



CapitalDynamics®  
TRULY INVESTED.

2023

# Clean Energy Sustainability Report

Capital Dynamics Watford Lodge



“

*For the past 15 years, Capital Dynamics has been at the forefront of Responsible Investment (“RI”).*

*Our deep commitment to RI supports us in delivering enhanced long-term risk-adjusted returns for our clients.*

”

Bryn Gostin

Senior Managing Director

Chief Product & Strategy Officer and Co-Chair  
Responsible Investment





# About this report

## Objectives

Capital Dynamics Limited publishes the annual Clean Energy Sustainability Report in order to:

- Provide transparency on the sustainability performance of our Clean Energy investments;
- Report on the progress we have made towards our Responsible Investment (“RI”) commitments; and
- Provide insights into our RI processes.

## Scope

Capital Dynamics’ Clean Energy platform managed 7 funds and 3 Separate Management Accounts as of 31 December 2023. The report covers our European portfolio with assets located in the United Kingdom, Italy and Spain as shown below.

## Timeframe

This report covers the activities of the Clean Energy platform of Capital Dynamics for the period 1 January 2023 to 31 December 2023, although there may be reference to certain activities that took place in 2024. The annual sustainability reporting period is aligned with the Capital Dynamics' Clean Energy financial reporting period. This report was published on 18 June 2024.

## Reporting standards

This report has been prepared in accordance with the GRI Standards.

For questions about this report please email: [clientrelations@capdyn.com](mailto:clientrelations@capdyn.com)



2023 Clean Energy European portfolio



# Message from our Clean Energy Leadership

## *Empowering our Communities through Renewable Energy*

At Capital Dynamics, Responsible Investment (“RI”) is not just a catchphrase – it is a guiding principle that informs everything we do to achieve long-term risk-adjusted returns for our clients.

As the leadership team of the Capital Dynamics Clean Energy business line, we are proud to lead our efforts in driving positive environmental and social impacts through our investments into wind and solar projects. Our investments not only generate clean, renewable electricity but also empower communities, reduce our reliance on fossil fuels and improve air quality.

As we reflect on our accomplishments over the year 2023, we are pleased to have successfully advanced our short-, medium- and long-term goals of key initiatives towards net zero by 2050, supporting our local communities and promoting diversity.

At Capital Dynamics, we remain resolute in our commitment to holistically embracing Responsible Investment and managing our impacts on the economy, environment and people in line with broader sustainable development goals. These principles have become intrinsic to our firm’s DNA, seamlessly integrated into the full lifecycle of our investments.

With our sustainability goals in mind, our recent accomplishments include:

- **Issuance of the Clean Energy Responsible Contractor Policy:** Capital Dynamics is firmly committed to forging strategic partnerships with contractors that share our Responsible Investment values, vision and mission
- **Review our proprietary R-Eye™ rating system by DNV:** DNV is a third party we engaged to review our award-winning RI scoring system to ensure impact measurement offers complete transparency to our clients regarding the ESG performance of our assets and aligns with best-in-class ESG frameworks
- **Securing green loan facilities** through our Clean Energy UK and Clean Energy Europe investment funds: issuing green debt instruments allows us to facilitate the acquisition of assets in line with our RI initiatives
- **Partnering with top technology providers:** utilizing a state-of-the-art climate science, data modeling and machine learning solution, which allows us to make informed decisions for identifying and mitigating climate-related risks and implementing climate adaptation solutions

In this report, we are delighted to share how we continue to set the gold standard for Responsible Investment. We hope you enjoy reading about the progress we have achieved to date and we sincerely thank all of our investors, prospects and peers for the trust you have placed in us.



**Barney Coles**  
Managing Director  
Co-Head of Clean Energy



**Dario Bertagna**  
Managing Director  
Co-Head of Clean Energy



**Simon Eaves**  
Sr. Managing Director  
Co-Head of Clean Energy



A large, flowing teal shape that starts from the top left and curves towards the bottom right, framing the title.

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## Progress with Responsible Investment





# Capital Dynamics at a glance

<b>USD 14BN+</b>	<b>12</b>	<b>800+ / 650+</b>	<b>c.150</b>	<b>c. 50</b>
AUM/ AUA <sup>1</sup>	Offices	Institutional / private clients <sup>2</sup>	Firm-wide professionals <sup>2</sup>	Investment professionals <sup>2</sup>



**Global middle-market private assets specialist** with local investment expertise



**Established early mover** in mission-critical renewable energy generation



**Early adopter and consistent innovator** in Responsible Investment (“RI”), with a trademarked approach to RI underwriting



**Distinct advantage** to deal sourcing, structuring and execution with **proprietary technology** and database of over 7,500 funds



**Attractive, risk-adjusted investment performance** incorporating downside protection through all phases of the market cycle



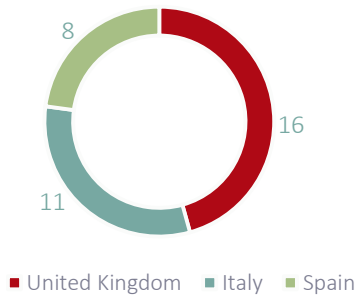
**On-the-ground expertise** in fund structuring, operations, reporting and **compliance** with local specialists based across Europe, USA and Asia



Capital Dynamics comprises Capital Dynamics Holding AG and its affiliates. (1) As of December 31, 2023. Assets Under Management are calculated based on the total commitments as of the final closing date for all funds currently managed by Capital Dynamics, including amounts that have been distributed. Assets Under Advisement includes assets for which Capital Dynamics provides services such as reporting, monitoring and risk management. (2) As of December 31, 2023.

# Our RI story by the numbers <sup>1</sup>

## # Assets per geography



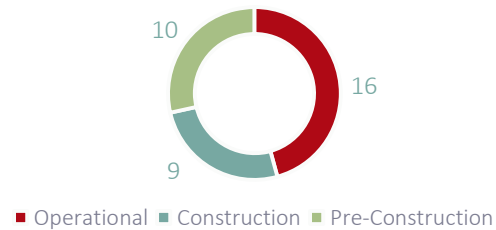
**5-stars**

PRI rating in all reporting modules (2023)

**234,240**

tCO<sub>2</sub>e avoided emissions

## Assets in portfolio



**3**

**RI Alerts**

Reported to Responsible Investment Committee

# Net Zero

We support net zero and the goals of the Paris Agreement through our investments in climate solutions<sup>3</sup>

**10**

**Funds**

And Separately Managed Accounts

**£ 241,990**

**Communities funding**

Provided in the UK in 2023

**1,375,122 MWh**

Generated in 2023

**41.4%**

**Female board representation<sup>2</sup>**

Exceeding a 40% target

**€ 1,265,670**

**Compensatory measures**

Provided in Italy since 2022



<sup>1</sup> As of 31 December 2023. Avoided emissions (t CO<sub>2</sub>e) and generation (MWh) figures are not attributed to Capital Dynamics' share. <sup>2</sup> Excluding entities not fully controlled by Capital Dynamics. <sup>3</sup> Climate solutions are defined as those activities, goods or services that contribute substantially to or enable emissions reductions to support decarbonization in line with credible 1.5°C pathways towards net zero, or that contribute substantially to climate adaptation (IIGCC, 2023).



“

Investing in Clean Energy is not just an ethical commitment, it's about securing profitable returns for our clients while driving positive change.

”

Barney Coles  
Managing Director  
Co-Head of Clean Energy

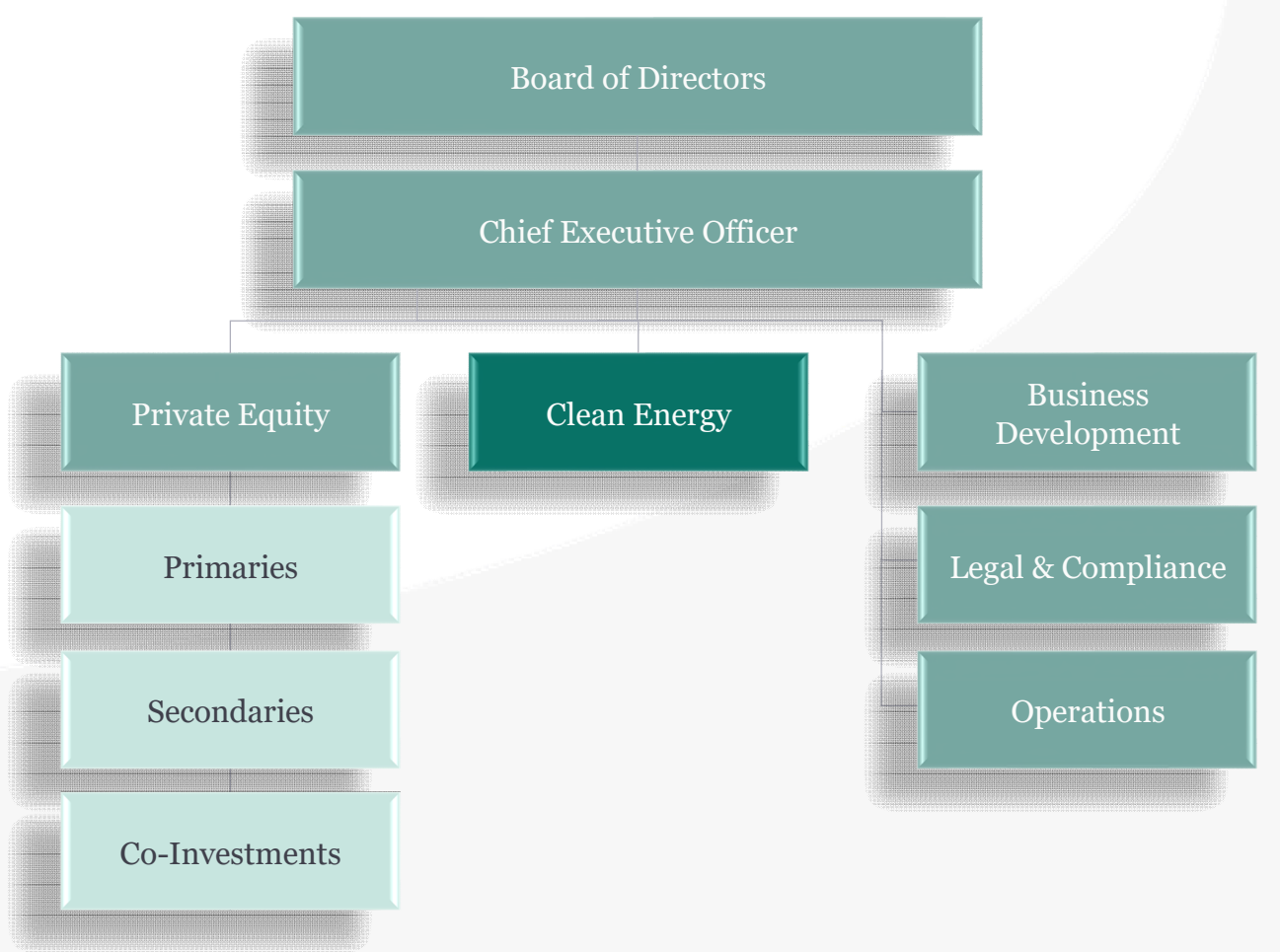


# Our platform of private investment strategies

Capital Dynamics is an independent global asset management firm focusing on private assets including private equity and clean energy infrastructure. The company was founded in 1999 and is headquartered in Zug, Switzerland.

