

Hartree Partners, LP
Environmental Sustainability Policy
August 2024

I. INTRODUCTION

Hartree Partners, LP (“Hartree”) recognizes the importance of protecting the planet and natural resources and as part of our global commitment to Environmental and Social Governance (ESG).

Hartree supports the Paris Agreement and the goal of keeping global warming under 1.5° Celsius. A growing part of our business focuses on supporting the energy transition and environmental markets. In addition to addressing emissions in our own operations, we believe there is a significant contribution to be made through the creation of carbon markets as a growing asset class supporting the reduction of global emissions and increasing ambition to combat climate change. We produce, blend, market and trade renewable fuels and support projects and trade environmental credits. We also continue to leverage our experience in physical and financial commodities as an active participant in the compliance and voluntary environmental product markets.

In line with these beliefs and principles, we have set the following firm-wide sustainability goals:

- Measure all operational emissions (Scope 1 and 2) on an annual basis
- Regularly review the carbon intensity of our operations; identify any actions that can further reduce our footprint on an ongoing basis
- Support the creation of environmental markets that will transition society and economies to net-zero emissions

This Environment Sustainability Policy outlines how our businesses align with and will achieve these goals.

II. ENVIRONMENTAL MANAGEMENT AND RISK

We are committed to managing our impact on the environment and mitigating risk in line with sectoral best practices and our corporate values of integrity, commitment to ESG, and contribution towards a sustainable energy transition.

A. Corporate Responsibility and Future Environmental Commitments

All of our owned and operated facilities comply with local, regional, and federal regulation on emissions standards. We calculate our operational Scope 1 and 2 emissions on an annual basis and will engage with stakeholders in the commodity trading sector to identify the best practice methodologies for Scope 3 measurement, which we intend to develop further in the future.

We will look to increase our use of carbon removals over time in line with the Oxford Offsetting Principles and engage with stakeholders to identify best practice methodologies for Scope 3 measurement.

III. OUR BUSINESS

Hartree is a global merchant commodities firm. We specialise in energy but have diverse interests ranging from merchant trading, refining, transportation, and storage of energy-related products to renewable power and environmental credits. We continue to expand our business including the establishment of several energy transition and renewables focused ventures in line with our commitment to a sustainable energy transition.

A. Renewable Energy & Power

Hartree actively trades natural gas, power (electricity), and biofuels. We also make strategic investments into physical energy assets aligned with the energy transition. Our deep understanding of underlying energy markets positions us to become a leader in decarbonising the energy mix. Our power and renewables trading are expanding to help meet this demand for electricity generation from renewable sources. Hartree will continue to look for opportunities to shape the future of sustainable energy through cutting-edge ventures.

- *Biofuels*: we are investing in the development of advanced biofuels from non-food-based feedstocks, in line with growing demand for fossil fuel phase-out, reduced emissions footprints, and the EU Circular Economy Action Plan.
- *CHC*: joint venture with CATL, the world's largest battery supplier and manufacturer, to develop energy storage infrastructure in Asia

B. Environmental Products

Hartree trades in both the compliance and voluntary markets. Our Environmental Products team helps businesses understand these tradeoffs between the cost of abating in their own operations versus compensating via the use of carbon credits.

Carbon markets can provide an important part of the solution to the climate crisis as they catalyse innovation and drive emissions reduction at the lowest cost to society. Allowances and credits represent significant market opportunities for investors in the short-, mid- and long-term. By supporting and enabling participation in carbon markets, Hartree helps clients hedge against future climate risks, diversify their portfolios, and ultimately have a positive environmental impact while contributing to carbon emission reduction targets. We partner with a variety of stakeholders to catalyse private sector investment into nature-based projects and climate technologies, as well as offer the highest quality carbon reduction and removal credits for institutions needing to address their unavoidable emissions.

Through Vertree we aim to develop the market for carbon offsets by providing capital and risk mitigation to ensure future supply of high-quality, verified emissions reductions. Hartree is committed to continue scaling these types of solutions and leveraging our trade, finance, and risk management expertise to promote development of a transparent, liquid global market for carbon.