DENHAM CAPITAL

SUSTAINABLE INFRASTRUCTURE

ESG REPORT 2022

Signatory of:

PRI Principles for Responsible Investment

ESG Investing WINNER AWARDS 2022

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DENHAM CAPITAL

PARTNERS' LETTER

The Denham Sustainable Infrastructure ("DSI") platform has always taken advantage of its global reach to invest in the best opportunity sets that present themselves during our various funds. Today, the larger energy transition taking place globally is presenting new opportunity sets where we can deploy our longstanding, highly disciplined, "buy-and-build" investment approach.

As an early investor in the energy transition with an active ESG program, we believe that this brings together two key tenets of the DSI business and places us in a strong position to tap into the massive investment required (estimated by the International Energy Agency to be $150 trillion by 2050) to decarbonize energy infrastructure. DSI's investment strategy has evolved to reflect how the world has changed. We started life as in investor in international power, and now focus on sectors that support the transition to a lower-carbon world, including renewable energy, energy storage, EV Charging Infrastructure and other proven energy transition infrastructure. Our business covers equity and credit transactions in sustainable infrastructure in both OECD and non-OECD markets.

Earlier this year, we were pleased to announce the completion of the sale of Nexif Energy with Thailand's RATCH Group PCL. Nexif Energy had built an attractive project portfolio in Australia and Southeast with a total capacity of approximately 2.7GW, of which 500MW was either operational or under construction. This is an example of DSI's buy-and-build strategy; DSI and Nexif Energy seeded the platform with assets and grew the business with a trusted management company. We believe that Nexif Energy Australian investments provides a valuable case-study, illustrating that successful investments require a mix of the standard renewable playbook skills, the capability to manage multiple short and medium-term offtakes, as well as deploying a deep understanding of local demand markets. We also worked actively with Nexif Energy to ensure that all their projects in Southeast Asia were developed and constructed in line with international environmental and social standards. Further examples of our active stewardship can be found later in this report.

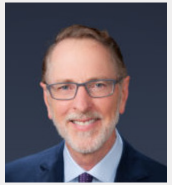
A more recent example of our buy-and-build strategy is our partnership with EVC, a UK-based electric vehicle charging company with the mission to deliver up to 100,000 EV charge points across the UK by 2027. We look forward to providing an update on EVC in our next ESG report.

Our credit team has also been busy providing sustainable infrastructure loans and private bond investments. By the end of 2022, the team had closed 11 transactions since its first investment in December 2021, consolidating its position as a leader in the sustainable infrastructure credit market. The credit team's position has been recognized by the publication "Infrastructure Investor" which has ranked the team among the top 30 debt fund managers in 2023.

DSI has been publishing an annual ESG report since 2018, back when ESG was still considered a niche topic. Today, private equity firms across the board are implementing responsible investment policies and publishing reports. The breadth and coverage of ESG has expanded in recent years, and in this year's report we discuss material ESG issues for sustainable infrastructure, our efforts around diversity and inclusion, and reporting of our greenhouse gas emissions.

We hope you enjoy this year's ESG report, and if you have any questions or comments, please do get in touch.

STUART PORTER
CEO AND PARTNER



SCOTT MACKIN
PARTNER AND CO-HEAD SUSTAINABLE INFRASTRUCTURE

JUSTIN DEANGELIS
PARTNER AND CO-HEAD OF SUSTAINABLE INFRASTRUCTURE

JORGE CAMIÑA
PARTNER AND HEAD OF SUSTAINABLE INFRASTRUCTURE CREDIT

OUR INVESTMENT STRATEGY

DSI's investment strategy has evolved from being an investor in international power to investing in sectors that support the transition to a lower-carbon world, including renewable energy, energy storage, clean transportation and data centers. Our business covers equity and credit transactions in sustainable infrastructure in both OECD and non-OECD markets.

We believe in being active stewards of our investments and working closely with our portfolio companies to drive growth and value in all areas of the business, with ESG being a central tenet of that growth.

Denham Capital has an overall Responsible Investment Policy which was updated in 2023. In addition, each sector has specific additional responsible investment guidelines. The DSI Responsible Investment Policy can be found here.

UN Sustainable Development Goals

The DSI investment strategy contributes to UN SDG 7 "Affordable and Clean Energy" by providing clean power which contributes towards a low-carbon future. For example, at the end of 2022, in our equity portfolio, we had 922 MW of renewable energy assets under operation and 249 MW of assets under construction. The DSI investment strategy also contributes towards UN SDG 9 "Industry, Innovation and Infrastructure". A more recent example is the partnership with EVC, the UK-based electric vehicle charging company to roll up to 100,000 EV charge points across the UK by 2027.

Ancillary contributions include UN SDG 8 "Decent Work and Economic Growth" because of the provision of jobs and decent working conditions. The implementation of community related projects contributes towards a number of UN SDGs. Examples include the building of schools, the creation of a dairy co-operative and a waste picking program, all of which are further discussed under Supporting Communities.