The Capital Dynamics Clean Energy team manages all of the Clean Energy closed-ended funds and separate management accounts. The Clean Energy investment professionals are employed by Capital Dynamics Limited (headquartered in London, UK) and are supported by its affiliated asset management arm Netro Energy Limited (headquartered in Warrington, UK with office presence in Italy and Spain).

Both Capital Dynamics Limited and Netro Energy Limited are private companies. All of the renewable energy assets in the portfolio are owned by funds managed by Capital Dynamics. The funds have a General Partner (Capital Dynamics) and Limited Partners (institutional investors). The assets are located in the United Kingdom, Italy and Spain and the team continues to look for other attractive investments across Europe.





# Our Clean Energy Investment platform

Our Clean Energy Investment platform makes direct equity investments in renewable energy technologies, with a focus on utility-scale and distributed generation, solar and wind. The team targets value-add opportunities that capitalize on the changing marketplace for carbon-reducing renewable energy power generation from late-stage development to commercial operations.

The platform is active in project development, construction, financing and operation of these assets in the United Kingdom, Italy and Spain. Our robust industry network provides proprietary access to high-value deal flows and access to long-term off-take agreements with large credit worthy entities and RE100 members. Through our asset management affiliate, Netro Energy, we access cost-efficient services for enhanced value from our projects. In addition, we achieve positive impact throughout the lifecycle of our investments by placing Responsible Investment at the forefront of our investment decisions.

## Attractiveness of clean energy investments



### Strong growth

Renewable energy market is the largest and fastest growing sector of infrastructure. Wind and Solar power are projected to double by 2030 in European Union countries<sup>2</sup>



### Energy security

Low-cost renewables replacing conventional fuels: Record share of renewables in EU electricity with over 44% in 2023 and expected to be 72% by 2030<sup>2</sup>



### Attractive risk-adjusted performance

Our assets offer long-term contracts, stable cash yield and low macroeconomic correlation, unlike traditional infrastructure

## Leadership



Dario Bertagna



Barney Coles



Simon Eaves

14

professionals<sup>1</sup>

Permanent employees fully dedicated to the Capital Dynamics Clean Energy team

20+

years

Average experience of senior investment professionals

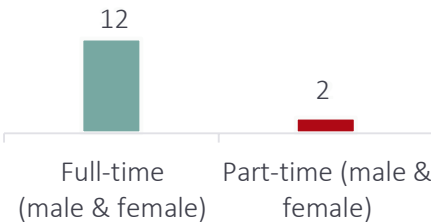
## Headcount per geography<sup>1</sup>



## Gender split headcount<sup>1</sup>



## Employment type<sup>1</sup>



## Types of customers served

Corporations



Investor-owned utilities



Municipal utilities



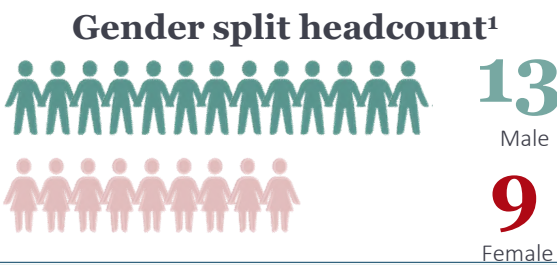
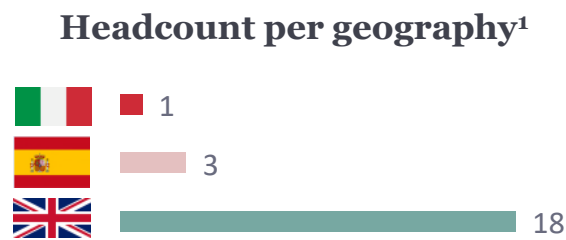
<sup>1</sup> As of 31 December 2023; <sup>2</sup>Source: Ember-Climate European Electricity Review 2024. Available at: <https://ember-climate.org/insights/research/european-electricity-review-2024/>

# Netro Energy – our affiliated asset manager



Netro Energy Limited is an affiliate of Capital Dynamics and provides a full scope of transaction support, construction and asset management services to solar and wind assets by efficiently overseeing the entire lifecycle of projects from acquisition and development to construction, financing, operation and divestment. Netro Energy optimizes project performance by ensuring long-term sustainability and creating value to maximize investor returns.

Netro Energy is headquartered in Warrington, UK and has offices in Spain and Italy. As of 31 December 2023, Netro Energy has a total of 22 permanent employees. For more information visit [netro.energy](https://netro.energy).



## Netro Energy’s services

<b>Construction Management</b>	<b>Commercial</b>	<b>Financial</b>	<b>Technical</b>	<b>Site Management</b>
<ul style="list-style-type: none"><li>• Design</li><li>• Interconnection</li><li>• Tendering and Procurement</li><li>• Project Management</li></ul>	<ul style="list-style-type: none"><li>• Contract Management</li><li>• Insurance</li><li>• Off-taker Management</li><li>• Procurement</li></ul>	<ul style="list-style-type: none"><li>• Accounting</li><li>• Budgeting and Forecasting</li><li>• Cash Management</li><li>• Lender Compliance</li></ul>	<ul style="list-style-type: none"><li>• Monitoring</li><li>• Performance Analysis</li><li>• Warranty Management</li><li>• PPA Monitoring</li></ul>	<ul style="list-style-type: none"><li>• Contractor Management</li><li>• Stakeholder Management</li><li>• Site Inspections and Audits</li><li>• HSQE Compliance</li></ul>

<sup>1</sup> As of 31 December 2023



# Responsible Investment milestones



- Early signatory to the UN Principles for Responsible Investment (UN PRI)

2008

2010

- One of the first Private market managers to establish a Clean Energy business line



2017

- Published 1<sup>st</sup> Capital Dynamics Responsible Investment industry questionnaire
- First GRESB submission for Fund V



2018

- Published CD statement on UK Modern Slavery Act
- Deployed the R-Eye™ scorecard across all platforms

2019

- Created RI subcommittees
- Real-time environmental benefits ticker on website
- Awarded highest A+ score by UN PRI for Strategy & Governance
- Recognized Sector Leader for Renewable Power Generation by GRESB for Fund V. First GRESB submission for Fund VII



2020

- SFDR Article 9 classification of CEI VIII and CEI IX

2021

- Capital Dynamics chaired the Institutional Investors Group on Climate Change ("IIGCC") Net Zero Working Group for Private Equity
- Hired first dedicated RI Resource at Capital Dynamics



2022

- Capital Dynamics Clean Energy Asset-level ESG Policy and Responsible Contractor Policy issued

2023

- R-Eye™ scorecard methodology for CE updated and reviewed by third-party
- Two of Clean Energy's Fund Facilities recognized as Green Loans
- Clean Energy funds started reporting Scope 3 emissions



- Incorporating RI in our investment underwriting and due diligence

2013

- Formation of Responsible Investment Committee and launch of the R-Eye™ Rating System



- Awarded UN PRI A score for the CE business
- First fund level RI external verification



- Maintained A+ score for UN PRI
- Signed SEIA's Solar Industry Environmental and Social Responsibility Pledge



- First GRESB submission for Fund III
- Inaugural firm-wide RI report and TCFD report
- Adoption of RepRisk to monitor RI risk across Capital Dynamics' investments, supply chains and key service providers



- Awarded "sector leader" for 4th consecutive year by GRESB
- First SFDR fund reports published
- Lifecycle Assessment completed for two Clean Energy projects
- Hired ESG Specialist dedicated to the Clean Energy platform

# Our recent RI awards

Capital Dynamics is proud to lead the way in the private assets industry with recognition for our strong performance, values and excellence across our clean energy platform.

We are truly excited to be named a winner in the Private Equity Wire ESG European AAA Awards 2023 in multiple categories. Capital Dynamics' sector-leading ESG policies and deep commitment to sustainability in Clean Energy has won the prestigious award: Best ESG fund (A): climate focused.



In addition to the Private Equity Wire ESG European AAA Award in 2023, we have won the following awards over the years:

Receiving these recognitions over the years from established voices in the market is an important acknowledgement of our commitment to deliver strong risk adjusted returns within a Responsible Investment framework. We will continue to integrate the ever-changing ESG framework into the lifecycle of our business lines and continue working with professionals that share our values, mission and vision.



