

CORPORATE RESPONSIBILITY  
ANNUAL REPORT

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2024



# Important Notices

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**Past performance is not indicative of future results.**

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The evaluation of ESG factors is generally qualitative and subjective by nature, and consequently there can be no assurance that any of the ESG initiatives described in the report will exist in the future, will be completed as expected or at all, will reflect the beliefs or values of any particular investor, or will apply to or be implemented uniformly across HMC, the Funds, and Portfolio Investments.

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**Forward-looking statements.** This document may contain certain "forward-looking statements" that are based on our assumptions and judgments with respect to, among other things, future economic, competitive and market conditions. Such factors are difficult or impossible to predict accurately and many of them are beyond our control. Because of the significant uncertainties inherent in these assumptions and judgments, you should not rely unduly on these forward-looking statements, nor should you regard the inclusion of these statements as our representation that an HMC Fund will achieve any strategy, objectives or other plans. All forward-looking statements are made as of the date of this document. There is no obligation to update these forward-looking statements to reflect events or circumstances after the date hereof, nor is there any assurance that the policies, strategies or approaches discussed herein will not change.

**No duty to update.** The information contained herein is provided as of the date first set forth. None of HMC, HFA, or any of their affiliates assumes any duty to update any such information for subsequent changes of any kind.

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# Introduction

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## LETTER FROM OUR PRESIDENT

*We are confident that our disciplined investment process, coupled with our forward-thinking perspective on corporate responsibility, positions us well to navigate an increasingly complex global investment landscape.*

Travis Pritchett  
President & Chief Operating Officer



As we reflect on 2024, I am pleased to share HMC's Corporate Responsibility Report highlighting our progress in advancing our responsible investment practices while delivering strong performance for our investors. Our approach continues to be grounded in the values that have guided us since our founding in 1993: disciplined investment processes, preservation of capital, and creating long-term value for our stakeholders.

While we and the broader industry have continued to evolve, our fundamental approach remains consistent. The initiatives highlighted throughout this report demonstrate our pragmatic approach to responsible investing – one that recognizes that thoughtful consideration of environmental, social, and governance factors can enhance our ability to identify risks and opportunities across our diverse portfolio. From renewable energy installations in Europe to climate risk assessments across our infrastructure assets, we continue to implement practices that align with our fiduciary responsibilities while contributing positively to the communities in which we invest.

Our strategic technology partnerships with industry-leading platforms such as Amber, Cambio, and Jupiter have significantly enhanced our capabilities in data collection, analysis, and reporting. These tools not only support our investment decisions but also enable greater transparency with our stakeholders – a cornerstone of our approach to responsible business management. 2024 marked HMC's first full reporting cycle as a UN PRI signatory, which provided valuable benchmarking of our practices against industry standards. The resilience of our real assets strategies validates our practical approach to responsible investment management.

Beyond our investment activities, I'm particularly proud of our team's commitment to community involvement and enrichment. The HERO Foundation, now in its 27th year, continues to make significant impact through employee-led initiatives, funding 14 grants to individuals and families in need in 2024. This tradition of service reflects our belief that being good neighbors in the communities where we operate is simply good business.

As we look ahead, we remain focused on our primary mission: delivering strong risk-adjusted returns for our investors. We will continue to refine our investment approach, incorporating relevant sustainability considerations where they enhance our ability to preserve and create value.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. Pritchett".

J. Travis Pritchett  
President & Chief Operating Officer



## MISSION

HMC aspires to be a trusted, integrated alternative asset manager that consistently delivers alpha across the risk spectrum and attracts, develops, and retains high-quality talent.

With a firm commitment to excellence and innovation, HMC leverages deep industry expertise and discipline to create lasting value for our stakeholders. Over 30 years, we have built a strong foundation, and our integrated approach ensures cohesive oversight and operational excellence. By aligning with investor objectives, we can deliver long-term value through strategic, insight-driven decisions.

## Who We Are

**Harbert Management Corporation** ("HMC") is an investment management firm focusing on alternative assets. We are disciplined, opportunistic investors who invest alongside our clients on equal terms and conditions.

A privately owned firm founded in 1993, HMC serves foundations, endowments, fund of funds, pension funds, financial institutions, insurance companies, family offices, and high net worth individuals across multiple asset classes.



**We are investors first.** Substantial HMC affiliate capital is invested in each fund vintage on the same terms and conditions as other investors.

**Our fund strategies employ fundamental, bottom-up investment analysis,** and we do not invest based solely on momentum or mathematical models.

**Our disciplined approach** to managing downside risk is critical to preservation of capital.

**Our institutional-quality operational infrastructure** provides our clients with the appropriate level of transparency across all strategies.

† Approximately \$8.2 billion in Regulatory Assets Under Management ("AUM") as of May 31, 2025.

# About This Report

Over the past 30 years, HMC has consistently assessed the impact of our business on the people, places, and assets in which we invest. While HMC's investment strategies span multiple asset classes and countries, our approach to responsible investing is maintained across the firm. Meaningful partnerships, innovative practices, and strategic investments drive our responsible investment initiatives.

It is our belief that, together, we can build a more resilient and prosperous future through responsible business practices. We invite you to explore this report and learn more about where we are and where we are going on our sustainability journey.

Serving as our second report, the following content contains quantitative data from 2024.

## OUR HISTORY OF RESPONSIBLE INVESTING

A sample of our most recent efforts.



# OUR HISTORY OF RESPONSIBLE INVESTING CONTINUED...



## HMC’s Commitment to Corporate Responsibility

HMC prides itself on its history of managing its operations and its investment strategies with the utmost integrity. We believe that through commitment, documentation, and adherence to formal responsible investing principles, the management of our business can enhance the already positive impact being made in our communities. The formal policies highlighted below are available on our website and codify our commitments to responsible investing principles.