SUSTAINABLE DEVELOPMENT GOALS

OUR ESG PROCESS FOR EQUITY INVESTMENTS

SCREENING → **DUE DILIGENCE** → **INVESTMENT** → **ACTIVE OWNERSHIP** → **EXIT**

Prior to investment

DSI's buy-and-build strategy is to partner with management teams and support the growth of their company. During the stages of assessing a fit with a management team, both senior management and our Head of ESG engage with them to understand their commitment towards ESG. If we believe that a management team does not share the same vision as us, nor are they committed to ESG, we will not proceed in working with them. Following this initial screen, we will engage third-party consultants to carry out due diligence.

During the on-boarding process, the shareholders' agreement will include ESG covenants and a 100-day plan is put in place. The 100-day plan will include multiple workstreams, including an ESG workstream. Typical ESG requirements set out in the 100-day plan include the implementation of ESG policies such as a Climate Policy, a Human Rights Policy and a Diversity and Inclusion Policy.

Active ownership

As active stewards of our investments, we work closely with the management teams of our portfolio companies to understand their pipeline, ensure an ESG screening process is in place, and then work with our portfolio companies to support investments in reaching financial close. Key material ESG issues which we assess both pre-investment and during ownership are detailed on page 5.

DSI will hold board positions in our portfolio companies, and ESG reporting is expected as part of board presentations. Depending on the maturing of the pipeline, board presentations will include ESG principal adverse impact indicators (such as reporting on scope 1 and 2 emissions). We also encourage our portfolio companies to report against GRESB and to become signatories to the UN Global Compact.

DSI reports annually using the UN PRI framework, and SIF I has reported against GRESB for the last five years.

During the exit process, we will provide all relevant ESG documentation to potential buyers. We are seeing that potential buyers are increasingly focused on the ESG credentials of our portfolio companies.

OUR ESG PROCESS FOR CREDIT INVESTMENTS

We provided an expert commentary article in Infrastructure Investor on how debt managers can integrate ESG into their investment process. There are key differences in how ESG can be managed in private debt, private equity and public capital markets as shown in the table.

In the private debt market, the screening and due diligence processes are critical gate posts. We screen all transactions to assess whether they contribute towards an environmental objective as defined under the EU Taxonomy, review due diligence reports and discuss any material ESG issues with the sponsor.

In debt transactions, we can also dictate the use of proceeds. For example, at the end of 2022, the team completed a corporate private bond investment to Hawaii Electric Industries Inc with proceeds for specific sustainable projects.

How private debt, private equity and public capital markets compare on ESG integration

Investment activity	Primary contribution to ESG integration	Equity vs debt	Private equity	Private debt	Public debt or equity
Sourcing and screening	ESG impact	Private debt, private equity and public investors are all in control of the screening and apply ESG screens	High	High	High; limited universe of listed companies
Due diligence	ESG risk	Private equity owners are typically in a control position and can drive ESG due diligence to a high standard Lenders have some additional diligence room for ad hoc requests but will ultimately gravitate towards market practices	High; control stake	Medium; lending syndicate	Low; public disclosures
Use of proceeds	ESG impact	Sustainable investments tend to be asset-heavy and financed with a large percentage of debt	High	High	Low; usually secondary trades
ESG covenants	ESG risk	Private equity owners can drive ESG sustainability policies in their portfolios, while lenders will have debt covenants related to compliance with ESG regulations, which tend to set minimum thresholds rather than targets	High	Medium	Low
Reporting	ESG impact and ESG risk	Ability to increase ESG reporting	High	Medium	Low
Investment management	ESG impact and ESG risk	Engagement with management to execute new ESG initiatives	High	Low	Low
Liquidity to exit	ESG risk	Ability to exit an investment promptly upon an ESG risk event	Low	Low	High