Renewable Investment Company  
of the year



RealDeals

2022 Top 40 Impact Fund



# We have achieved outstanding PRI results

We have been consistently awarded top scores by the UN PRI and are pleased to have obtained 5-Stars in all reporting modules in 2023\*:

**Policy Governance and Strategy**  
(97/100)



**Private Equity**  
(100/100)



**Private Debt**  
(94/100)



**Clean Energy**  
(97/100)



**Confidence Building Measures**  
(100/100)

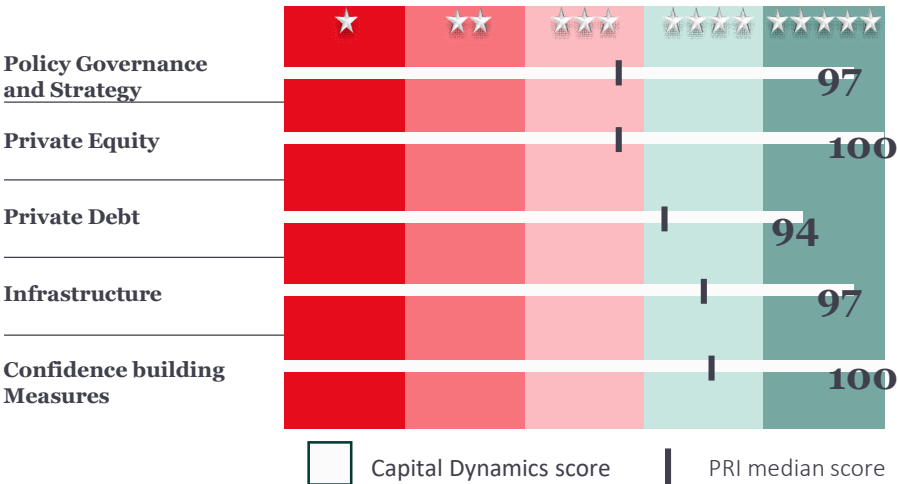


The Principles for Responsible Investment (PRI), supported by the UN, recognize the commitment by institutional investors to act in the best interest of beneficiaries as part of fiduciary duty, which includes the consideration of financially material RI factors in the investment process.

Capital Dynamics has been a signatory to the UN-supported PRI since 2008 and is firmly committed to the 6 PRI principles:

- 1** Incorporate ESG issues into investment analysis and decision-making processes
- 2** Be active owners and incorporate ESG issues into our ownership policies and practices
- 3** Seek appropriate disclosure on ESG issues by the entities in which we invest
- 4** Promote acceptance and implementation of the Principles within the investment industry
- 5** Work together to enhance our effectiveness in implementing the Principles
- 6** Report on our activities and progress towards implementing the Principles

Capital Dynamics is delighted to have achieved remarkable results in the benchmarking exercise and scores significantly higher than the PRI median:

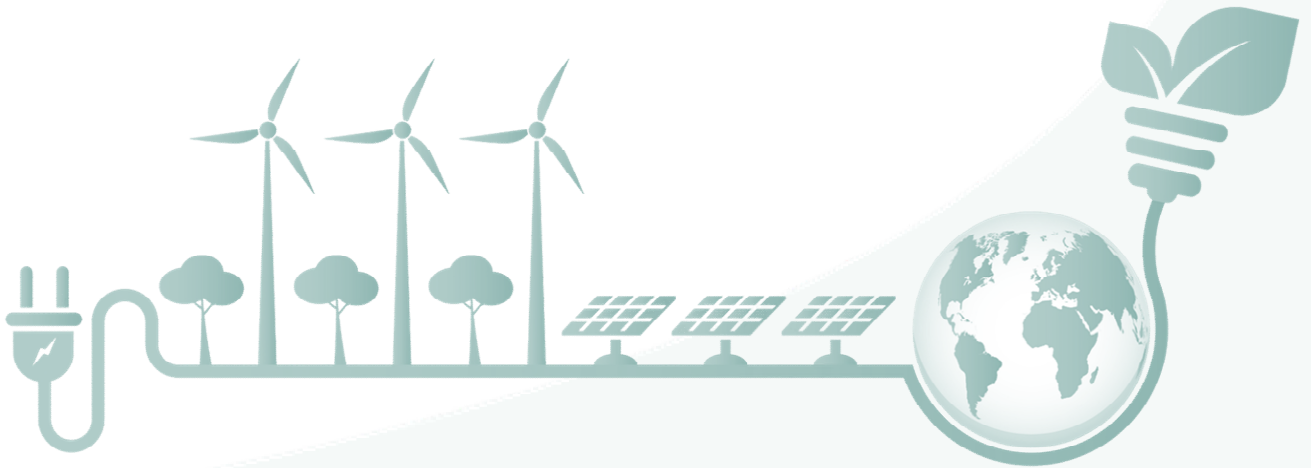


\* The third-party ratings shown were received by Capital Dynamics in the year indicated, based on activities undertaken in the prior calendar year. Capital Dynamics did not provide any direct compensation in connection with obtaining such third-party ratings, although in certain cases we have paid a fee to become members of an organization, which membership is a precondition to obtaining a rating, or have paid a fee in order to use the issuing organization's logo in our marketing materials



# 2

## Our Approach to Responsible Investment



# RI is at the core of our Clean Energy investments

Responsible Investment involves considering ESG issues when making investment decisions and influencing companies or assets. It complements traditional financial analysis and portfolio construction techniques.<sup>1</sup>

In the context of our Capital Dynamics Clean Energy business line, Responsible Investment specifically involves investing in sustainable energy transition projects, which:



<sup>1</sup> Definition provided by the Principles for Responsible Investment



“

At the heart of our investment approach lies a steadfast commitment to Responsible Investment, where every decision is a step towards a future where profitability and positive impact are seamlessly intertwined

Dario Bertagna  
Managing Director  
Co-Head of Clean Energy

”



# We integrate our material RI topics throughout the Investment Process

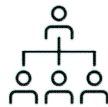
## Negative Screening



1

- Initial screening of each investment in line with CD's and CE's exclusion lists is undertaken to ensure no 'fatal flaws' are identified from a Responsible Investment perspective
- Key stakeholders' screening via RepRisk
- Any significant issues identified at this stage are raised to the Responsible Investment Committee

## Investment Committee



3

- R-Eye™ scorecard is created and used at each stage of the Investment Committee review
- Deals with high RI risk referred to the Responsible Investment Committee. The RI Alert process may be triggered depending on the nature of the risk

## Portfolio Management



5

- Active portfolio management via our asset management affiliate, Netro Energy, who are responsible for day-to-day management of project investments and oversee RI-related risks and opportunities
- Construction management via our EPC contractors who manage project-level RI performance and ensure alignment with CD's RI Policy and CE's Responsible Contractor Policy
- Annual reporting of funds' aggregated R-Eye™ score
- Carbon equivalent benefits disclosed in annual Sustainability Report, quarterly fund reports and disclosed in Green Certificates

## Preparing for Exit



7

- Our Clean Energy business line intends to leave a project site in better RI state from the one in which we found it at inception and believes this will fundamentally drive additional exit volume

## Due Diligence



2

- Transaction advisors report on salient RI elements
- Completion of environmental impact assessment, biodiversity assessments, financial and legal checks

## Further Due Diligence and Closing



4

- Deal Team reviews proposed project contractors' RI credentials and disclosures
- Completion of legal and financial checks on third-party service providers
- Development of action plans
- Final closing documentation is agreed with any specific RI reporting requirements

## Action Plans



6

- Implementation of CE's strategy at project level
- Key RI issues are reported to the Investment Team monthly via our Asset manager, Netro Energy
- Real-time partners' and news monitoring via RepRisk
- The RI Alert process is triggered if significant risks are identified. Remedial action plan and investor communications take place if required

# Trademarked R-Eye™ rating system

## RI Due Diligence and Monitoring

Integrating sustainability risks in the investment process has the potential to meaningfully enhance long-term financial returns. That is why we have implemented our proprietary screening tool, which evaluates all investments from a sustainability risk point of view across all our business lines. Capital Dynamics has developed its proprietary R-Eye™ Rating System, which pays special attention to material impacts on environmental, social and governance factors and is modeled on the basis of the 17 UN Sustainable Development Goals.

In 2023, the Clean Energy team partnered with DNV to complete a third-party review of the R-Eye™ scorecard. The review assessed the comprehensiveness<sup>1</sup>, effectiveness and consistency of the scorecard and scoring methodology. The risk scoring is tracked and updated on an annual basis, resulting in enhanced monitoring and improved RI decision-making. All Clean Energy investments are evaluated against the following 12 RI criteria:

### Environmental



- Local habitat / ecosystem
- Climate change
- Remediation & recycling
- Land use

### Social



- Human environmental impact
- Community engagement
- Health and safety
- Local resources
- Local employment

### Governance

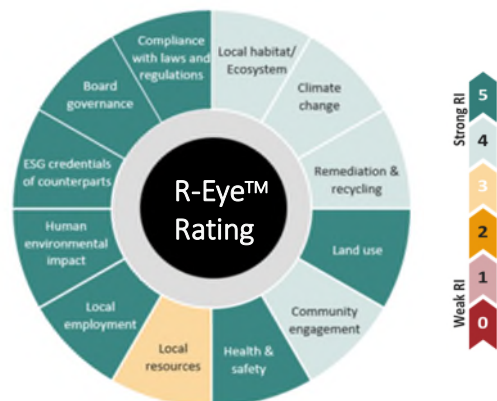


- ESG credentials of counterparts
- Board governance
- Compliance with laws and regulations

The R-Eye™ framework is used across all stages of an investment's lifecycle. Each investment is rated on a 0 to 5 scale. Investments with the weakest RI performance are rated 0 while investments which have the strongest RI performance are rated 5. Each Fund's R-Eye™ Score is disclosed in the quarterly fund reports and updated:

- Annually as asset ratings are reviewed
- When a new investment is made
- After an RI alert has been raised.

RI risks identified as part of the R-Eye process are escalated to the Responsible Investment Committee for review.



## Real time monitoring through RepRisk

We monitor all investments and key supply chains in real time using RepRisk – an artificial intelligence platform which screens over 500,000 documents daily in the media for RI matters in line with internationally recognized RI standards. During due diligence, we screen potential investments, third parties and supply chain providers for RI risks and monitor those on a continuous basis throughout the hold period. Each week, the Head of Risk, Philippe Jost, and the Co-Chair of Responsible Investment, Verena Rossolatos, review the RI issues received from RepRisk and flag serious issues. A weekly summary is compiled for the Investment Management team who will refer serious RI alerts to the Responsible Investment Committee. Regular client alert protocols are used to keep our investors informed.

