe that software is the ideal sector to start working on this decoupling. One potential way the world could transition to a net zero carbon economy would be by following a simple plan: decarbonize the electricity grid while racing to electrify, digitize, and virtualize as much of our economy as possible. The faster the digital sector decarbonizes the faster it can help others do so as well.

Our Strategy: S^2

At Haveli we work on sustainability through a simple framework we call Sustainability Squared (S^2). The S^2 framework uses Haveli's technology sector expertise to bring together the two key sustainability steps of net zero carbon solutions and net zero carbon operations. We do that by selectively investing in strategic technology that we believe have the potential to empower the world on its net zero journey and simultaneously working to assist every company in our investment portfolio to achieve net zero operations.

Investing: In particular, we are excited to build what we hope to be the world's sustainability systems of record. These systems are the technology solutions that we believe will be used to store, verify, and analyze the world's natural resources. Ultimately, a net zero transition will likely require unprecedented monitoring and management of carbon and other environmental assets, workflows we believe software can support. We are confident that the technology companies that build these services and capture the market for managing key environmental assets have the potential to deliver economic returns for their investors.

Operating: By adhering to our principles and executing against our best practices, we aspire to deliver companies into the market that are already operating as net zero organizations prepared to embrace and benefit from emerging regulatory oversight and shareholder and stakeholder expectations. We view this as an achievable goal because we concentrate our capital on a sector that we believe will rapidly decarbonize as the world's electricity grids shift to zero carbon sources of energy.

Our Structure

Sustainability at Haveli starts with a mandate from our founder to integrate sustainability across the firm. Haveli's sustainability structure is designed to do just that. Led by Haveli's Chief Sustainability Officer, our sustainability team is comprised of a vertical and horizontal delegation of responsibilities across the firm. The vertical component is comprised of sustainability professionals, dedicated to assisting Haveli and portfolio companies in achieving net zero operations. This includes partnership with third party carbon accounting software providers and sustainability consultants. The horizontal component is comprised of ongoing education of investment professionals on key sustainability sectors and opportunities, and an integration of sustainability into the deal flow and diligence processes as detailed in our internal Sustainability Policy and governed by our ESG Committee.

How We Work

Our aim is to ensure that Haveli's sustainability strategy and execution are comprehensible to as many stakeholders as possible. In an effort to achieve that we strive to work in a way that is:

Simple: The terms ESG and sustainability are complex and mean different things to different people. We frame this discussion in its simplest terms. When we talk about sustainability we mean environmental sustainability, and when we talk about environmental sustainability we mean the key topics of carbon, water, waste, and nature. Over time we will prioritize all four aspects, but we initially prioritize carbon due to the existential nature of the climate crisis.

Serious: At Haveli, we take sustainability seriously and expect our portfolio companies to do the same. This includes executing against our sustainability best practices.

Selective: We have begun to include sustainability into our due diligence process and assess a potential investment's ability to execute a net zero outcome.

Transparent: At Haveli, we commit to being transparent in our strategy and progress. Starting with this report we will annually and publicly report Haveli's sustainability efforts.

Impactful: At Haveli, we don't focus on sustainability to check boxes. Rather, we prioritize sustainability-related time and resources that we believe will drive net zero carbon outcomes over those that we don't.

Repeatable: Due to our private equity business model, we focus on strategies that can be executed across multiple companies of different shapes and sizes. Where possible, we work closely with portfolio company management teams to integrate business-specific execution frameworks.

Scalable: As our portfolio companies grow, their net zero strategies must be capable of growing with them. We focus on strategies that we believe are cost efficient and capable of supporting net zero companies as they scale.

Collaborative: We do not believe that sustainability is a proprietary play, and we welcome working with others across existing and new industry initiatives dedicated to moving the investment sector towards a net zero future.

Our Best Practices

Haveli has developed best practices[1] based on employee experience to support portfolio companies on their net zero journey. These best practices include:

Directly Responsible Individual: Companies will be expected to hire or select an individual who is directly responsible for overseeing sustainability programs and outcomes. This individual will serve as the point person for working with Haveli and any contractors to implement the remaining best practices outlined below.

Record: Companies will be expected to account for all greenhouse gas emissions associated with their business, in accordance with the Greenhouse Gas Accounting Protocol, at least annually. This includes all Scopes (1, 2, and 3) and all relevant Categories (1-15) of Scope 3 emissions.

Report: Companies will be expected to report their greenhouse gas emissions, sustainability commitments, and progress towards commitments annually to Haveli via a carbon accounting platform, the public CDP platform , and a standalone company sustainability report posted on the company website.

Reduce: Companies will be expected to identify annualized percentage reduction targets for their carbon emissions, and programs for achieving those reductions. Haveli and consultants will support companies on reduction levers to implore.