Source: DSI

KEY MATERIAL ISSUES FOR SUSTAINABLE INFRASTRUCTURE

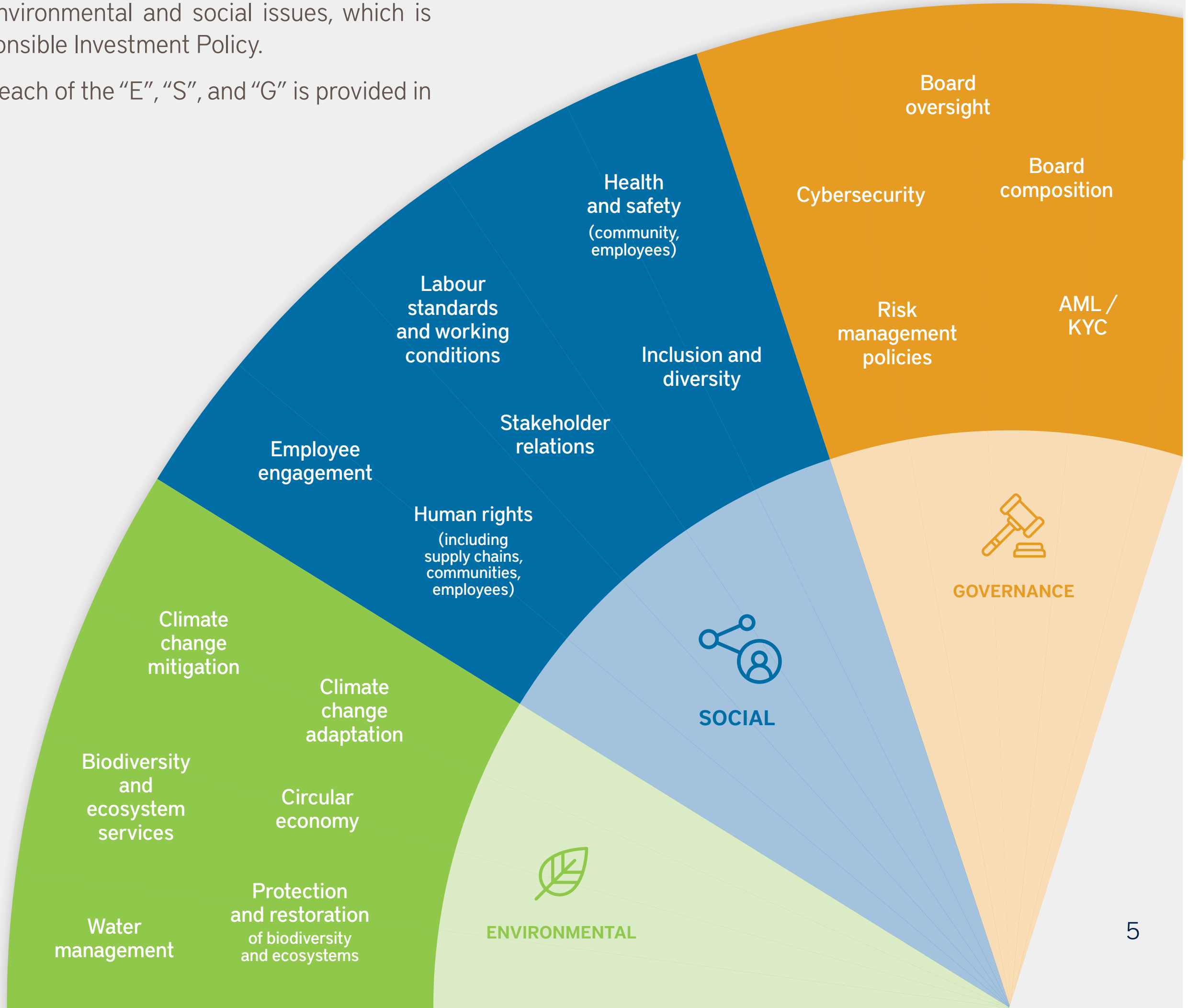
Our screening process identifies the key material issues to a sector using standards and frameworks such as SASB, the EU Taxonomy and the IFC Performance Standards. Identifying material ESG factors from an early stage supports us in our ongoing management of an asset through the investment lifecycle.

Our investment strategy has evolved to target sectors supporting climate change mitigation. Key to decarbonising our portfolio, is calculating, and tracking our greenhouse gas emissions which allows us to identify areas to reduce emissions. Given that physical risks from a changing climate have become a reality, assessing physical risks of climate change across our portfolio can help to deliver climate resilient infrastructure. We also recognise the delicate interconnectedness between biodiversity and climate change and the need to protect biodiversity. We expect our stakeholders to increasingly ask how we manage and support biodiversity. Examples of work on the ground are provided on page 9.

With respect to 'social' aspects, diversity and inclusion both for our portfolio companies (especially boards) and our own team remains a focal point. Other social aspects include how our portfolio companies engage with their stakeholders, health and safety performance and human rights issues.

Governance includes both the DSI internal governance process and how we govern environmental and social issues, which is elaborated in our Responsible Investment Policy.

Further information on each of the "E", "S", and "G" is provided in the following section.



ENVIRONMENT CLIMATE CHANGE

Our goal for 2023 is to continue to work with our portfolio companies to determine a practical approach to reduce emissions in the medium-long term.

DSI's Climate Policy is based on the Task Force on Climate-related Financial Disclosure (TCFD) recommendations and covers both transition and physical risks.

GHG emissions of DSI, manager-level only

At the Manager level, we do not generate Scope 1 greenhouse gas (GHG) emissions as we do not directly operate, own or control emissions sources. Our Scope 2 GHG emissions result from the purchase of electricity in our offices. We have identified our material Scope 3 emissions to include Business Travel and our working with our Travel Operators to collect data with a goal to report on Scope 3 emissions in next year's annual ESG report.