<sup>1</sup> Comprehensive RI screening involves a detailed evaluation of investments and suppliers based on sustainability and ethical criteria. Capital Dynamics utilizes both the R-Eye™ scorecard and RepRisk to evaluate investments across a range of possible impacts. This process includes, among other criteria: Environmental: Assessing impact on climate, energy use, and waste management; Social: Evaluating labor practices, human rights, and community engagement; and Governance: Analyzing leadership, transparency, and business ethics. The goal is to identify and mitigate ESG-related risks, ensuring alignment with sustainable and responsible business practices.

# Seeking to enhance returns through RI

As a responsible investor, Capital Dynamics is firmly committed to making investments with fund managers, in companies and projects that align with our core RI values. All investment decisions at the firm are guided by our responsible investment policy based on four foundational principles:

## 1

Capital Dynamics believes Responsible Investment leads to enhanced long-term financial returns for our investors

## 2

The Capital Dynamics investment platform, across all strategies, follows a rigorous approach to RI investment diligence and actively re-underwrites our rating of existing investments

## 3

The data identified through our RI investment diligence is tracked and analyzed during the holding period continually to improve our RI process across each of our investment strategies

## 4

Capital Dynamics understands the importance of its role as a corporate citizen and prioritizes its commitment to the local communities in which it operates and invests

Our Clean Energy investment platform is deeply committed to Responsible Investment and will never knowingly invest<sup>1</sup> in businesses which:



Manufacture or trade ammunition and/or weapons



Manufacture, sell or distribute adult entertainment or pornography



Are involved in banned products, services or activities under global conventions and agreements



Exploit vulnerable groups in society



Exploit forced labor or child labor as defined by the International Labour Organization

Click [here](#) to learn more about our Responsible Investment Policy.



<sup>1</sup> Commercially reasonable efforts. Subject to materiality threshold due to the diverse nature of our investment strategies and supply chains.



# The continued movement to Clean Energy generation

The Clean Energy team has prioritized the advancement of environmental, social, and governance (“ESG”) principles, shaping our investment strategies, and setting our short-, medium-, and long-term goals. These principles have become intrinsic to our firm’s DNA, seamlessly integrated into the full life cycle of our investments. There is a growing global consensus that Europe holds the most attractive renewables market. In 2023, as the European Union accelerates its departure from fossil fuels there was a

**↑ 44%**  
increase in wind and solar  
energy generation<sup>1</sup>

Investors increasingly recognize that well-structured renewable energy investments offer stable cash flows and enhanced risk-adjusted returns compared to other infrastructure strategies. Europe stands out as a highly attractive region for clean energy due to its climatic conditions. Capital Dynamics’ Clean Energy is using a new platform, EarthScan™ by Mitiga, to strengthen our environmental risk management practices for 35 of our assets. This customized tool enables us to conduct in-depth analysis of financially material climate risks, ultimately enhancing our location planning and climate adaptation measures of our assets over time. The insights generated from this analysis will be instrumental in optimizing portfolio resilience in the face of climate-related challenges. Through EarthScan™ we are able to provide our clients with transparent reporting of climate risks, opportunities exposure, management strategies and progress towards climate-related objectives.

Through the climate-related scenario analysis, Capital Dynamics is able to implement a variety of climate adaptation measures to enhance our resilience against climate hazards. While certain mitigation measures are only applicable to the operational phase, we analyze the following actions as part of our standard procedures across the Clean Energy portfolio:



Heat mitigation;



Resilience to extreme weather events;



Vegetation management;



Extreme weather preparedness; and



Water management

Please refer to our [Climate Adaptation Measures](#) section for more detail. Further, our mandate is to exclusively invest in clean energy assets, which decrease the global reliance on traditional energy sources. We will continue to primarily invest in solar and wind assets, increasing regional and global shares of renewable energy and proactively managing risk while delivering long-term sustainable returns.



<sup>1</sup> Solar Power Europe 2023: A milestone year for renewable energy in Europe. Available at: <https://www.solarpowereurope.org/news/2023-a-milestone-year-for-renewable-energy-in-europe-unveiling-ember-s-electricity-review>

# Advancing our Net Zero and Policy Agreements

Through our strategic investment into Clean Energy projects, we are advancing our commitment to the Paris Agreement and Net Zero. Further, our Clean Energy investments help with meeting global targets including the SDGs and the Kyoto Protocol, simultaneously providing a solution for members of the RE100, a list of over 370 companies committed to 'go 100% renewable.'

## Net Zero

When it comes to net zero, we set the following targets<sup>1</sup>:

1. Greenhouse gas emissions reduction target for our Clean Energy UK and Clean Energy Europe investments in line with the 1.5 degrees objective.<sup>1</sup>
2. We are committed to measuring emissions from the construction and operations of our assets and seek ways to reduce avoidable emissions.
3. Decarbonization targets within our new Clean Energy Funds, which aim to reduce emissions throughout project lifecycles, from construction to operations. In 2023, we acquired five assets with dedicated decarbonization targets.

To help achieve these targets, for construction assets we aim to reduce emissions through solar powered temporary offices, use of electric vehicles for worker transportation and waste management schemes. The majority of lifetime emissions we control emerge from the construction phase of a project, which is why we actively seek ways to limit these emission sources. During the operational phase of our assets, carbon emissions are minimal. Nonetheless, we aim to go the extra mile by reducing our own energy usage of investments and increase the procurement of renewable energy at the asset level.

Additionally, we link carried interest for Clean Energy UK and Clean Energy Europe funds to the achievement of impact targets, which includes the Net Zero targets we set for our projects, so the decarbonization actions are embedded in providing strong GP financial alignment.



## Labor Rights

Capital Dynamics is committed to respecting all human rights and preventing any form of Modern Slavery and human trafficking throughout our business. This is particularly relevant for the PV solar supply chain, where there is a high risk of labor rights abuse in the modules manufacturing space.

To mitigate the risks and remediate negative impacts, we conduct all of our investment activities in accordance with best Responsible Investment practices. We align our investments with the UN Guiding Principles on Business and Human rights and the OECD guidelines for responsible business conduct. In 2023, we have rolled out a new Clean Energy Responsible Contractor Policy in addition to our component supplier contracts, requiring them to adhere to applicable labor laws and international standards to respect human rights.

Capital Dynamics firmly integrates Responsible Investment into our firmwide practices by ensuring each of our Clean Energy investments are screened using our proprietary R-Eye™ scoring system and artificial intelligence platform, RepRisk. We utilize RepRisk during the due diligence phase to collect ESG related information about companies/funds or supply chain providers, that way, we embed our policy commitments throughout the investment process. Our involvement with international agreements, such as the Paris Agreement and Net Zero, guide our Responsible Investment principles and investment policies firmwide.



<sup>1</sup> Our net zero targets are part of our impact targets for CE Europe and CE UK

“

Our dedication to Clean Energy drives sustainable development and enhances investor returns, aligning financial success with global progress.

”

Verena Rossolatos

Senior Vice President

Co-Chair Responsible Investment





# Driving Sustainable Development Goals

Capital Dynamics' investments into renewable energy projects support broader sustainable development goals, such as social considerations and economic growth.

## SDG Contribution

As part of our holistic approach<sup>1</sup> to Responsible Investment, we consider the UN Sustainable Development Goals (SDGs) in our RI underwriting and ongoing monitoring of our investments' performance. All of our assets contribute to the following SDGs:



Affordable clean energy (SDG 7)



Climate action (SDG 13)



Economic growth (SDG 8)



Exploring innovative and sustainable technologies (SDG 9)

By entering into Power Purchase Agreements ("PPAs"), we also ensure our counterparties have access to energy at a known, fixed price. Our investments have environmental benefits, but also play an important part in driving forward social objectives. In fact, the inherently environmentally friendly nature of our work means it is the social component of RI that takes up most of our time and attention. Renewable energy investment commonly has a positive social impact, because these assets are built closer to the more remote communities in the UK and Europe.

Project development brings with it local jobs and skills, as well as being a focal point for the community. We acknowledge our role as a global corporate citizen and prioritize our commitment to the local communities in which we operate, invest and work. We support a number of great causes that make a positive impact on local communities, for example in Italy we support local schools with initiatives that help foster the learning environment for students to understand how solar panels work and we seek to contribute to projects targeted at creating a more inclusive setting for members of the local community, such as improvements to community gardens or student visits to our assets and internships.

Capital Dynamics is committed to driving best practices among the renewable energy landscape in the coming years. Globally, there is a huge push towards reducing carbon emissions from conventional energy sources and scaling investments into renewables. Overall, climate legislations in Europe facilitate the expansion of renewables and will continue to do so over the coming years. It has been increasingly important to invest with GPs that have deep and sustained industry relationships. This will allow investors to access the most attractive portfolio and secure attractive power purchasing agreements. We expect entry barriers in the industry to remain high so that investments in renewables will not become commoditized. By investing with experienced GP's, investors gain network and market position to deliver attractive risk-adjusted returns.

60

Jobs created at our Solar Energy site in Italy during the construction phase



<sup>1</sup>A holistic approach to Responsible Investment integrates ESG factors into all stages of investment. Key aspects include: ESG Integration: Evaluating ESG factors in due diligence and decision-making; Engagement: Actively working with companies, GPs and other stakeholders to improve ESG practices; Impact Investing: Focusing on investments that address global challenges, such as investments in energy transition technologies in our Clean Energy business line; Long-term Perspective: Prioritizing sustainable value creation over short-term gains; Stakeholder Consideration: Considering impacts on stakeholders; Transparency: Promoting robust ESG reporting and accountability; This approach aims to achieve sustainable financial returns while fostering positive social and environmental outcomes.

# 3

## Material Topics



# Materiality assessment

At Capital Dynamics, we assess material RI matters through the lens of double materiality. This approach considers the financial materiality of environmental, social and governance factors on the value of our investments, as well as the impact our investments have on the economy, environment and people, including human rights. Our Clean Energy team identified the RI issues that are relevant to our investment activities in renewable energy projects and to our company as a whole. This included RI topics of importance to our

clients, employees, local communities and local authorities in alignment with our investment ethos. A long-list of RI topics were identified and tested against their significance to the business and key stakeholders. Following an internal consultation with the Clean Energy team and by making informed decisions based on our ongoing interaction and engagement with external stakeholder groups at asset, investment and firm level, we derived our material topics.