### Responsible Investing Policy

Emphasizes the commitment HMC has made to investing capital in a responsible manner and sets forth our objectives of integrating ESG principles into applicable business practices; furthering principles of responsible investing through stakeholder engagement; and encouraging accountability through transparency with our investors and other stakeholders.

#### Exclusion Policy

Identifies specific investments in which HMC-sponsored funds will not participate, as we have a responsibility and standard to uphold for all stakeholders, including but not limited to our investors, investment teams, transaction partners, operating partners, and employees. Any investments that do not meet the exclusion policy criteria will be divested or excluded from the investment portfolio as soon as possible.

#### Stewardship Policy

Sets forth a variety of tools HMC may use to achieve its stewardship objectives across the entirety of its investment strategies, including Real Assets, Private Capital, and Absolute Return. The stewardship practices implemented for each investment strategy, or even for assets within a single strategy, and may vary but in each case will operate to support HMC’s overall stewardship objectives.



## OUR APPROACH TO GOVERNANCE

The firm's Corporate Responsibility Committee is accountable for developing and implementing HMC's Responsible Investing Policy as well as regularly reviewing the policy for necessary revisions or improvements.

The Corporate Responsibility Committee is composed of 10 representatives of executive management, investment teams, and fund administration. HMC's Board of Directors provides ultimate oversight of the firm's responsible investing efforts.

## Corporate Responsibility Committee



**John Harbert**  
Senior Vice President  
Committee Chair



**Travis Pritchett**  
President & Chief Operating Officer



**Lee Purcell**  
Global Head of Capital Markets



**Thomas Hicks**  
Vice President & Director  
Risk Management



**Brandon Kusibab**  
Vice President  
Investor Reporting



**Bufkin Frazier**  
Vice President & Associate  
General Counsel



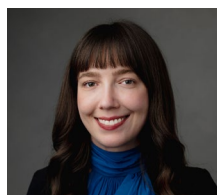
**Ryan Benevides**  
Vice President  
Asset Management, HEREF



**Jon Shopay**  
Managing Director  
Asset Management, HUSREF



**Kirk Stafford**  
Vice President  
Asset Management, HIF



**Marlowe McCraney**  
Assistant Vice President  
Compliance & Data Strategy

# United Nations PRI Reporting

## HMC's First UN PRI Reporting Year

In 2024, HMC completed its inaugural reporting cycle as a United Nations Principles for Responsible Investment signatory, marking a significant milestone in our responsible investing journey. The comprehensive reporting process allowed us to benchmark our ESG integration practices against global standards and industry peers while demonstrating our commitment to the six Principles for Responsible Investment.

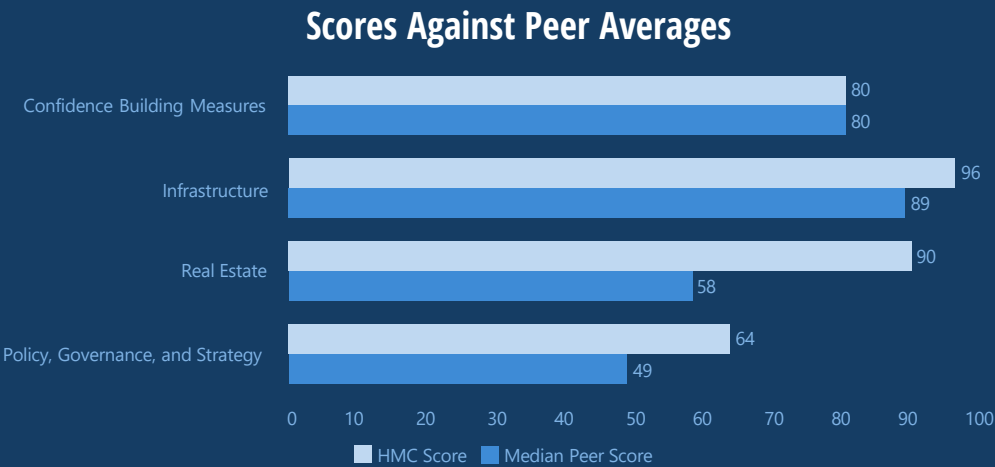
As a signatory since 2021, HMC has systematically enhanced its responsible investment framework, policies, and implementation procedures across strategies, where relevant and applicable. Our first submission yielded impressive results, with particularly strong performance in our Infrastructure and Real Estate modules, which scored 96% and 90% respectively, substantially outperforming industry medians of 89% and 58%, respectively. These results validate our dedicated approach to the integration of internationally-recognized ESG standards and considerations into our responsible investing and corporate responsibility initiatives.

We are pleased with our initial performance and we have identified specific opportunities to further strengthen our corporate responsibility practices. This assessment process has provided valuable insights that will guide our ongoing sustainability initiatives and refinements to our responsible investment approach in the coming years.

Please see below our overall scores against Peer Averages.

### UN PRI SCORING

Overall scores against Peer Averages.



# 2024 Fund Level Highlights



# Harbert U.S. Real Estate

The HUSRE team is committed to implementing sustainability initiatives across its property portfolio. These initiatives not only enhance operational efficiency and reduce environmental impact but also improve resident experience and community engagement.

## Sustainability Initiatives Spotlight

Below are highlights from key properties in our portfolio.

### Parkside at Craig Ranch

Parkside at Craig Ranch exemplifies HUSRE's commitment to technology-forward, environmentally conscious property management while creating meaningful community impact.