Key Performance Indicators - Environment

	Manager	
Scope 1 emissions	Not applicable	0t CO2e
Scope 2 emissions	Purchased electricity	27t CO2e

GHG emissions of Portfolio Companies

During the year, we worked with our portfolio companies to track and report Scope 1 and 2 emissions, with some portfolio companies already reporting on Scope 3 emissions. These are reported at the fund level and are pro-rata per equity ownership structure:

Key Performance Indicators - Environment[1,2]

	Fund VI	SIF I[3]
Scope 1 emissions	287,000t CO2e	509,000t CO2e
Scope 2 emissions	15,200t CO2e	1t CO2e
Scope 3 emissions	9,400t CO2e	8,600t CO2e

Fund VI includes our portfolio company Endeavor Energy, which is an independent power company focused on constructing and operating power generation projects across Africa. Endeavor Energy has 252 MW across two operational projects in Guinea and Ghana which is responsible for the bulk of the scope 1 and 2 emissions. Whilst these projects do result in GHG emissions, they are providing much needed base-load power generation in countries where there are relatively low rates of access to electricity.

SIF I's scope 1 emissions derive from an operating gas project in northern Brazil, which is using combined cycle technology. The reason that the SIF I scope 1 emissions are higher than Fund VI is due to the differing ownership structures between Fund VI and SIF I assets. That being said, we believe that gas has a role to play in specific situations. In 2022, Ceiba Energy announced the successful bid of its Portocem project for a 15-year power purchase agreement to build, own and operate a new 1.6 GW power plant in Brazil. The Portocem LNG-to-Power Project will be installed in the Pecem Industrial and Port Complex, in the state of Ceara in northeast Brazil. The project will supply much-needed capacity to back the existing reliance on intermittent energy coming from renewable sources. Portocem's capacity will be sold to the Brazilian market as reserve contract, minimizing the risk of system wide blackouts in low hydrology years.

In the same way that SIF I required stricter requirements for thermal power projects, we expect such requirements to tighten for subsequent DSI funds, with gas power projects needing to follow our recent gas position paper.

[1] Reporting includes project level only emissions (not office emissions). Endeavor Energy's scope 3 emissions (Fund VI) are not included, and neither is the Bridge Power project in Ghana (Fund VI). This project is currently under construction and we will report on scope 1-2 emissions once the project becomes operational.

[2] During the year, Nexif Energy was sold to Ratch Energy. The emissions of Nexif's projects are not included in this year's report.

[3] SIF I emissions have been verified by a third-party (ITP Energised).

ENVIRONMENT CLIMATE CHANGE CONTINUED

GHG emissions of credit transactions

Given that we predominantly finance operating sustainable infrastructure projects (with a focus on renewables) the GHG emissions for our credit transactions are low (and zero for Scope 2 emissions). In next year's annual ESG report, we intend to report on our GHG emissions using the PCAF Global GHG Accounting Standard, which builds on the GHG Protocol standards for corporate reporting.

Avoided emissions

DSI's investment strategy of investing in sectors that support climate change mitigation, such as renewable power projects, result in avoided emissions. In 2022, our avoided emissions from our equity transactions were an estimated 1.1m tCO2e. As per best practices, we use the International Finance Institution (IFI) harmonized GHG accounting standards to calculate our avoided emissions.

Using the PCAF methodology, the avoided emissions from our credit portfolio were an estimated 900,000 tCO2e. The PCAF method includes an attribution factor, based on the ratio between the outstanding loan and the company capitalisation.

1.1 million tCO2e

Estimated avoided emissions from our 2022 equity transactions

Physical Risk

Whilst sustainable infrastructure is essential to support the transition to a low carbon economy, these assets are potentially at risk to the physical risks of climate change. These physical risks include both event-driven (acute) risks and longer-term (chronic) risks (see Table 1).

Table 1: Examples of acute and chronic climate risks

Acute-risks	Chronic-risks
– River flood	– Sea level rise
– Flash flood	– Fire weather stress
– Storm surge	– Drought stress
– Tropical cyclone	– Heat stress
– Tornado	– Precipitation stress
– Hail	
– Lightning	
– Wildfires	

ENVIRONMENT CLIMATE CHANGE CONTINUED

Physical Risk (continued)

Potential impacts on assets from physical risks include direct damage to assets, as a result of extreme weather events (e.g. storms), changes in water availability, sourcing and quality, disruption to operations and indirect impacts from supply chain disruption. For example, wind energy projects and electricity transmission infrastructure are vulnerable to storm damage. This can reduce power capacity or cause power disruptions. Workforces on projects located in hot climates and who are working in sectors which typically require outside working are more susceptible to occupational heat stress from extreme hot weather.

