

Responsible Investment Policy

The Denham International Power Fund (“the Fund”) is committed to investing in power generation in emerging markets and other target markets with a primary focus on clean, affordable power. We believe that providing clean, affordable and accessible power is critical to create the building blocks that are necessary to alleviate poverty, and to increase educational access, health care and employment.

Denham recognizes that management of environmental, social and governance (“ESG”) issues related to our International Power Fund is essential in making a more positive contribution to the world we live in and enables us to seek sustainable long-term, risk-adjusted portfolio returns for our investors. Our Responsible Investment policy establishes our commitments for protecting the environment, people and the communities where our Portfolio Companies operate, as well as good governance practices.

We are committed to employ management systems that effectively address environmental and social risks and realize opportunities at key stages within the investment cycle:

Environment: As investors in renewable and low carbon energy projects, we are contributing towards the provision of clean energy and a low carbon future. We will work to safeguard the environmental impacts of our investments. This means, for example, seeking to minimize emissions to air and water and preserving biodiversity at and around project sites, as well as promoting positive benefits.

Human Rights: We are committed to respecting human rights and believe that all people should be treated with fairness, respect and dignity. We will work with our Portfolio Companies to identify potential risks to human rights in the supply chain (including local construction) at the earliest stage of investment decision-making, and will implement mechanisms to support this commitment.

Health and Safety: Protecting the health, safety and welfare of all those who work for the Fund Manager, our Portfolio Companies, and the projects in which we invest is our utmost priority. This also extends to communities that may be affected by our investment activities. Where we cannot avoid impacts, we will implement measures to mitigate them in line with legal requirements as well as international good practice. Management measures will include occupational, health and safety procedures and accident prevention measures.

Communities: We acknowledge that the construction and operation of power projects can both positively and adversely impact communities. Prior to project development, our Portfolio Companies are required to assess potential impacts to communities, including indigenous peoples. As well as adopting measures to manage and mitigate potential impacts, our Portfolio Companies are required to implement a stakeholder engagement process throughout the project. We also encourage our Portfolio Companies to identify and develop opportunities for achieving social benefits.

Governance: We structure our investments to ensure proper corporate governance, including ensuring that properly constituted governing bodies such as boards of directors have oversight over Portfolio Company activity. In particular, we will seek to minimize opportunities for corruption, bribery and other improper payments in our own operations, and those of our Portfolio Companies. Portfolio Companies are required to put in place and enforce systems to ensure compliance.

The Fund Manager will incorporate these commitments throughout the investment cycle through the implementation of an environmental and social management system and by adoption of the following Standards:

- The Denham International Power Fund Exclusion List
- Applicable international, national and local laws on environment, health, safety and social issues and any standards established therein
- The IFC Social and Environmental Performance Standards, dated January 2012
- The IFC/ World Bank Environmental, Health and Safety Guidelines
- ILO Core Labor Standards and ILO Basic Terms and Conditions of Work
- International Bill of Human Rights in line with the UN Guiding Principles on Business and Human Rights
- U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act, as well as relevant national anti-corruption laws

Prior to all investments, the Fund Manager will assess compliance of Portfolio Companies and projects to these Standards. In cases where gaps are identified, a corrective action plan to comply with these Standards within a reasonably acceptable timeframe will be established for Portfolio Companies.

We will seek continual improvement of this policy and supporting processes and we will review it on a systematic basis. We will monitor the performance of our Portfolio Companies in upholding our commitments and will report back to our Investment Committee and our investors on a quarterly and annual basis.

The Fund Manager will communicate this Responsible Investment Policy to Investors to the Fund, Portfolio Companies and to all employees.



Scott Mackin

Managing Partner

----- 10 Oct 2017 -----

Effective Date



Sabine Chalopin

ESG Manager

----- 10 Oct 2017 -----

Effective Date