#### Smart Technology Implementation

- Since 2022, over 1,800 Smart Home systems have been installed that include smart locks, smart thermostats, leak sensors, smart light switches, and a central hub creating a closed ecosystem
- This smart home technology has substantially increased efficiency for on-site teams by alleviating administrative burden for managing vacant units' electricity use and allowing remote access to unoccupied units
- The leak detection technology has enabled the onsite team to identify issues quickly before they have time to spread and cause more widespread damage. This has also helped to improve insurance premiums with our carriers

#### Water Conservation

- Implementing reconstruction plans for exterior common areas in 2025 that will include landscaping requiring reduced watering, making a measurable impact on overall water consumption

#### Community & Social Impact

- Named finalist for Large Community of the Year by the National Apartment Association for sustainability and community driven initiatives
- Offers flex rent payment solutions that improve resident cash flow and credit while boosting NOI and retention, with \$10.2 million collected via the program since implementation in 2021
- Staff contributes over 300 volunteer hours annually at community organizations including the North Texas Food Bank, animal shelters, Salvation Army, and Storehouse of Collin County



Parkside at Craig Ranch

### McKinney, TX

16,172 kWh

Annual Energy Savings from  
Parking Garage LED Retrofit

11.8 tons

Annual Energy Savings in  
Carbon Dioxide Reduction

\$10.2 million

Total Flex Rent Solution

\$124,908

Raised for Local Charities  
With 2024 BH United Way

## Signature Ridge

Signature Ridge demonstrates HUSRE's commitment to energy efficiency and water conservation through significant investments in property upgrades and renovations.

### Energy Efficiency Investments

- Implemented energy-saving fixtures that deliver approximately 50,910 kWh saved each year with the current 48 renovated units
- Upon completion of all 142 units, energy savings are projected to reach 153,820 kWh annually
- Converted over 600 breezeway lights to LED, resulting in approximately 250,000 kWh estimated energy savings annually
- Converted over 600 patio lights to LED, resulting in approximately 190,000 kWh estimated energy savings annually

### Water Conservation

- Implemented water-saving fixtures that deliver approximately 57,500 gallons of water saved annually with the current 48 renovated units
- Upon completion of all 142 units, water savings are projected to reach 173,675 gallons annually



Signature Ridge

## San Antonio, TX

**173,675 gallons**

Projected Water Savings  
Annually Upon Completion

**153,820 kWh**

Projected Energy Savings  
Annually Upon Completion

## CHP Portfolio

The CHP Portfolio continues to demonstrate HUSRE's commitment to environmental sustainability through significant energy efficiency improvements implemented in 2024. To date, HUSRE has invested over \$1,100,000 in capital improvements with another \$2,800,000 planned through 2027 on HVAC upgrades, new LED lighting, and improved systems to reduce water waste.

### Energy Savings Achievements

The CHP Portfolio improvements realized an annual energy savings of approximately 1,243,680 kWh in 2024 through strategic lighting and equipment upgrades.

### Implemented Sustainability Initiatives

The portfolio's energy efficiency improvements were achieved through several key initiatives:

- Completion of comprehensive LED lighting retrofits across four properties, resulting in 62% average energy reduction for lighting systems
- Installation of high-efficiency HVAC equipment with smart controls at three locations, delivering 28% improved operational efficiency
- Implementation of building automation systems to optimize energy usage based on occupancy patterns and environmental conditions



CHP Portfolio

## Chicago, IL

**1,243,680 kWh**

Energy Saved in 2024

**882 metric tons**

Carbon Dioxide Emissions  
Eliminated Annually

## CHP Portfolio

### Return on Investment

Beyond environmental benefits, these sustainability initiatives deliver compelling financial returns. The completed projects represent an average payback period of 2.7 years, with the LED lighting retrofits achieving the strongest performance at 1.9 years. The combined annual utility cost savings from the 2024 improvements are projected at \$124,368, demonstrating that sustainability investments enhance both environmental and financial performance.

### Looking Forward

After investing over \$1,100,000 in capital improvements with another \$2,800,000 planned through 2027 on HVAC upgrades, new LED lighting, and improved systems to reduce water waste, the CHP Portfolio team looks ahead to build on the successes of the 2024 initiatives. The team has identified additional opportunities for energy optimization in 2025, with a particular focus on water conservation measures and renewable energy integration. These upcoming projects align with HUSRE's comprehensive approach to responsible property management and long-term value creation.

**62%**

Average Energy Reduction  
Due to LED Retrofit

**28%**

Improved Operational  
Efficiency Due to HVAC Install

**2.7 years**

Average Payback Period

**\$124,368**

Annual Utility Cost Savings  
from 2024 Improvements

## Madera Ridge

Madera Ridge exemplifies HUSRE's strategic commitment to environmental stewardship through significant renewable energy investments. In 2024, the property's solar implementation continued to deliver substantial environmental benefits and operational efficiencies while supporting HUSRE's sustainability objectives.

### Energy Savings Achievements

The rooftop solar panel installation generates approximately 392,018 kWh of clean energy annually, delivering meaningful environmental impact. The annual CO<sub>2</sub> emissions avoided equate to 277 metric tons, demonstrating the property's contribution to reducing carbon footprint.

### Return on Investment

This solar installation represents a cornerstone achievement in HUSRE's broader strategy to implement renewable energy solutions across suitable properties in its portfolio. Beyond the environmental benefits, the project continues to deliver operational cost savings while enhancing the property's value proposition for environmentally conscious residents.

### Looking Forward

The success of Madera Ridge's solar initiative has served as a blueprint for similar implementations being evaluated across other properties in the HUSRE portfolio, reinforcing our commitment to responsible resource management and sustainability-focused operational practices.



Madera Ridge

**San Diego, CA**

**392,018 kWh**

Clean Energy Generated  
Annually

**277 metric tons**

Carbon Dioxide Emissions  
Avoided Annually

# TECH SPOTLIGHT | HUSRE

Cambio is a cutting-edge property technology platform that leverages AI and data analytics to optimize real estate sustainability performance and reporting. The platform simplifies data collection, analysis, and disclosure by automating complex processes and providing actionable insights through intuitive dashboards.