Reporting frameworks such as TCFD, Equator Principles and the EU Taxonomy are encouraging investors to think about these risks. In the EU Taxonomy, for a renewable investment that is contributing towards the environmental objective of climate change mitigation, amongst other criteria, the investment also needs to show that it is not doing significant harm ("DNSH") to climate change adaptation. The criteria for DNSH include performing a robust climate risk and vulnerability assessment, proportionate to the scale of the activity and its expected lifespan.

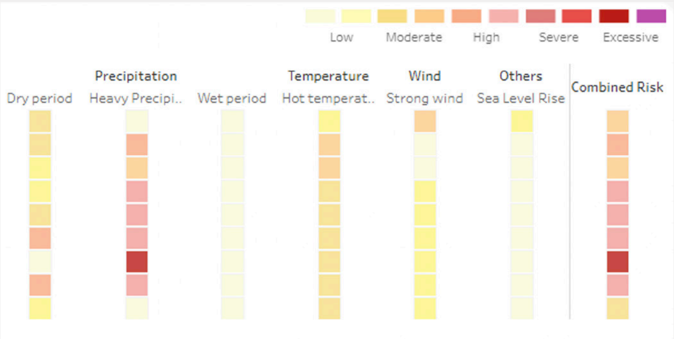
Making sure that infrastructure is 'climate resilient' can protect an asset's longevity, performance and protect returns.

Developing climate resilient infrastructure requires an assessment of the potential physical climate risks and mitigating those risks either through engineering features and / or management plans.

The challenge is that physical climate risks are not regionally uniform across the globe and will have different impacts across sectors. Therefore, climate change risk assessments need to be project specific. We are using a Climate Solution provided by repath to help assess physical risk for temperature-related, wind-related and water-related risks and difference climate change scenarios (Representative Concentration Pathways ("RCPs"), specifically RCP2.6, RCP4.5 and RCP8.5. For greenfield assets, this helps in the screening process, whilst for existing assets, it allows us to work with our portfolio companies to consider physical and non-physical solutions to reduce the most material risks.

Climate change training at Rio Energy, Brazil

Risk Heatmap



repath.

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We are already starting to see the physical risks of climate change. Understanding physical risks of climate change under different climate scenarios and time-frames is becoming an important part of risk management.

SABINE CHALOPIN

HEAD OF ESG, DENHAM SUSTAINABLE INFRASTRUCTURE.

ENVIRONMENT BIODIVERSITY

Biodiversity provides vital ecosystem functions such as food, clean water and medicines, and helps prevent flooding and other extreme weather events. According to the World Economic Forum, at least 50% of global GDB is dependent on nature. The Taskforce on Nature-related Financial Disclosure (TNFD) has estimated that US $44tn of economic value generation is moderately or highly dependent on nature. The delicate interconnectedness between biodiversity and climate change is also increasingly recognized - climate change is impacting biodiversity loss, but protecting biodiversity can help mitigate climate change.

At DSI, we work closely with our portfolio companies to screen assets for biodiversity risk by carrying out biodiversity assessments as early as possible and developing relevant biodiversity management and action plans. In non-OECD countries, portfolio companies are required to follow the IFC Performance Standards, which include IFC Performance Standard 6 on Biodiversity Conservation and Sustainable Management of Living Natural Resources. The IFC Performance Standards represent international best practice for environmental and social management. This means that when we invest in a project which has natural habitat, projects need to show no net loss and in areas of critical habitat, net gains must be achieved.

Our portfolio company Rio Energy has a comprehensive biodiversity program to support its wind energy projects. For example, at the Serra da Babilonia wind project in northern Brazil, a detailed plant inventory was carried out at the early stages of project development to identify all local flora and fauna. Working with a specialist biodiversity company, Rio energy developed a plant nursery program in Ourlandia where 52 different local plant species are currently being grown and will be replanted in designated areas, including the cactus Melocactus glaucescens which is endemic to the region. Currently, the nursery is producing 50,000 seedlings per year and more than 260 hectares have already been reforested. The selection area processes use the concepts established by Landscape Ecology, where the main fragments of remaining forests were mapped out and projects are executed in specific locations to create ecological corridors. The team working at the nursery includes phD students and members from the local community, leveraging deep expertise and transferring knowledge to the local people.

Currently, there is little consensus on how to value biodiversity and integrate biodiversity considerations into the decision-making process. Initiatives such as Taskforce for Nature-related Financial Disclosure (TNFD) are developing risk management and disclosure frameworks to support the shift from nature-negative outcomes and towards nature-positive outcomes. TNFD's framework is currently under consultation, with a complete framework expected to be published in September 2023. We are following the work of TNFD closely as we believe that this provides a sound framework for managing biodiversity.

From 2025, our aim is that all new development projects need to demonstrate net-positive biodiversity impact.