## Our stakeholders

  
Investors

  
Employees

  
Communities

  
Energy buyers

  
Regulators

  
Land owners

  
Suppliers & Service providers

  
NGOs

## Material topics

The top 10 material topics we identified across environmental, social and governance matters are the following:



### Environmental

- Energy
- Emissions
- Biodiversity



### Social

- Forced and child labor
- Occupational Health & Safety
- Local Communities
- Diversity and Equal Opportunity



### Governance

- Economic performance
- Anti-corruption
- Supply chain management

We intend to review the materiality assessment on an annual basis to ensure these remain relevant to our investment strategy and industry developments. The following chapters contain information about how Capital Dynamics’ Clean Energy business line seeks to prevent, mitigate and manage negative impacts on material topics and how our approach to Responsible Investment enhances long-term risk-adjusted returns and generates positive impacts on RI factors.



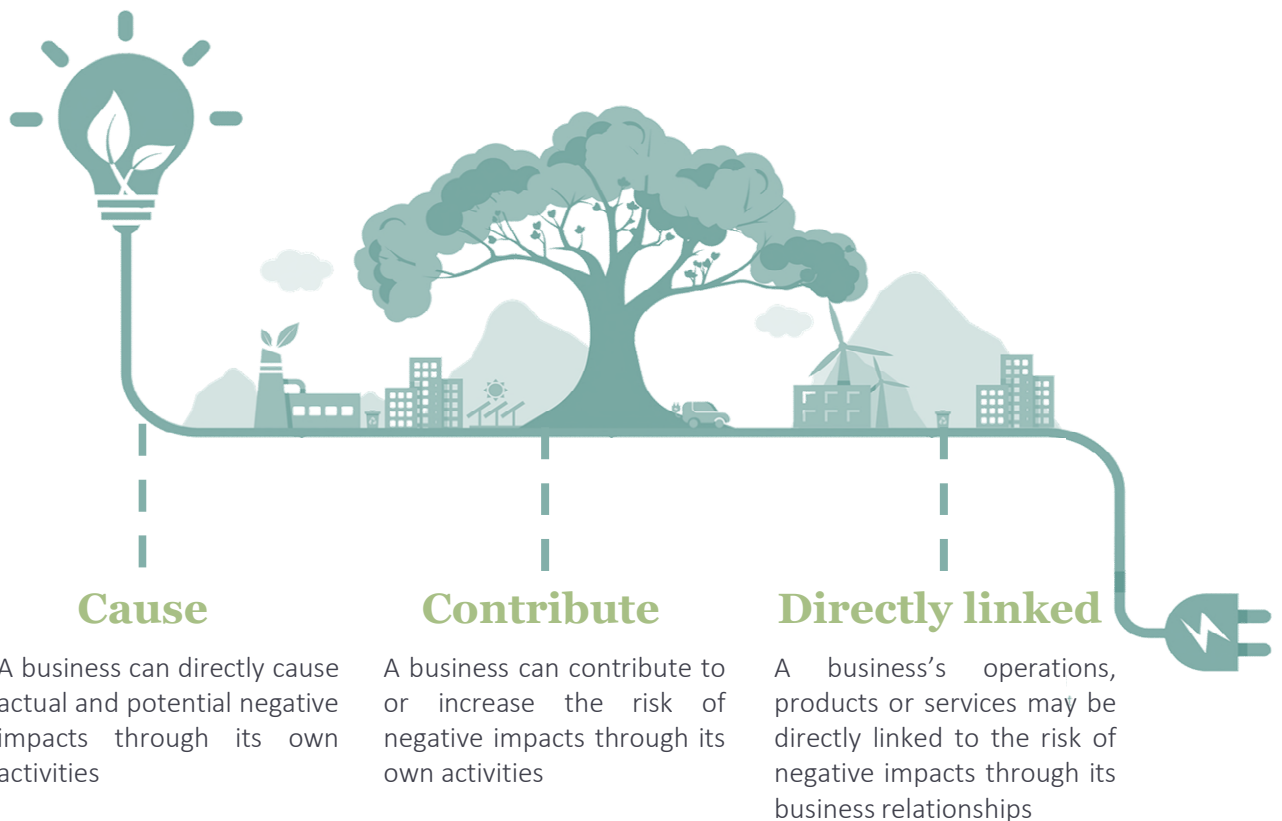
# Management of material topics

The UN Guiding Principles on Business and Human Rights (“UNGPs”) and the OECD Due Diligence Guidance for Responsible Business Conduct define three levels of risk involvement in actual and potential negative impacts: **cause**, **contribute** and **direct linkage**. Capital Dynamics’ Clean Energy business line identifies its risk exposure to material RI matters, including those pertaining to human rights, in our own operations and in our value chain in line with the UNGPs through our roles as private markets investment manager, employer and purchaser of goods and services. The level of involvement in actual and potential negative impacts (cause, contribute, and directly linked) determines our responsibility to provide for or support their remediation. Likewise, we identify the potential and actual positive impacts we have on the UN Sustainable Development Goals in our roles as investment manager, employer and purchaser of goods and services.

## Risk mitigation through Responsible Investment

We utilize our holistic approach<sup>1</sup> to RI in the [investment process](#) to identify, prevent and mitigate any actual or potential negative impacts on material topics and to identify opportunities for RI improvements. All of our investments follow our [RI principles](#) and are subject to our RI policy and RI oversight through the firm’s [Responsible Investment Committee](#).


We actively engage with our stakeholders and communicate our progress towards Responsible Investment goals and any RI-related risks to our clients as part of regular reporting, including quarterly investment reports and annual Sustainability reports, among others.



<sup>1</sup>A holistic approach to Responsible Investment integrates ESG factors into all stages of investment. Key aspects include: ESG Integration: Evaluating ESG factors in due diligence and decision-making; Engagement: Actively working with companies, GPs and other stakeholders to improve ESG practices; Impact Investing: Focusing on investments that address global challenges, such as investments in energy transition technologies in our Clean Energy business line; Long-term Perspective: Prioritizing sustainable value creation over short-term gains; Stakeholder Consideration: Considering impacts on stakeholders; Transparency: Promoting robust ESG reporting and accountability; This approach aims to achieve sustainable financial returns while fostering positive social and environmental outcomes.

# Our 2023 stakeholder engagement and actions in response to material topics

Stakeholder	Actions	Material topics	SDGs supported
Investors	<ul style="list-style-type: none"> <li>The Clean Energy Investment platform makes direct equity investments in renewable energy technologies in Europe, including the United Kingdom.</li> <li>All of our investments undergo our rigorous approach to RI underwriting, utilizing our proprietary R-Eye™ scoring system and RepRisk to enhance risk screening and generate long-term risk adjusted returns.</li> <li>We have introduced impact targets linked to carried interest for our new funds, providing strong GP financial alignment:               <ol style="list-style-type: none"> <li>R-Eye™ scorecard must be above an average of 4 for all investments</li> <li>Reduce or offset greenhouse gas emissions in line with our funds' net zero commitments</li> </ol>               If one or both impact targets are not met, Capital Dynamics will provide respective financial support to a charitable cause to compensate for the missed impact targets.             </li> <li>Clean Energy reports and discloses its economic and RI performance to investors quarterly.</li> <li>We achieve high revenue through long-term, fixed price, pay-as-produced PPAs with some of the largest investment grade counterparties and we invest in the most attractive markets for renewable energy.</li> </ul>	<ul style="list-style-type: none"> <li>Economic performance</li> <li>Energy</li> <li>Emissions</li> <li>Health and Safety</li> <li>Local communities</li> <li>Biodiversity</li> <li>Anti-corruption</li> </ul>	   
Suppliers	<ul style="list-style-type: none"> <li>Forced labor and other human rights-related issues remain a key risk in the global solar industry.</li> <li>We utilize RepRisk to screen all key suppliers to identify material environmental and social risks associated with our supply chain.</li> <li>Capital Dynamics has a zero-tolerance policy for unlawful labor, and all our suppliers are required to comply with the applicable laws, including laws covering modern slavery, forced labor and human rights.</li> <li>We assess our suppliers' efforts to diversify their own supply chain. In addition, we have added contractual requirements and commitments in our agreements with major component suppliers, including solar PV manufacturers.</li> <li>Clean Energy introduced its Responsible Contractor Policy during 2023 to assess and evaluate contractors' compliance with labor laws, health and safety, as well as our broader RI considerations.</li> </ul>	<ul style="list-style-type: none"> <li>Forced and child labor</li> <li>Supply Chain Management</li> </ul>	  