## Cambio

In 2024, HUSRE established a strategic partnership with Cambio to enhance its sustainability data management and reporting capabilities across its U.S. real estate portfolio. Cambio was rolled out across all HUSREF VIII properties in 2024 along with select assets in other vehicles. This collaboration represents a significant advancement in HUSRE's ability to efficiently track, measure, and report metrics across diverse property types. By implementing Cambio's comprehensive platform, HUSRE gains enhanced visibility into sustainability performance indicators, carbon footprint data, and energy optimization opportunities.

The partnership enables HUSRE to:

- Automate data collection processes across multiple properties
- Generate comprehensive ESG reports aligned with industry standards
- Identify efficiency opportunities through predictive analytics
- Track sustainability KPIs with greater precision and transparency
- Streamline compliance with evolving reporting requirements



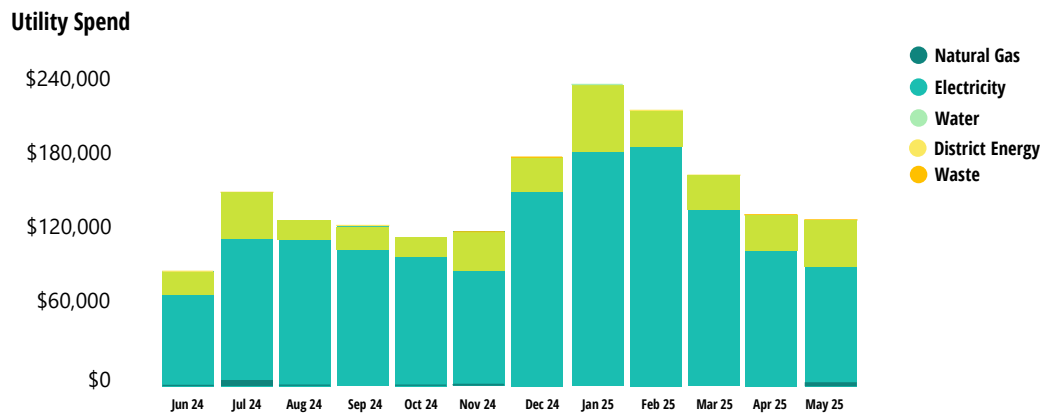
### Key Benefits of the Cambio Partnership

**Enhanced Reporting Capabilities.** The technology enables HUSRE to generate detailed reports customized for different stakeholders, from investors and regulatory bodies to property managers and sustainability teams.

**Predictive Analytics.** By leveraging AI and machine learning algorithms, Cambio helps identify patterns and opportunities for operational improvements, enabling proactive energy and resource management.

**Benchmarking and Performance Tracking.** The platform allows HUSRE to compare sustainability performance across properties, against industry standards, and over time, supporting continuous improvement initiatives.

Example Cambio Data Graphic



**Note:** Graph is an example of summary data produced by Cambio, it does not represent actual data from any HUSRE assets.



# Harbert European Real Estate

The HERE investment team is committed to a process of continuous integration of sustainable practices across our business wherever we own, manage or develop properties through our Funds.

## Commitment to Responsible Investing

HERE is proud to report that 70% of HEREF V's investments have green building certifications. In addition to seeking property ratings and certifications where possible from third parties such as BREEAM, HERE works with its managers and partners to create opportunities for large scale implementation of sustainability initiatives at the investment level.

Below are highlights from key properties in our portfolio.



### Social Impact in Spain

Vitoria I and Vitoria II exemplify HERE's commitment to creating meaningful and lasting community impact at the local level.

#### Northern Spain Affordable Housing Investments

These two properties are strategically designed to promote sustainability and environmental stewardship. These projects are situated near the city of Vitoria's green belt and main urban park, emphasizing the integration of green spaces and eco-friendly technologies.

Key environmental features include the implementation of aerothermal systems for efficient heating and cooling, which operate without CO<sub>2</sub> emissions, and a pneumatic waste collection system to minimize pollution. These initiatives align with the Basque Country's green purchasing policy, updated in March 2023, which sets stringent environmental criteria for both public and private projects. The policy emphasizes waste management, the use of eco-friendly materials, and maximizing green spaces, with a particular focus on using recycled or reused materials during construction.

HERE's commitment to sustainability is further demonstrated by its collaboration with local authorities to minimize environmental impact. This includes avoiding external material extraction, using certified sustainable materials, and updating quality standards to address safety concerns during construction. The projects aim to achieve an "A" rating in energy efficiency, the highest in Spain, and a BREEAM Very Good certificate. Additionally, smart lighting and climate control systems will be integrated to optimize energy usage in homes.



Vitoria I



Vitoria II



### French Solar Development

HERE is proud to highlight our role in the installation of the largest roof-mounted photovoltaic power plant in France, located in Beauvais 70 kilometers north of Paris. This landmark project underscores our commitment to advancing renewable energy and contributing to the energy transition in France.

The Beauvais project is a testament to the importance of collaboration to drive sustainability efforts. HERE developed the building in partnership with PRD and negotiated the lease for the solar installation with Urbasolar. PRD, a Paris-based commercial real estate development firm, designed an innovative logistics platform, "PV READY," for this project. Urbasolar, a leader in the solar energy sector in France, brought its technical expertise, operating experience, and high standard for both technology and quality of product to this collaboration.



### Commitment to the Energy Transition

The photovoltaic panels installed by Urbasolar cover approximately 62,000 square meters of roof space and are expected to produce approximately 12,737 MWh annually, equivalent to the annual electricity consumption of over 2,800 French households.

This project aligns with the objectives set by the French government's Energy-Climate Act, which aims to increase the share of renewable energies in the national energy mix. This project contributes to the energy transition in France and demonstrates HERE's commitment to creating positive, lasting impacts in the communities in which we invest.