Remove: After reducing emissions, carbon removal solutions should be used to abate remaining emissions. Preference for engineered solutions to remove Scope 1 emissions and nature-based solutions to remove Scope 3 emissions.

Price Carbon: As part of their business forecasting, companies will be expected to include a future price on carbon. Preferably management will implement a real price on carbon inside the company to raise revenue for carbon removal purchasing and incentivize carbon reduction investments.

Board Governance: Company boards will be expected to govern sustainability progress, preferably through a dedicated sustainability committee or committee which includes sustainability as a named component of its charter.

Executive Compensation: Board compensation committees will be expected to integrate net zero operations into CEO compensation, preferably as a quantitative target.

About this Report

Haveli's 2022 Greenhouse Gas (GHG) Emissions Report is prepared for Haveli Investments. The data in this report is for the year ending December 31, 2022, and is in compliance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition).

Management's Assertion

Haveli's management is responsible for ensuring that the information in this report is complete, accurate, and valid. Management selected criteria that Haveli believes provide an objective basis for measuring and reporting. Haveli's management asserts that this report is in accordance with the GHG Protocol.

Carbon Accounting Approach

Haveli follows the GHG Protocol Corporate Accounting and Reporting Standard and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Haveli has adopted this standard for measuring and reporting its GHG emissions. Emissions measurements were prepared in collaboration with Watershed, a carbon accounting software that helps companies analyze their GHG emissions.

Watershed's methodologies and emission factors undergo updates and third-party review twice per year. These updates include incorporating newer data, improving the granularity of measurement approaches, and creating custom methodologies to assist customers with needs outside the standard sector guidance. Watershed worked with Haveli to understand its business and operations and to determine what data inputs to request. This data is then used to calculate a carbon footprint (i.e. corporate inventory of GHG emissions and removals).

Limited Assurance

Haveli Investments engaged Deloitte & Touche LLP ("Deloitte") to perform a review engagement on management's assertion that the Greenhouse Gas Emissions Report for the year-ended December 31, 2022 is presented in accordance with the GHG Protocol. Deloitte's report can be found at the end of this report.

Notes & Limitations

This report contains non-financial metrics that are subject to measurement uncertainties due to limitations inherent in the nature and methods used to determine such data. The use of different but acceptable measurement techniques, including estimation, can result in different measurements of varying levels of precision. This report was published in April 2024, and Haveli reserves the right to update its measurement and estimation techniques and methodologies in the future.

Some of the information provided in this report is based in part on information from third-party sources that Haveli believes to be reliable. The inclusion of information in this report should not be interpreted as a characterization of the materiality or financial impact of that information.

This report contains information about Haveli and may include forward-looking statements. All statements, other than statements of historical facts, may be forward-looking statements, including statements related to Haveli's climate and other sustainability-related strategies, plans, goals, and expectations. Haveli warns that forward-looking statements are subject to numerous assumptions, risks, and uncertainties, which change over time. Forward-looking statements are only valid as of the date they are made, and Haveli assumes no obligation to update them. Actual results may differ from those anticipated in forward-looking statements, and future results may differ from historical performance.

Approach to Measuring GHG Emissions

Organizational Boundary

Haveli is a private equity firm based in Austin with approximately 50 employees throughout the United States. Haveli leases office space in Austin, Texas. For the purposes of GHG emissions reporting, Haveli uses an operational control boundary. GHG emissions associated with the facilities over which Haveli has determined it has operational control are included in this GHG Emissions Report ("Operational Control Boundary"). This includes leased facilities and company-owned vehicles.

Base Year

The base year for Scopes 1, 2, and 3 is 2022. This year was chosen as the base year because it was the first full year of Haveli's operations. As emissions in subsequent years will be measured relative to the 2022 baseline, there are certain circumstances under which Haveli may recalculate its baseline or subsequent year's disclosures, including but not limited to mergers, acquisitions, divestitures, or clarifications or changes to methodologies. In each case, Haveli will consider recalculation based on materiality and provide disclosure detailing updated assumptions and / or calculations made. This will be the base year for any potential future emissions reduction goals or targets across Scopes 1, 2 location-based, and 3.

Exclusions

This report does not include Scope 3 emissions from Investments. While Category 15 of Scope 3, "Investments" is an important category of emissions that should be considered by financial institutions, Haveli is still in the process of measuring portfolio company emissions for the firm's first year of operations. As a result, Scope 3 Investments emissions have not been included in this GHG Emissions Report. Haveli plans to include Scope 3 Investments in the future.

About this Report

Methodology

Carbon dioxide equivalent (CO_2e) emissions are inclusive of carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O) for all reporting years and industrial gases, which include hydrofluorocarbons (HFCs), for 2022. The other GHGs of sulfur hexafluoride (SF_6), perfluorocarbons (PFCs), and nitrogen trifluoride (NF_3) are not emitted by Haveli's locations.