Stakeholder	Actions	Material topics	SDGs supported
Communities and landowners	<ul style="list-style-type: none"> <li>We employ local talent whenever possible to drive economic growth. Our investment activities contribute to the creation of green jobs and, therefore, support economic growth</li> <li>We are deeply committed to supporting our local communities through tailored engagement programs and initiatives. In 2023, we provided a total of ~GBP 240,000 in financial contributions to dedicated community funds in the UK. We have committed to compensation measures to various community initiatives in Italy worth EUR 1,265,670. Further, projects worth over 4 million EUR are yet to be agreed with the relevant municipalities in Italy.</li> <li>Additionally, in 2023, we organized educational visits for local schools and institutions to our project sites. The initiative, done in collaboration with our local partners and O&amp;M contractors, aimed to raise awareness about the benefits of renewable energy investments and the job opportunities it offers.</li> <li>Furthermore, in collaboration with the local community and landowners, Capital Dynamics has signed agreements allowing livestock grazing within our assets' premises.</li> </ul>	<ul style="list-style-type: none"> <li>Local communities</li> <li>Economic performance</li> <li>Biodiversity</li> </ul>	    
Regulators	<ul style="list-style-type: none"> <li>Four of our Clean Energy funds disclose sustainability information pursuant to SFDR Article 9. In addition, our new European fund has a commitment to make sustainable investments aligned with the EU Taxonomy objective climate change mitigation. The funds will continue to report on the Principal Adverse Impacts as part of their annual fund reports. This represents a further step forward in our commitment to providing full transparency to our clients on the sustainability performance of our assets. Further, we are now providing the European ESG Template ("EET") for CEI VIII, CEI IX, CE Europe and CE UK.</li> </ul>	<ul style="list-style-type: none"> <li>Energy</li> <li>Emissions</li> </ul>	 
Employees	<ul style="list-style-type: none"> <li>Clean Energy funds do not employ any workers. However, Diversity, Equity and Inclusion play an important role in our Clean Energy boards. We have set a target for female board representation across Clean Energy funds to average 40%.<sup>1</sup> In 2023, female board representation was 41.4% for our CE funds.</li> <li>We are committed to promoting and encouraging a positive health and safety culture across our operations and supply chain and providing a safe working environment for workers, contractors and visitors across its assets. To that effect, the Clean Energy team rolled out its Asset-Level ESG Policy in 2023 to strengthen its commitment to continually improving ESG performance.</li> <li>We expect all Capital Dynamics service contractors to respect their workers' rights, promote equal treatment, provide workers with equal opportunities, fair wages and respect their right to engage in collective bargaining.</li> </ul>	<ul style="list-style-type: none"> <li>Diversity and Equal Opportunity</li> <li>Employee well-being and training</li> <li>Occupational Health &amp; Safety</li> </ul>	  

<sup>1</sup> Excluding entities not fully controlled by Capital Dynamics.



## Jobs creation



Capital Dynamics Puerto Real 1 Site

60

Jobs created at  
Solar Italy XVI<sup>1</sup>

13

Jobs created at  
Limes 6<sup>1</sup>

Throughout procurement, construction and operations, the Capital Dynamics Clean Energy team aims to provide jobs to local communities where possible. Typically, most new jobs are created during the construction phase, which can last between 1 - 2 years, depending on the project. Such projects rely on local labor as well as project specific and seasonal employment, which help the local communities and workforce. We aim to hire local labor throughout the entire investment lifecycle and to create jobs during the construction and operational phases. Further, our assets which employ local labor have higher R-Eye™ scorecards for those investments.

We use our Responsible Contractor Policy to assess and evaluate our main contractors' willingness to employ members from the local community, engage with local subcontractors and report such metrics to the Clean Energy team. We also assess whether EPC contractors have established a local presence and developed relationships within the community. As of 2023, our EPC contractors report a suite of ESG metrics every week, and jobs created are provided throughout the lifecycle of each construction project.

Further, the Clean Energy team continues to expand their portfolio of assets with additional projects in the pre-construction phase that will contribute towards the creation of local jobs.

<sup>1</sup>The number of jobs created has been provided by the contractors directly. The number of jobs created is for the reporting period of 1 January 2023 to 31 December 2023.



# Other engagement actions with our investors and industry peers

Transparent reporting on our progress in Responsible Investment initiatives is of uttermost importance to us. We view RI reporting as an effective tool to engage with our prospects and investors to gain insights into our commitment to Responsible Investment.

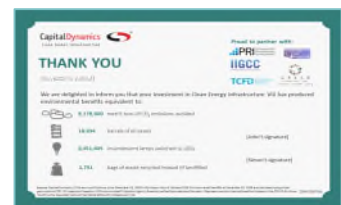
We recently launched a new suite of market-leading RI reporting for our clients and are committed to continue the expansion of reporting capabilities we offer in line with internationally recognized RI disclosure frameworks. Below is a summary of RI reporting we currently produce.



Annual RI report provides a summary of our responsible investment initiatives throughout the year



Task Force on Climate-Related Financial Disclosures (TCFD) report provided annually



Clean Energy Green Certificates issued to LPs annually



Annual GRESB submission report available to LPs



Quarterly reports include RI updates



Annual Clean Energy Sustainability Report provides a portfolio overview of the clean energy business and manager



Annual Modern Slavery Act Statement provides a summary of our activities to address modern slavery



'In the Community' newsletter profiles the support that our European strategy provides to the local communities in which we operate



Annual UN-supported PRI report

Website includes real-time 'Environmental benefits' ticker

# 4

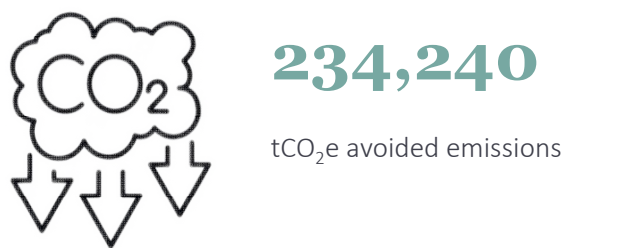
## Environment



# Environmental benefits<sup>1</sup>

In 2023, the assets in our European portfolio have contributed to producing the following environmental benefits:

The below provides an overview of how the environmental benefits in 2023 compare to the previous two years.



## Equivalent to...



## Energy generated (MWh)<sup>1</sup>



## Emissions avoided (tCO<sub>2</sub>e)<sup>1</sup>



## Homes powered<sup>1</sup>



## Operational assets<sup>1</sup>



<sup>1</sup> 2021, 2022 and 2023 data presented as of 31 December 2021, 2022 and 2023 respectively. Data cover 100% of the European portfolio. Figures are not attributed to Capital Dynamics' share. Homes powered metric accounts for total annual energy use per household. Input data provided by Netro Energy. For operational assets, in 2021 we disposed of 11 assets and in 2022 we disposed of 3 assets. Due to the changes in the portfolio composition, a direct comparison of our data between 2021, 2022 and 2023 will not have a strong correlation.



# Energy usage

## GHG Inventory

Assets report data immediately upon acquisition and until the exit date. Portfolio emissions are broken down into Scope 1, Scope 2 and Scope 3 emissions.

### Scope 1 | Direct emissions

There was a small quantity of diesel oil usage at one of our assets in 2023 stemming from the need of an energy generator. There were no refrigerant gasses from transformers reported.

### Scope 2 | Indirect emissions (purchased electricity)

Scope 2 emissions originate from purchased electricity used at project level and are calculated using the location-based approach. Our electricity usage is considerably lower than the electricity generated by the assets, since electricity is only used to cover basic operational and maintenance needs of the investments.

### Scope 3 | Indirect emissions

During 2023, we introduced processes to allow us to collect data during the construction stage (excluding manufacturing and transportation). Thus, we are proud to announce we can report our Scope 3 emissions.

Scope 3 emissions currently cover emissions from water usage of operational assets and assets under construction and diesel oil/electricity usage of assets under construction.

We aim to further increase our transparency on Scope 3 emissions reporting in future years.

## Energy usage (MWh)

	2023	2022	2021
Fuel/gas usage (MWh)	0.053	0	0
Energy usage (MWh)	3,192.62	2,535.53	2,998.09
Scope 1 GHG emissions (tCO <sub>2</sub> e)	0.01	0	0
Scope 2 GHG emissions (tCO <sub>2</sub> e)	584.67	444.99	725.99
Scope 3 GHG emissions - water (tCO <sub>2</sub> e)	0.293	n/a	n/a
Scope 3 GHG emissions – construction (tCO <sub>2</sub> e)	978.35	n/a	n/a
Total GHG emissions (tCO <sub>2</sub> e)	1,563.37	444.99	725.99

2021 data: as of 31 December 2021  
Data cover 100% of the portfolio

2022 data: as of 31 December 2022  
Data cover 100% of the portfolio

2023 data: as of 31 December 2023  
Data coverage of Scope 1 and 2 emissions is 100% of the portfolio  
Data coverage of Scope 3 emissions - water is 98% (by net capacity of the entire portfolio)  
Data coverage of Scope 3 emissions – construction is 99% (by net capacity of all construction assets)

Data provided by Netro Energy  
Energy usage and Scope 2 emissions have been restated for 2021 and 2022 following an internal review of the source data.

## Carbon reduction

Operational emissions (scope 1 and 2 emissions) are not material compared to the energy generated over the projects' lifespan and are generated by activities required to maintain basic operations. The local Asset Management teams monitor operational emissions and proactively manage them by identifying and implementing efficient practices, where applicable. Our new Clean Energy funds have committed to decarbonization targets.