ROOF SPACE	TOTAL CAPACITY
62,000 square meters	12.8 MWc

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12,737 MWh

EXPECTED ANNUAL PRODUCTION  
(EQUIVALENT TO)

= 2,812 French Homes

ANNUAL ELECTRICITY CONSUMPTION

## TECH SPOTLIGHT | HERE

Amber is a property technology platform that helps real estate owners and managers optimize building performance through AI-powered analytics and sustainability solutions. Amber enables property teams to efficiently monitor, analyze, and improve energy consumption, carbon emissions, and operational efficiency across real estate portfolios.

### Amber

In 2024, HERE engaged Amber to enhance sustainability monitoring and reporting capabilities across its UK student housing portfolio, Project Skyfall.

This collaboration represents an advancement in HERE's ability to measure and manage the environmental performance of its assets with greater precision and transparency.

By leveraging Amber's data analytics platform, HERE gains enhanced visibility into energy usage patterns, carbon emissions, and potential areas for sustainability improvements across the portfolio.



Skyfall



# Harbert Infrastructure

HIF is committed to a comprehensive climate risk management as a core component of our responsible investment approach. We conduct risk assessments across our portfolio of energy assets spanning multiple states, geographies, and climate zones.

## Climate Risk Management

With over three decades of infrastructure investment experience, HIF specializes in acquiring infrastructure assets with proven technologies across North America. The investment approach targets power assets including but not limited to: wind and solar assets, as well as the gas-fired generation which will continue to play an important role in the transformation of the U.S. power generation landscape to reduce carbon emissions.

HIF is a long-time adopter of climate risk considerations in their investment process, having participated in the inaugural Global Real Estate Sustainability Benchmark ("GRESB") annual assessment for 2015 and each subsequent annual assessment. HIF routinely monitors and reports on the production and emissions practices of its underlying assets, ensuring that they operate in accordance with their respective environmental permits and restrictions.

### 2024 GRESB ASSET HIGHLIGHTS

**Gulf Pacific Power:** For the past five years, ranked in the top five for the Americas Diversified Infrastructure Private Equity Funds

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**Gulf Plains Wind:** Ranked #6 U.S. On-Shore Wind Power Generation Asset

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**Desert Sunlight:** Ranked #4 U.S. Solar PV Power Generation Asset

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**Rocky Caney:** Ranked #4 U.S. On-Shore Wind Power Generation Asset and achieved GRESB Five Star Status

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**GRESB Average Score:** HIF-managed assets achieved a combined average score of 89%



Desert Sunlight - CA

**Note:** GRESB is a mission-driven and investor-led organization providing standardized and validated ESG data to the capital markets. Established in 2009, GRESB has become the leading ESG benchmark for real estate and infrastructure investments across the world. GRESB coverage for infrastructure includes more than 540 infrastructure portfolios and assets.

## HIF and EVORA Climate Risk Assessment

Beyond monitoring and reporting, HIF continually strives for improvement and in 2024, HIF partnered with EVORA to conduct a detailed climate risk assessment across 11 assets, spanning New York, Minnesota, Georgia, Kansas, Oklahoma, California, and Hawaii.

The purpose of this partnership is to identify the vulnerability of HIF's assets in relation to physical risk. This project examines a range of infrastructure investments, spanning wind, solar, and conventional energy generation assets. The assessment consists of the following:

- A physical climate risk assessment that addresses:
  - Acute and chronic stressors
  - Impact severity, likelihood, and occurrence
  - Future projections
- An overview of the interventions and potential financial implications
- Recommendations
- The development of an asset adaptation plan



WIND



COLD



FLOOD



PRECIPITATION



DROUGHT



WILDFIRE



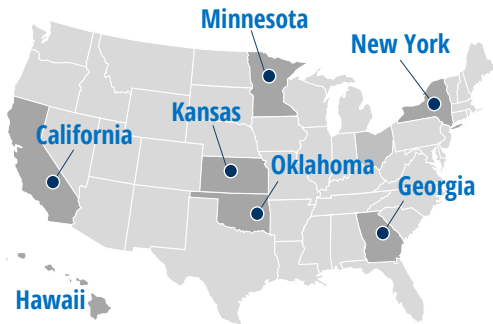
HEAT



HAIL

### Observations, Interventions, and Recommendations

Per EVORA's findings, HIF's assets have low overall exposure to physical risks. EVORA determined that there are no major physical impacts that are material to operation of the assets. The highest risk that the portfolio faces is related to heat, which ranked as a 'medium' risk.



Desert Sunlight - CA



Astoria I & II - NY



Rocky Caney Wind Farm - KS



Washington County - GA

# TECH SPOTLIGHT | HIF

Jupiter is a leading climate intelligence platform that provides sophisticated analytics to help companies assess, manage, and report physical climate risks across their asset portfolios. The platform leverages advanced climate modeling, machine learning, and geospatial technology to deliver precise, actionable climate risk data that informs strategic decision-making.