Scope 1: Stationary combustion fuel sources, refrigerants, and company owned vehicles

Scope 1 emissions include direct emissions arising from stationary combustion of fuels, mobile combustion of fuels, and refrigerants. To calculate emissions resulting from heating fuels in office buildings, Haveli multiplies fuel consumption by the US EPA (2022) Emissions factor hub, converting all emissions to CO_2e using AR6 GWP. Haveli offices are assumed to be cooled using R-410A and R-134a and uses square feet to convert to kg R-410A and R-134a based on the EPA HFC accounting tool. The emissions factors used for refrigerants were California ARB (2021) High-GWP Refrigerants, AR5 GWP. Emissions resulting from the company-owned aircraft were calculated by multiplying the fuel consumed by Kerosene-Type Jet Fuel EF from USEPA Emissions Factors Hub 2022, converting all gas emissions to CO_2e using IPCC AR6 GWP.

Scope 2: Purchased electricity

Scope 2 emissions include indirect emissions resulting from purchased electricity. Haveli's purchased electricity consumption data was multiplied by the grid average (explained below) emissions factor to calculate Haveli's Scope 2 emissions.

Location-based: average emissions intensity of the national electricity grids from which consumption occurs

Market-based: emissions from electricity specific to the supply / contract

Haveli used eGRID Emissions Factors for US subregions' grids (most recent data set, released in 2022 uses 2020 data) when calculating location-based emissions and Green-e residual EFs for US grids (most recent data set is 2022) with CH_4 and N_2O EFs added from eGRID subregions and converted to CO_2e using AR6 GWP when calculating market-based emissions.

Scope 3

The percentage of emissions calculated using data obtained from suppliers or other value chain partners was 0.2% for Category 1, <0.1% for Category 2 , and for 0% for all other Categories.

Categories 1, 2, and 4: Purchased goods and services, Capital goods, Upstream transportation and distribution

Haveli has taken a hybrid approach (spend and supplier-specific) for the categories outlined. Haveli uses vendor specific emissions factors if reported to the Carbon Disclosure Project ("CDP"). Responses to CDP by vendors must appear comprehensive in scope and coverage and include the relevant data for the spend category. In the absence of vendor data, Category Emissions Factors from the EPA's USEEIO v2.0.1 database adjusted for inflation are used.

Category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Upstream emissions related to fuel extraction and transmission and distribution losses are calculated by multiplying the quantity of fuel consumed and energy purchased under Scope 1 and Scope 2 by upstream energy and transmission and distribution loss emission factors. Natural gas and electricity well-to-tank ("WTT") emissions factors for fuels are derived from IPCC AR6 EFs for methane, carbon dioxide, and nitrous oxide and DEFRA UK 2021 respectively. For electricity transmission and distribution losses, Haveli uses eGrid (2022 dataset using 2020 data) loss rates are used for US electricity consumption. For WTT emissions for aviation, Haveli uses DEFRA UK (by calendar year, through 2022).

Category 5: Waste generated in operations

Haveli collects employee data including start date, end date, location, in office, and work from home data. Haveli uses emissions factors from the USEPA EF Hub for landfill, composting, incineration, and digestion in the US to calculate the waste generated from our operations.

Methodology

Category 6: Business travel

Emissions resulting from air travel, not covered in Scope 1 or 2 or Category 3, are calculated by multiplying mileage and passenger class by the UK Government for Long, Medium (short-haul), and Short (domestic) Haul EFs (most recent data set is 2022). Travel Emissions Factors from the EPA's USEEIO v2.0.1 database are used for all other business travel related expenses.

Category 7: Employee commuting

To calculate the emissions resulting from employees commuting, Haveli collects total employees by location and the percentage of workdays that employees work remotely. Haveli then uses data published by governments and data aggregators to estimate average commute mix and distance for each location, and apply that to the total number of commuting employees in each location to determine miles traveled by car, public transit, walking and biking. For car, Haveli uses use the EPA Emissions Factor for "Passenger Car" (most recent data set is 2022), with CH_4 and N_2O added using AR6 GWP. For public transit, we use a synthetic emissions factor for a passenger-mile traveled by public transit in the U.S. We use the National Transit Database's data on public transit systems to estimate the mix of bus, heavy rail, light rail, and commuter rail in the U.S. Haveli then applies the EPA's Carbon Leadership Forum emissions factor for each public transit mode to calculate an average emissions factor for a passenger-mile on public transit. For walking and biking, Haveli assumes no emissions. Employee home office electricity and natural gas usage are calculated using emissions factors for natural gas and electricity as outlined in Scope 2 above. WTT emissions are calculated as outlined in Category 3 above.

GHG Emissions Data

Exhibit A provides Haveli's Scope 1, Scope 2, and where appropriate, Scope 3 greenhouse gas (GHG) emissions.