# Explanatory notes - methodology

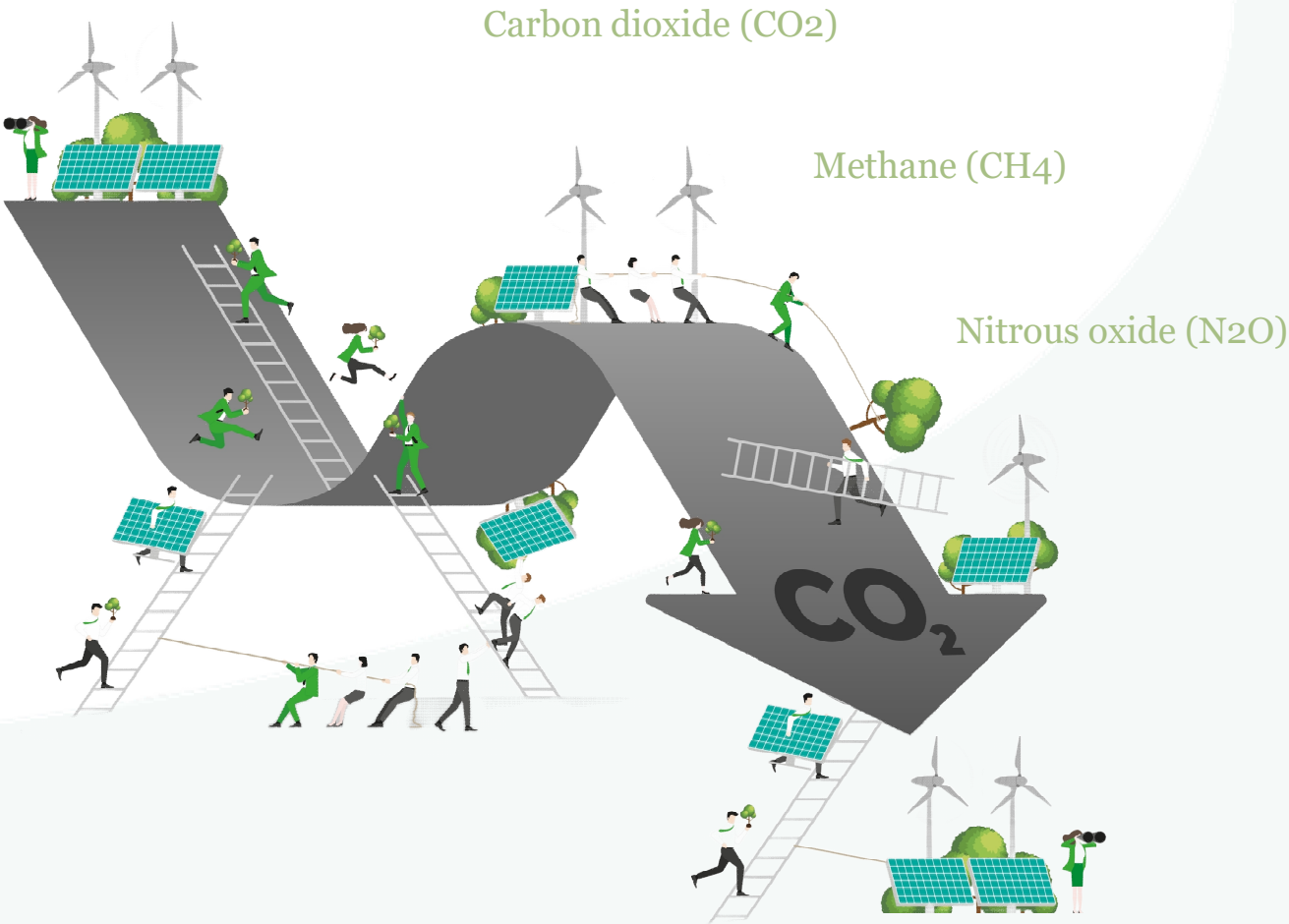
We collect energy generated and used from our operations at least quarterly. Energy data is converted to carbon emissions, avoided and emitted, in line with the GHG Protocol Corporate Accounting and Reporting Standard.

Carbon emissions, including Scope 3 emissions have been calculated using:

- The annual UK Government GHG Conversion for Company Reporting
- The annual International Energy Agency Emission Factors

Scope 1, 2 and 3 carbon emissions are calculated using the equity share approach, i.e. we calculate carbon emissions from operations according to our share of equity in each project. This approach allows us to present the exact risks associated with our investments.

Avoided emissions and emissions generated from operations are reported as tons of carbon dioxide equivalent. This metric includes the following GHG emissions:



# Explanatory notes – energy generation

All Clean Energy investments avoid energy generated from fossil fuels and therefore provide a climate solution to decrease carbon emissions. As a result, the production of electricity from our assets do not emit any carbon emissions. We report avoided carbon emissions to illustrate the amount of CO<sub>2</sub> emissions that would have been emitted if the same amount of electricity had been derived from fossil fuels.

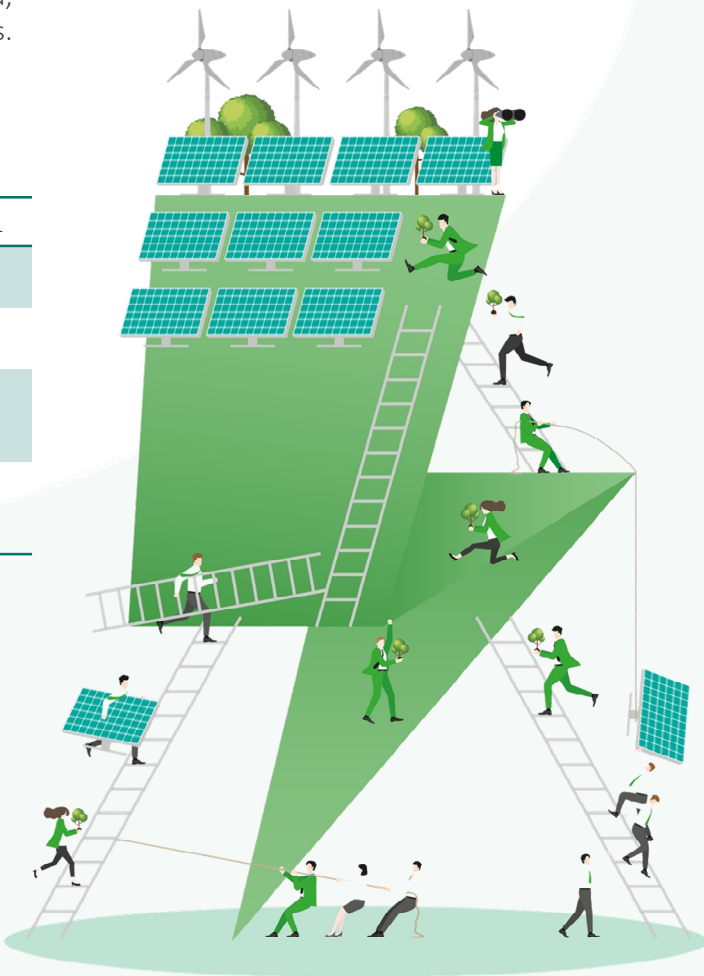
Due to the changes in the portfolio composition, a direct comparison of our data between 2021, 2022 and 2023 will not have a strong correlation. In 2021, 2 assets were acquired while 11 assets, part of CEI II portfolio, were sold in December 2021. In June 2022, 3 additional assets, part of CEI III portfolio, were sold, but 8 assets were acquired during the year. In 2023, 11 assets were acquired, however, Capital Dynamics did not sell any assets. The overall portfolio composition is shown below:

## Portfolio

	2023	2022	2021
Operational	16	14	23
Construction	9	4	5
Pre-construction	10	6	1
<b>Total Assets</b>	<b>35</b>	<b>24</b>	<b>29</b>

“As stewards of capital, we recognize our responsibility to our clients, our communities and our planet. By investing in Clean Energy we are seeking to not only generate renewable energy but produce long term sustainable returns for our investors”

**Bryn Gostin**  
Senior Managing Director  
Co-Chair Responsible Investment



# Navigating climate solutions investment in the transition to Net Zero

## Investments in climate solutions – what’s the deal?

Investors face a dual challenge and opportunity in setting targets and allocating capital for climate solutions. The estimated investment required to limit global temperature rise to 1.5°C by 2050 ranges from USD 109 trillion to USD 275 trillion, spanning renewable energy, low carbon transport, energy efficient buildings and more. Hence, integrating climate solutions into investment frameworks is crucial, as seen in initiatives like the Paris Aligned Asset Owners and Net Zero Asset Managers initiatives. Investors play a pivotal role in financing the transition to net zero, influencing issuers through engagement and stewardship. By directing capital towards climate solution providers, investors can shape market expectations and incentivize companies to align with climate goals.

## What are climate solutions?

Climate solutions encompass a broad range of technologies, strategies, and initiatives aimed at mitigating and adapting to climate change. These solutions seek to reduce greenhouse gas emissions, enhance resilience to climate impacts, and foster sustainability across various sectors of the economy. They include renewable energy sources, energy efficiency measures, sustainable transportation, carbon capture and storage technologies, nature-based solutions like afforestation and reforestation, and sustainable land management practices, among others.

Clean energy assets, such as solar and wind projects are considered a key component of climate solutions. These assets generate electricity with no emissions of greenhouse gases compared to traditional fossil fuels like coal, oil and natural gas. By harnessing the power of renewable resources, clean energy assets contribute to decarbonizing the energy sector, which is a major source of global greenhouse gas emissions.

Clean energy assets play a crucial role in reducing reliance on fossil fuels, thereby helping to mitigate climate change. They offer a sustainable

alternative for meeting energy demand while minimizing environmental impact.

Additionally, investments in clean energy assets promote technological innovation, job creation and economic growth in the renewable energy industry. Overall, clean energy assets are integral to the transition towards a low-carbon, resilient, and sustainable future, making them a vital component of climate solutions efforts worldwide.

## How can investors use climate solutions in their net zero target setting?

The Institutional Investor Group on Climate Change (“IIGCC”) emphasizes the positive impact investors can have by providing new capital to entities driving climate solutions. Asset owners and managers utilizing the Paris-Aligned Investor Initiative Net Zero Investment Framework (“PAII NZIF”) should aim to boost their allocation to climate solutions at the portfolio level. This involves setting targets for increased investment in climate solutions, for example setting an AUM target for investments in clean energy. Target setting is crucial for investors’ net zero strategies, with many setting targets to increase their portfolio allocation to climate solutions over time.

## How does Capital Dynamics Clean Energy support net zero?

Since inception in 2010, Capital Dynamics’ Clean Energy business line has primarily made investments in solar and wind projects. As such, our Clean Energy investments are considered climate solutions and meet the net zero targets in accordance with the PAII NZIF. Capital Dynamics was one of the earliest private market investors in renewable infrastructure because of the potential we saw to play a role in the global energy transition. Our goal was to understand the intersection between investment opportunity and market demand to deliver long-term returns for our investors. By starting early, we were able to gain a first mover advantage in the transition towards renewables. As the technology improves, costs over the medium term continue to decline, and demand accelerates.



# Our deep commitment to Net Zero

The firm supports the Paris Agreement and Net Zero through its investment in Clean Energy projects. Our investments into solar and wind energy projects represent ambitious Net Zero targets aimed at scaling investments into climate solutions with attractive risk-adjusted returns for our clients. Further, our Clean Energy investments help meet global targets including the SDGs and the Kyoto Protocol, simultaneously providing a solution for members of the RE100, a list of over 370 companies committed to 'go 100% renewable.'<sup>1</sup>

All of our Clean Energy assets contribute substantially to or enable emissions reductions to support decarbonization in line with credible 1.5°C pathways towards Net Zero. Our focus on wind energy and solar PV projects are crucial to the transition to a Net Zero economy and corresponding policy goals, such as the EU Green Deal and the UK's Net Zero plans.