## Jupiter

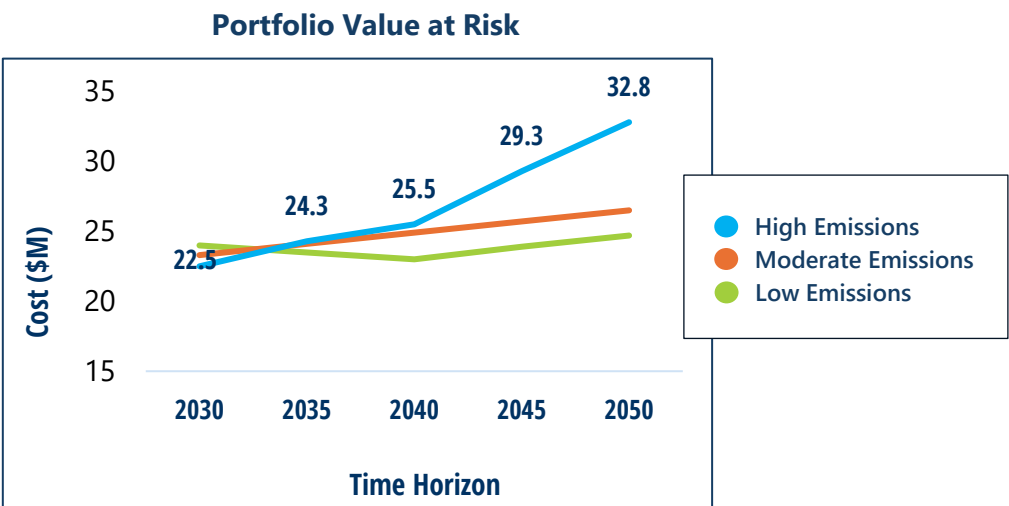
HIF and Evora utilized Jupiter to determine the physical climate hazards that our assets potentially face and outline overall portfolio risk. HIF proactively plans around the future of our assets, positioning the Funds for both stable cash flows and long-term value. By leveraging emerging technologies and data analytics, analytics, the HIF team strengthens its ability to avoid downside risk from as many angles as possible, including climate change. These tools provide invaluable insights by measuring the long-term resilience of our portfolio in increasingly volatile climate projections.



HIF’s Fund V and GPP assets were analyzed by Jupiter in this assessment. Utilizing geographic data and climate projection models, the Jupiter platform identifies an investment’s exposure to the physical risks outlined on the previous page. Once the severity and exposure of risks are identified, the platform can then be used to calculate potential risk to the capital invested in the portfolio, a measurement called Portfolio Value at Risk (“PVaR”). This allows HIF to estimate the probability of potential losses over time under varied climate conditions.

In this assessment, EVORA estimated the risk of loss of capital for the portfolio and calculated a relatively low \$32.8 million PVaR by 2050 under a high emissions scenario due to elevated risks from wind and flooding under a 100-year return period.

As shown below, HIF’s PVaR exhibits relatively limited variability over time between the three emissions scenarios, illustrating limited risk of capital loss regardless of the emission scenario. While this exercise determined that the overall risk is relatively low, HIF continues to actively measure, monitor, and remediate risks as needed.



**Note:** 100 year return. Wind and flood only.

# Harbert Growth Partners

The HGP team is committed to a responsible investment approach that integrates sustainable business practices into the evaluation and management of portfolio companies to drive long-term value creation and strategic growth.

## 2024 Responsible Investments Spotlight

With over 20 years of investing experience, HGP focuses on emerging growth-stage technology companies that have achieved product-market fit and are poised for expansion. By strategically investing in regions outside Silicon Valley—primarily in the Mid-Atlantic, Southeast, and Southwest—HGP identifies opportunities in less competitive markets where companies can develop sustainable business models while pursuing substantial growth.

The team believes that responsible investment practices in the technology sector not only mitigate risk but also contribute to sustainable business models that drive enhanced returns. Below are some 2024 highlights from our portfolio companies.

### Hello Alice

Hello Alice exemplifies HGP's commitment to social impact through technology investment. The platform provides software and services that connect entrepreneurs and small business owners – particularly those from underrepresented groups – to curated resources, experts, opportunities, and communities to help them launch and grow their companies. This mission directly addresses social inequality in entrepreneurship while creating sustainable business value.

In 2024, Hello Alice enhanced its impact by:

- Surpassing \$50 million in grant programs to small business owners just four years after its inception
- Reaching 1.5 million small business owners on the company's platform
- Being recognized as part of Inc. Magazine's Best in Business, a list of 241 companies with outside impacts in 2024, highlighting the company's resilience through obstacles and continual dedication to connecting small business to resources and funding

Working with various financing partners, Hello Alice has been able to distribute grants in diverse industries to help small businesses build and grow. The company remains committed to the small business owners it serves, helping provide access to capital, connections, financial education, and AI-driven business planning tools.



Houston, TX





## TemperPack

TemperPack represents HGP's investment in environmentally responsible product innovation. The company designs, manufactures, and distributes sustainable thermal packaging products for customers in the perishable food and life sciences industries. TemperPack's innovative ClimaCell product allows customers to protect temperature-sensitive shipments while reducing packaging waste with a product that is fully curbside recyclable, directly addressing the environmental challenges of traditional packaging materials.

In 2024, TemperPack demonstrated its commitment to sustainability through:

- Celebrating 10 years of sustainable innovation, helping companies protect their products without unnecessary plastic waste
- Being featured in TIME's "America's Top GreenTech Companies 2024" list, which statistically ranks the top 250 sustainability-focused companies in the U.S. based on their positive environmental impact, financial strength, and innovation
- Helping customers avoid sending over 21 million cubic feet of single use plastic packaging to landfills and the creation of over 46,000 metric tons of CO<sub>2</sub>e



**TemperPack**

**Richmond, VA**



## Apkudo

Apkudo showcases HGP's focus on technology solutions that promote circular economy principles and supply chain efficiency. The company provides supply chain automation solutions spanning the entire lifecycle of connected devices, from certifying new devices for launch to optimizing liquidation of refurbished products. Apkudo's approach addresses a critical environmental challenge in the technology sector: the growing volume of electronic waste from discarded devices.

Key 2024 achievements include:

- Acquired Mobile reCell, a software-driven IT asset recovery for corporate-owned IT assets, allowing increased collaboration and transparency across the value chain through the company's Circular Industry Platform
- Expanded the company's geographic footprint through notable partnerships with large international retailers in Canada and Europe

These deals strengthen Apkudo's reach, enhancing supply chain transparency while advancing the company's mission of extending device lifecycles through technology-driven sustainability solutions.