Exhibit A[2]: 2022 Scope 1, 2, and 3 GHG Emissions

In metric tons of CO_2 equivalents ("$MTCO_2e$")

Scope	2022
Scope 1	357
Scope 2 (Market-based)	0.4
Scope 2 (Location-based)	0.4
Scope 1 + 2 consolidated (Location-based)	357.4
Scope 3	5,384.7
Scope 3 Category 1: Purchased goods and services	1,111
Scope 3 Category 2: Capital goods	3,457
Scope 3 Category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)	73
Scope 3 Category 4: Upstream transportation & distribution	0.8
Scope 3 Category 5: Waste generated in operations	1.9
Scope 3 Category 6: Business travel	702
Scope 3 Category 7: Employee commuting	39
Scope 3 Categories 8-14: Upstream leased assets, Downstream transportation and distribution, Processing of sold products, Use of sold products, End of life treatments of sold products, Downstream, leased assets, Franchises	N/A[3]
Scope 3 Category 15: Investments	Not available[4]
Total emissions (Location-based)	5,742.1

GHG Emissions Data

Exhibit B provides Haveli's purchased carbon removal projects and Clean Power EACs.

Exhibit B: 2022 Purchased Carbon Removal and Clean Power EACs

In metric tons of CO_2 equivalents ("$MTCO_2e$") and megawatt-hours (MWh)

Projects Purchased	2022
Purchased Carbon Removal	5,735
TIST Mount Kenya (Reforestation)	2,500
WithOneSeed Carbon Forestry Program (Reforestation)	2,144
Eion US Rock Spreading Operation (Rock Weathering)	71
Wakefield Biochar (Biochar)	1,020
Purchased Clean Power	25
National Green-E (Renewable energy)	25

TIST Mount Kenya: TIST Farmers are counteracting the effects of deforestation, erosion, famine, droughts, and floods by planting millions of trees.

WithOneSeed Carbon Forestry Program: Small holder subsistence farmers in Timor-Leste receive annual incentive payments for planting, managing, and maintaining trees on their land. This land would have otherwise been used for cash crops but now is developed into to a forest that sequesters carbon.

Eion US Rock Spreading Operation: The process of crushing up rocks and transporting them to the right environment to induce weathering at an accelerated rate. As rocks weather, molecules in the rocks attach to carbon and are transported through waterways to the ocean where they stay for hundreds of thousands of years.

Wakefield Biochar: Produces biochar from woody biomass that serves as a more sustainable and effective substitute for common synthetic products.

Footnotes

1. Haveli's level of influence varies with degree of ownership.
2. Total Scope 1 and 2 emissions are independent of any GHG trades such as sales, purchases, transfers, or banking of allowances.
3. Haveli does not conduct activities resulting in these categories of emissions.
4. Emissions resulting from Scope 3 Category 15 Investments have not been included in this GHG Emissions Report. Haveli plans to include Scope 3 Investments in the future.

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INDEPENDENT ACCOUNTANT'S REPORT

Management of Haveli Investment Management, LLC:

We have reviewed management of Haveli Investment Management, LLC's assertion that the 2022 Greenhouse Gas Emissions Report for the year ended December 31, 2022 is presented in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) published by the World Resources Institute and the World Business Council for Sustainable Development. Haveli Investment Management, LLC's management is responsible for its assertion. Our responsibility is to express a conclusion on management's assertion based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to management's assertion in order for it to be presented in accordance with the criteria. The procedures performed in a review vary in nature and timing from and are substantially less in extent than, an examination, the objective of which is to obtain reasonable assurance about whether management's assertion is presented in accordance with the criteria, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

The procedures we performed were based on our professional judgment. In performing our review, we performed inquiries and other procedures as we considered necessary in the circumstances. For a selection of the specified information included in the 2022 Greenhouse Gas Emissions Report, we performed tests of mathematical accuracy of computations and compared the specified information to underlying records.

The preparation of the information included in the 2022 Greenhouse Gas Emissions Report requires management to interpret the criteria, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information. Measurement of certain amounts includes estimates and assumptions that are subject to inherent measurement uncertainty resulting, for example, the accuracy and precision of conversion factors or estimation methodologies used by management. Obtaining sufficient appropriate review evidence to support our conclusion does not reduce the inherent uncertainty in the amounts. The selection by management of a different but acceptable measurement method, input data, or assumptions, may have resulted in materially different amounts.

Information outside of management's assertion was not subject to our review and, accordingly, we do not express a conclusion or any form of assurance on such information.

Based on our review, we are not aware of any material modifications that should be made to Haveli Investment Management, LLC's assertion that the 2022 Greenhouse Gas Emissions Report for the year ended December 31, 2022 in order for it to be presented in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) published by the World Resources Institute and the World Business Council for Sustainable Development.

Deloitte & Touche LLP

March 8, 2024