SOCIAL DIVERSITY, EQUITY AND INCLUSION

Diversity and inclusion

DSI seeks to foster diversity in all its forms, including gender, race, ethnicity, sexual orientation, age, disability, nationality, and religion or belief as well as education, skillset and experience. We believe in creating a culture that reflects the diversity of our investors so that we can achieve our shared goals, while continuing to raise the bar by promoting inclusivity. We maintain this culture through diverse opportunities for employees, flexible workplace policies, and a respectful work environment.

We have a 50% diversity mandate for all hiring agencies with whom we engage, ensuring a steady pipeline of diverse candidates.

The DSI team is a globally diverse team with senior team members having 15+ years of shared investing experience. We track and report to interested investors on diversity metrics for both the entity's governance bodies and also organization employees with respect to gender ratio, gender pay gap, racial diversity and age group distribution.

2022 Gender and Diversity Representation

58% female

25% diverse[1]

100% of promotions in 2022 were either female or diverse

Employee engagement and training

We believe in engaging with employees and have an active employee engagement plan which includes feedback sessions with the senior management teams and have a review process for setting goals and targets. In addition, every few years, we undertake an employee satisfaction survey which includes metrics such as the net promoter score.

We continue to enhance our teams' and portfolio companies' understanding of our ESG program through regular awareness sessions, and annual ESG training for our investment professionals. In the ESG training provided in 2022, we included a discussion of material ESG risks and opportunities of our investment strategy, as well as regulatory developments taking place in the EU, US, and UK.

Professional training is provided to employees throughout the year on an ad-hoc basis to support employees in their professional development. On an annual basis, DSI also provides KYC and anti-money laundering training, as well as cybersecurity training for all employees.

> We recognize the importance of having more women on boards. Our goal for 2023 is to have at least one female board member for each new DSI portfolio company within 1 year of closing.

LINDSAY BUONOMANO

HEAD OF HR

[1] Diverse includes all people who consider themselves "non-Caucasian"

SOCIAL SUPPORTING COMMUNITIES

We believe that engaging with the community is an essential process of obtaining a company's social license to operate. This engagement starts at the very early stages of project inception and continues throughout the lifecycle of the project. Open and inclusive engagement is key to receiving feedback from various stakeholders. Other ways our portfolio companies supporting communities are through providing local employment opportunities, and also supporting community development projects.

OUR COMMUNITY STRATEGY

ONGOING ENGAGEMENT

INVESTING IN COMMUNITIES

LOCAL WORKFORCE

Local workforce

Our portfolio companies seek to employ a local workforce as much as possible. This not only provides income to be generated at a local level but provides an opportunity for skills transfer. For example, in the Singrobo hydropower project in Côte d'Ivoire, as of December 31, 2022, the contractor employed 663 workers, of which 87% are Ivorian and 23% local.

Community projects

Our portfolio companies look to build goodwill with each community and support programs such as education, health care and the development of small businesses. This also contributes to our 'secondary' UN Sustainable Development Goals, such as UN SDG 3 "Good Health", UN SDG 4 "Quality Education". Community development projects, even with limited budgets, can provide material positive social impact, especially in non-OECD countries.

Examples of community projects include, building schools (both Endeavor Energy and Themis Energy have invested in school facilities in Guinea and Côte d'Ivoire, respectively). In northern Brazil, Rio Energy and BNDES are supporting local households near the Serra da Babilonia wind project to set up the São Bento Dairy Cooperative and produce will eventually be sold in local towns. The Serra da Babilonia project is located in the state of Bahia, which is considered one of the poorest states of Brazil. As part of this project, Rio Energy and BNDES financed technical assistance for more than 60 families participating in the project.

Rio Energy supporting local enterprise business led by women in northern Brazil.

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Most of the communities in which we operate are considered poor. A central part of our ESG program is supporting these communities, be it through health programs, improved water infrastructure and helping communities set up local enterprises associated with sustainable agriculture and recycling.

EDUARDO CRUZ

HEAD OF ESG, RIO ENERGY, BRAZIL

SOCIAL WORKFORCE HEALTH AND SAFETY

All the DSI portfolio companies are expected to have Health and Safety policies and programs in place. Each project follows regulatory health and safety requirements and in non-OECD countries, the World Bank's Environmental Health, and Safety guidelines. Providing a safe working environment is a priority both for us and our portfolio companies.

During the construction phase, managing health and safety is especially challenging due to the size of the workforce. To manage this challenge, our portfolio companies each have a Health and Safety team on site to oversee contractor implementation of our requirements. These teams do regular walk arounds to identify any potential safety concerns and work with contractors to provide a safe working environment. As part of this, regular health and safety training is provided to the workforce.