**apkudo**

**Baltimore, MD**



## CORPORATE RESPONSIBILITY SPOTLIGHT | HGP

HMC is proud to highlight employees who lead corporate responsibility initiatives both within their team and across departments, recognizing that meaningful impact often begins with individual commitment and leadership. By celebrating these team members' contributions, we aim to foster a culture where sustainable thinking and community engagement are embedded throughout our firm's operations and investment approaches.

# Interview with Alison McKinney

As Senior Associate with HGP, Alison McKinney has demonstrated exceptional commitment to HMC and our commitment to responsible investing since joining in August 2022. Her work spans financial analysis, investment due diligence, and portfolio company monitoring, bringing valuable perspective to the investment team.

Beyond her core investment responsibilities, Alison actively contributes to HMC's firmwide culture initiatives as an engaged member of both NextGen HMC, which fosters professional development among the firm's emerging talent, and the Women's Forum, which promotes networking and advancement opportunities for female professionals. This dual participation helps build bridges between investment strategies and corporate responsibility, exemplifying HMC's values of developing well-rounded professionals who contribute to both business success and positive organizational culture.

See Alison's interview here, as she discusses her role within HGP, the team's incorporation of sustainability considerations into the investment process, what qualities signal success in a potential investment, and her involvement in HMC's organizational programs.



**Alison McKinney**  
Senior Associate, HGP  
NextGen HMC & Women's Forum

**QUESTION:** As Senior Associate at HGP, you've been involved in the evaluation and monitoring of companies with strong responsible business practices. How do you incorporate sustainability and social impact considerations into your investment analysis process, and has this approach evolved during your time at HGP?

**ANSWER:** We view responsible business practices as core components of long-term value creation rather than separate considerations. I have seen increasingly clear connections between these responsible practices and business performance, particularly with companies at the emerging growth stage where responsible approaches often drive differentiation and customer loyalty.



### Interview with Alison McKinney

**Q:** As you evaluate emerging growth-stage technology companies, what qualities or practices do you look for that signal a company's potential for sustainable long-term success beyond traditional financial metrics?

**A:** We prioritize companies whose responsible practices are inseparable from their core business strategy. Strong, diverse leadership teams help make better strategic decisions. We value transparency in impact measurement, as this often correlates with disciplined operational management. Most importantly, we assess whether a company's approach to sustainability creates defensible competitive advantages—whether through proprietary technology, unique data assets, or integrated solutions that address industry-wide challenges.

**Q:** Looking at the portfolio companies highlighted, each addresses different aspects of responsible business, from supporting underrepresented entrepreneurs to sustainable packaging and extending device lifecycles. Have you noticed any relation between these companies' missions and their business performance?

**A:** These companies succeed because of their missions, not despite them. Hello Alice's focus on underrepresented entrepreneurs has built a unique data asset that drives enterprise value. TemperPack's sustainable packaging addresses growing market demand while improving operational efficiency. Apkudo's approach helps

expand revenue streams by extending the product's lifecycle. Their purpose-driven models create distinctive market positions that competitors struggle to replicate.

**Q:** Beyond your investment role, you are active in both NextGen HMC and the Women's Forum. How do these initiatives complement your work in responsible investing, and what value do you find in HMC's approach to developing professionals through these internal programs?

**A:** These programs provide perspective that enrich not only our culture of community at HMC, but also our investment approach. NextGen connects me with colleagues across different strategies, exposing me to diverse viewpoints on HMC's business practices, ranging from operations to other investment strategies. The Women's Forum offers mentorship and educational programming from senior female leaders, ultimately providing professional development for women across the firm and establishing an open dialogue between senior female leadership and juniors. These types of programs enable connectivity across the firm and support more effective decision making at both the individual and firm levels.

# 2024 Firm Level Highlights



## THE HMC EMPLOYEE EXPERIENCE

HMC prioritizes sustaining a working environment where employees can grow and succeed. We offer a dynamic, professional experience where employees enjoy engaging relationships with talented colleagues in an exciting and collaborative culture. HMC sponsors social and team building events periodically throughout the year to promote employee camaraderie and a positive firm culture.

# Investing in Our People

Our most valuable asset

Our commitment to cultivating exceptional talent is reflected in our comprehensive approach to professional development, mentorship opportunities, and recognition programs. By fostering an environment that values innovation, integrity, and individual contribution, we create a foundation where professionals can build rewarding careers while contributing to HMC's continued success. We continue to invest in people-focused programs that enhance employee engagement and support our mission of being a trusted, integrated alternative asset manager that attracts, develops, and retains high-quality talent.

### 2024 Best Places to Work

HMC has earned recognition as one of **Pensions & Investments' Best Places to Work in Money Management** for the sixth consecutive year. This prestigious industry distinction is determined through a comprehensive evaluation process that assesses workplace policies, benefits, and employee satisfaction through confidential surveys and detailed organizational assessments.

Our consistent recognition reflects HMC's ongoing commitment to fostering a collaborative culture where talent thrives through professional development opportunities, competitive benefits, and meaningful work-life balance initiatives.



### John M. Harbert III Award

The John M. Harbert III Award, HMC's highest honor, recognizes employees who demonstrate a strong work ethic, recognizes and capitalizes on opportunities and does so with the entire organization in mind.

Brandon Kusibab, Vice President of Investor Reporting, has been named the 2024 recipient for his exceptional contributions to enhancing reporting transparency and operational efficiency across multiple departments.

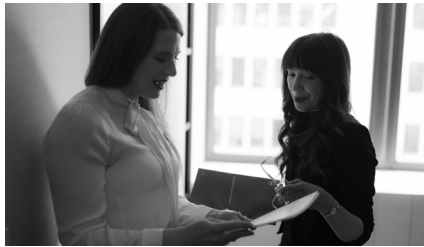
**Brandon Kusibab**  
VP, Investor Reporting  
2024 John M. Harbert III Award Recipient



## Women's Forum

The HMC Women's Forum launched in December 2021 with the objective of promoting professional development, coaching, and networking among the female professionals at HMC.

In 2024, the HMC Women's Forum continued its mission to educate and connect the women of HMC through meaningful conversations and interactive experiences. Employees engaged in discussions on optimizing workplace benefits and balancing caregiving responsibilities. The Women's Forum also facilitated summer job shadowing sessions to promote cross-functional understanding and strengthen workplace collaboration.



2024 Women's Forum

## NextGen

HMC launched NextGen in April 2023 with the intention of solidifying a sense of community and alignment between HMC's senior management and young professionals. NextGen's overarching mission is to support and invest in the next generation of investment management professionals.

In 2024, NextGen hosted a "Lunch & Learn" session to provide young professionals with insight into two of HMC's core investment strategies. Additionally, NextGen organized a "Night at the Ballpark" social, bringing colleagues together to enjoy the game and build connections outside of the office.



NextGen "Night at the Ballpark" 2024



## HERO FOUNDATION

Harbert Employees Reaching Out

HERO was established in 1998 and provides direct financial assistance to help individuals and families who have been affected by natural disasters, medical conditions or temporary financial hardships to regain their independence and self-sufficiency. We identify those in need through employee referrals and partnerships with various community groups. HERO is proud to be employee-led and funded. Individuals from across the firm are encouraged to participate in various committees focused on fundraising, grant-making and management.

**819 grants**

Awarded since 1998

**27 years**

Serving community

**14 grants**

Awarded in 2024

## HERO FOUNDATION PARTNERSHIPS

Alabama Department of Rehabilitation Services  
Alabama Head Injury Foundation  
Alabama Oncology  
Catholic Center of Concern  
Central Alabama Home Care  
Children's of Alabama  
Children's Rehabilitation Services  
Collat Jewish Family Services  
Community Furniture Bank  
Disability Rights & Resources

Grace House Ministries  
Grace Klein Community  
Libby's Friends  
One Place  
Red Mountain Grace  
Shelby County Emergency  
State of Alabama Independent Living  
United Cerebral Palsy  
YWCA Central Alabama



Children's  
of Alabama®

eliminating racism  
empowering women  
**ywca**  
Central Alabama

### HERO Golf Tournament

The 26th Annual HERO Golf Tournament was held in October 2024 at Vestavia Country Club. Twenty-nine teams participated and, once again, the tournament was a success raising approximately \$72,000.



**\$72,000**  
Raised in 2024

### HERO Christmas Project

The HERO Christmas Project provided gifts for 74 families and 157 children in 2024. The Christmas Project started with 12 children in 1999 and has grown to over 100 children in the past few years. Since inception, approximately \$706,000 has been allocated to the Christmas Project. Bikes, toys and clothing items were purchased by HERO volunteers.

#### 2024 Participating Organizations:

Children's Harbor, Children's of Alabama, Grace House Ministries, Children's Rehabilitation Services, Employee referrals, and YWCA Central Alabama

**157**  
Children Gifted in 2024

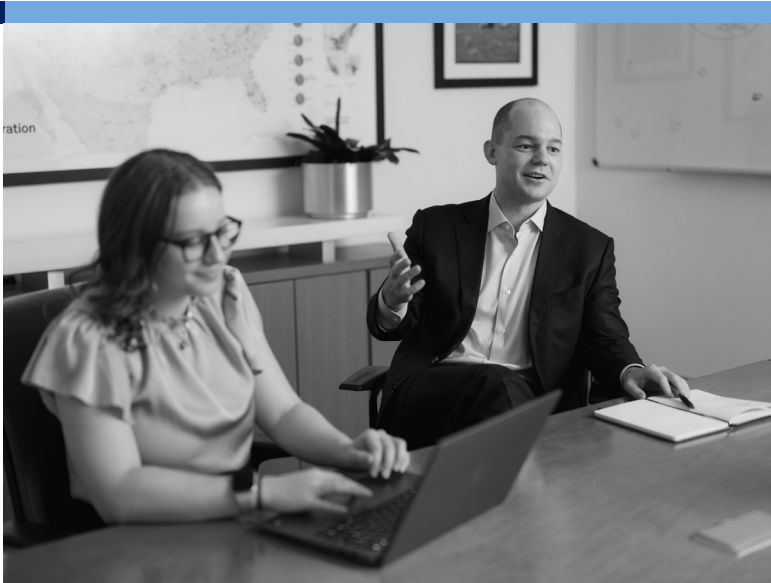
### HERO Day of Service



This year the HERO Service Day was in partnership with the Community Food Bank of Central Alabama. HMC employees packed food boxes for area senior citizens and holiday meal boxes for local families.

In total, 481 individual boxes and 375 family boxes were packed, feeding approximately 2,000 people in our community. We also donated a large amount of non-perishable food items contributed by HMC employees.

# Conclusion



## COMMITMENT

HMC is dedicated to fostering a workplace that champions environmental stewardship, sustainable business practices, and professional development. Throughout the year, HMC demonstrates this commitment across all operations, from the investments we make in our Funds to the investments we make in our employees.

## Conclusion

Reflecting on our initiatives and impact in 2024



As we navigate the evolving investment landscape, we remain steadfast in our commitment to investing responsibly while delivering strong risk-adjusted returns for our clients.

The initiatives highlighted throughout this report demonstrate our pragmatic approach to responsible investing—one that recognizes the importance of sustainability factors while maintaining our disciplined investment processes and fiduciary obligations.

Our continued focus on innovation, community engagement, and stakeholder value creation positions HMC well for long-term success in an increasingly complex global investment environment.