Key Performance Indicators – SOCIAL (Fund VI and SIF I)	
Employment	
Workforce (portfolio companies)	153
Of which female	49%
Workforce (contractors)	2485
Of which female	10%
Health and safety	
Fatalities	0
Lost time injuries (LTIs)	5
Near misses	5
Health and safety management plans in place	100%
Emergency preparedness and response plans	100%

SOCIAL HUMAN RIGHTS

The transition to a low-carbon economy needs to be a just transition. In the last few years, the renewables sector has come under criticism for human rights issues, for example, due to allegations of land 'grab' and failure to respect indigenous peoples right to 'free, prior and informed consent'. Our portfolio companies in non-OECD countries have followed the IFC Performance Standards to minimize this risk, and this is a key issue we review during the due diligence phase.

Over the last 2 years, the solar sector has also come under spotlight as a consequence of allegations of forced labour of the Uyghur people in the Xinjiang region in China. The US has introduced the US Uyghur Forced Labour Prevention Act in June 2022, with the goal of ensuring that American entities are not funding forced labor among ethnic minorities in the Xinjiang region. The EU, UK and Australia are considering similar import bans, but to date no legislation has been implemented.

We recognize that there is a risk that solar panels from the Xinjiang region are exported to other regions and are working to manage this risk in the following ways:

- DSI has a Human Rights Policy which includes references to OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights
- We have been working with our portfolio companies to help them implement their own Human Rights Policy in line with our requirements
- As part of this making sure that our portfolio companies strengthen their processes around contractor pre-qualification and contractual requirements, especially for solar investments in non-US jurisdictions
- All our investments in non-OECD countries are required to follow the IFC Performance Standards
- We have provided training to our portfolio companies on supply chain issues, specifically with reference to the solar industry
- DSI has a grievance mechanism, as well as our portfolio companies
- We are collaborating with other investors in the market to determine what actions we can take collectively and independently

OECD
BETTER POLICIES FOR BETTER LIVES

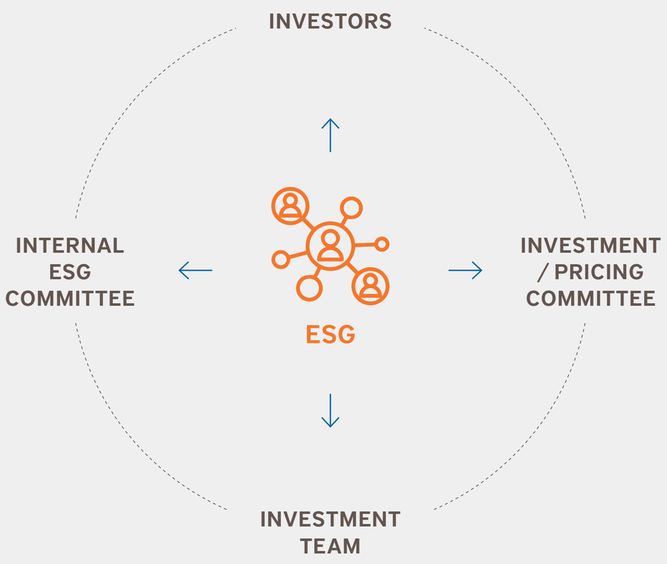
UNITED NATIONS
HUMAN RIGHTS
OFFICE OF THE HIGH COMMISSIONER

GOVERNANCE

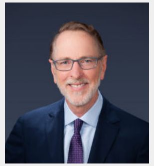
The DSI Partners have ultimate responsibility and oversight for the implementation of the DSI responsible investment policy. In addition, DSI has an ESG Steering Committee which includes the Partners, General Counsel, DSI's Head of ESG, Head of Investor Relations, and James Stacey (Partner and Global Director of Climate Change and Low Carbon Transition at ERM). The role of this committee is to oversee and monitor the effectiveness of DSI's ESG framework, including the approach to and management of climate-related risks.

DSI also has an ESG investor sub-committee which convenes on a quarterly basis. The purpose of this sub-committee is to keep investors abreast of ESG updates on the portfolio as well as other ESG initiatives.

We believe in teamwork and work with our portfolio companies to implement ESG Action Plans and other initiatives. Typically, for the equity side of the business, each portfolio company has an ESG team who we work closely with, and an ESG reporting framework is in place. Overall responsibility for ESG sits at the portfolio company Board, which will include team members from DSI.



"Everyone in the team is responsible for ESG, this sits at the core of the DSI investment strategy and everyone must take ownership.



SCOTT MACKIN

PARTNER AND CO-HEAD OF DENHAM SUSTAINABLE INFRASTRUCTURE

COLLABORATION

We believe in collaborating with our peers to drive better and more consistent industry practices.

Denham Capital is a signatory to the PRI, a UN-supported network of investors to promote sustainable investment through the incorporation of ESG factors and to support signatories in incorporating these factors in the investment and ownership decision. Denham Capital has been a signatory to the PRI since 2022.

GRESB is an independent organization providing validated ESG performance data and peer benchmarks for investors and managers to improve business intelligence, industry engagement and decision-making. DSI has been reporting against the GRESB Infrastructure assessment since 2018. Given the DSI generally invests in projects from an early stage (and not operational assets), DSI has been reporting on the management component of the assessment only. In 2023, our portfolio companies in SIF I with operating assets intend to report at the asset level.

We have been members of GRESB Infrastructure since 2018 and our Head of ESG sits contributes towards GRESB's Expert Resources Group.

DSI is a signatory to Initiative Climat International (iCI), a practitioner-led community of private equity firms and investors that seek to better understand and manage the risks associated with climate change. iCI's members share a commitment to reduce carbon emissions of private equity-backed companies and secure sustainable investment performance by recognizing and incorporating the materiality of climate risk. The iCI is supported by the Principles for Responsible Investment.

As part of the iCI Infrastructure Working Group, we are collaborating with our peers to develop guidance for investment teams to assess the impact from physical risks of climate change.

LOOKING AHEAD

Determining Net Zero commitments

There are a number of net zero commitment initiatives, such as Net Zero Asset Managers Alliance, amongst others. Whilst to date, we have not made any formal Net Zero commitments, we will work with our portfolio companies to determine net zero pathways with a view to committing a percentage of our total AUM to reach Net Zero by 2030. The work will focus especially on existing thermal assets and identifying opportunities to transition to a lower carbon source (e.g., hydrogen) to lower scope 1 emissions.

DSI's investment strategy of investing in sustainable infrastructure, with a focus on renewables, battery storage and EV charging will support the transition to a low carbon world. For these investments, where scope 1 and 2 emissions are expected to be minimal (or zero for scope 2), the focus will be on identifying material scope 3 emissions and working with portfolio companies to reduce those emissions.

We believe that this ongoing focus in measuring GHG emission data and reducing emissions where technically and financially feasible shows a practical example in implementing a Net Zero target.

Making biodiversity a priority

Biodiversity is a key element of our program. In all our projects, we have used the principles of the mitigation hierarchy to avoid, minimise, restore and offset any impact to biodiversity. The biodiversity programs we implement for each project ensures that there is no net loss for natural habitat and where there is critical habitat, there is a net gain to biodiversity.

The concept of net positive biodiversity impact is typically a concept which is used when critical habitat is impacted - essentially you are making sure that you are restoring more than you are impacting. From 2025, we intend to implement this concept for all new projects over which we have control , not just for projects where there is sensitive biodiversity.

LOOKING AHEAD

SASB Context Index

Disclosure Code	Topic	Accounting Metric	Category	Unit or Measure	Denham Sustainable Infrastructure
FN-AC-270a.1	Transparent Information & Fair Advice for Customers	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	Quantitative	Number, Percentage	There are no known employees with a record or investment-related investigation, consumer-initiated complaint, private civil litigations or other regulatory proceedings.
FN-AC-270a.2		Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers	Quantitative	Reporting currency	There are no known monetary loss as a legal proceeding associated with marketing and communication of financial product-related information to new and returning customers.
FN-AC-270a.3		Description of approach to informing customers about products and services	Discussion and Analysis	n/a	
FN-AC-330a.1	Employee Diversity and Inclusion	Percentage of gender and racial/ethnic group representation for (1) executive management (2) non-executive management (3) professionals and (4) all other employees	Quantitative	Percentage %	Please see page 10 in DSI ESG Report 2022, Diversity, Equity and Inclusion.
FN-AC-410a.1	Incorporation of ESG factors in investment management and advisory	Amount of assets under management, by asset class, that employ (1) integration of environmental, social and governance (ESG) issues, (2) sustainability themed investing, and (3) screening	Quantitative	Reporting currency	DSI's Responsible Investment Policy Responsible Investment Policy describes our integration of ESG issues, our approach to sustainability themed investing and screening across all our AUM.
FN-AC-410a.2		Description of approach to incorporation of ESG factors in investment and/or wealth management processes and strategies	Discussion and Analysis	n/a	DSI's Responsible Investment Policy describes our integration of ESG issues. Further information can be found in DSI ESG Report, Our ESG Process
FN-AC-410a.3		Description of proxy voting and investee engagement policies and procedures	Discussion and Analysis	n/a	
FN-AC-510a.1	Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Quantitative	Reporting currency	There are no known monetary losses are a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations
FN-AC-510a.2		Description of whistleblower policies and procedures	Discussion and Analysis	n/a	DSI's whistleblower policy addresses reporting complaints relating to violations of federal or state laws or regulations and sets forth such non-retaliation policy. All employees must report any known or suspected violation to the CCO. The purpose of this policy is to enable employees to report violations and/or raise concerns within the Firm without the risk or subsequent victimization, discrimination, disadvantage or other retaliation

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