At Capital Dynamics, we are strongly committed to supporting the expansion of sustainable and accessible Clean Energy in Europe and doing our part to reduce greenhouse gas emissions associated with our investments.

The majority of project lifecycle emissions of a typical renewable energy project occur during the manufacturing and construction process, whereas operational GHG emissions account for a small portion only.

In our new Clean Energy funds, we are committed to taking action to reduce project lifecycle emissions from the construction process and operations. Our commitment is to reduce or offset emissions for all clean energy projects in the fund in line with Net Zero targets, from the construction date through the exit of that project, based on the actual emissions for each investment or, where such data is not available, the average emissions intensity of all such investments.

In 2023, we acquired five assets with a dedicated decarbonization target. All were at pre-construction stage and as such, there are no emissions to be disclosed during the reporting period. The Clean Energy team will ensure that all selected contractors are screened in accordance with its Responsible Contractor Policy and that all contractors supply the relevant datasets from their operations.

## Supporting Net Zero initiatives

### Our new funds are committing to Net Zero initiatives through:



Decarbonization targets with reduction of construction emissions<sup>2</sup> and operational emissions<sup>3</sup>



Offsetting residual emissions with verified carbon removal project



Measurement of construction and operational emissions

### Our previous funds supported the initiative through the following:



Aligned with Paris-Aligned Investment Initiative Net Zero Investment Framework in our contribution to displacing fossil fuels and scaling up investments in solar and wind projects



Considered climate solutions and meeting the Net Zero targets

<sup>1</sup> Source: <http://there100.org/>

<sup>2</sup> For example, through solar powered temporary offices, use of electric vehicles for worker transportation and waste reduction

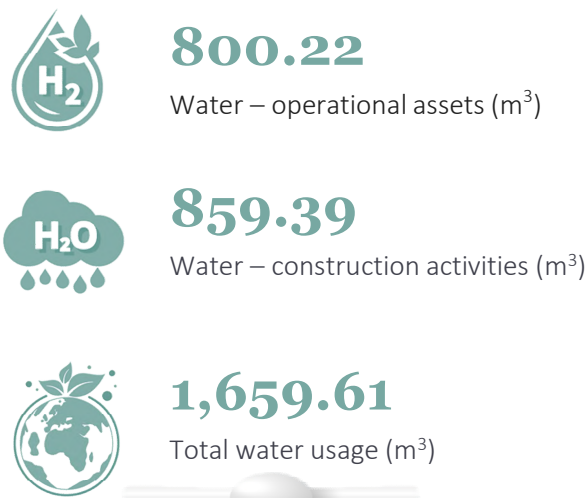
<sup>3</sup> Reduce own energy usage of investments and increase procurement of renewable energy at asset level

# Our approach to water

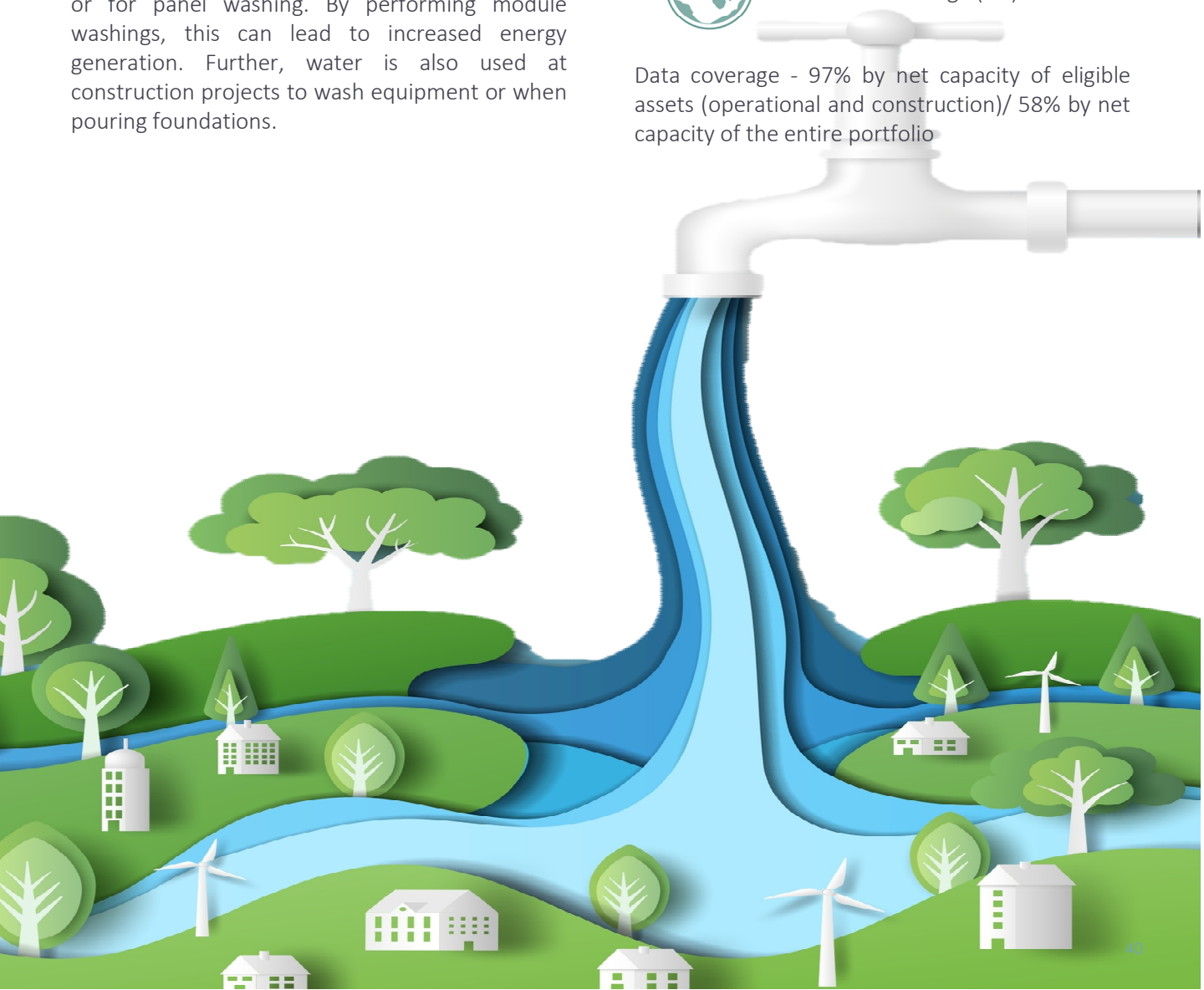
## Water

As a responsible investor, Capital Dynamics understands the importance of conserving natural resources that support our ecological ecosystem, which in turn, support our business operations. As water is a limited resource, the Clean Energy team aims to manage water resources responsibly. In the UK, our wind assets do not have access to water due to their remote location. Thus, Capital Dynamics has distributed tanks around the site to collect rainwater, which is used to supply welfare activities. However, such tanks are not equipped with meters and as such we are unable to report quantities of rainwater captured and used. Across our solar operations, water is used for landscaping or for panel washing. By performing module washings, this can lead to increased energy generation. Further, water is also used at construction projects to wash equipment or when pouring foundations.

## In 2023, water usage consisted of:



Data coverage - 97% by net capacity of eligible assets (operational and construction)/ 58% by net capacity of the entire portfolio



# Our approach to waste

## Generation

Waste generation from our operational assets is relatively low. Due to the remote location of our assets and due to the lack of permanent employees at our project locations, waste is generated only when maintenance and repairs take place. During 2023, we have started collecting waste generation data from our construction assets.

### In 2023, waste usage consisted of:



Data coverage - 85% by net capacity of eligible assets (operational and construction)/ 57% by net capacity of the entire portfolio

## Removal

Our EPC and O&M contractors are responsible for ensuring adequate controls are in place across our construction and operational assets respectively. They are also responsible for ensuring that waste is handled in a safe manner and in line with local statutory requirements.

“ We are dedicated to embracing full lifecycle sustainability, ensuring that every step of our journey reflects our commitment to preserving our planet’s resources ”

Simon Eaves  
Senior Managing Director  
Co-Head of Clean Energy



# Our approach to Biodiversity

Capital Dynamics' Clean Energy business line is committed to minimizing any potential negative impact on the environment by refraining from knowingly investing in assets whose operations could potentially result in serious negative impacts on the environment, such as severe degradation of air and water quality.

## Environmental Impact Assessments

All investments are screened for environmental compliance and are required to undergo an environmental assessment during the planning phase. Environmental Impact Assessments or equivalents are carried out for all investments in the UK and mainland Europe. During this assessment, local authorities place certain constraints on the asset layout to avoid impacts to local biodiversity and the community and require a set of mitigation measures in order for the project to receive planning permission.

## Biodiversity Initiatives

Capital Dynamics has committed to a range of initiatives implemented at our assets that are outlined below:

### Livestock Grazing

The majority of our assets in the UK and continental Europe allow for livestock grazing within the perimeter of each asset.



Escucha: Sheep grazing to control vegetation

### Agrovoltaic Project

One of our assets in Spain is making relevant land adjustments in order to receive authorization as an agrovoltaic project during 2024. Agrovoltaic is the process of using the same area of land to obtain both solar energy and agricultural products.

### Drinking Points and Ponds

Our assets in Spain have drinking points and ponds for animals. These points are refilled with water monthly. The assets also have vegetated areas to allow the maintenance of the existing biotope.



### Environmental Monitoring Program

In certain instances, the asset has implemented an environmental monitoring Program that covers the construction phase and the operation of the plant in order to monitor the soil, air and watercourses in the area.



Capital Dynamics employ industry-leading local biodiversity and environmental scientists to execute such programs.

### Mitigation Planting

Our assets in Italy have installed mitigation measures, which consist of a perimetral vegetation band around the plant made of autochthonous flowers and vegetation species. These include the typical Mediterranean flora, cultivation of cereal and grass vegetation in the internal areas of the plant with flowers to allow the proliferation of bees, the installation of apiaries inside the plant and spots in the fence to ensure free circulation of animals.





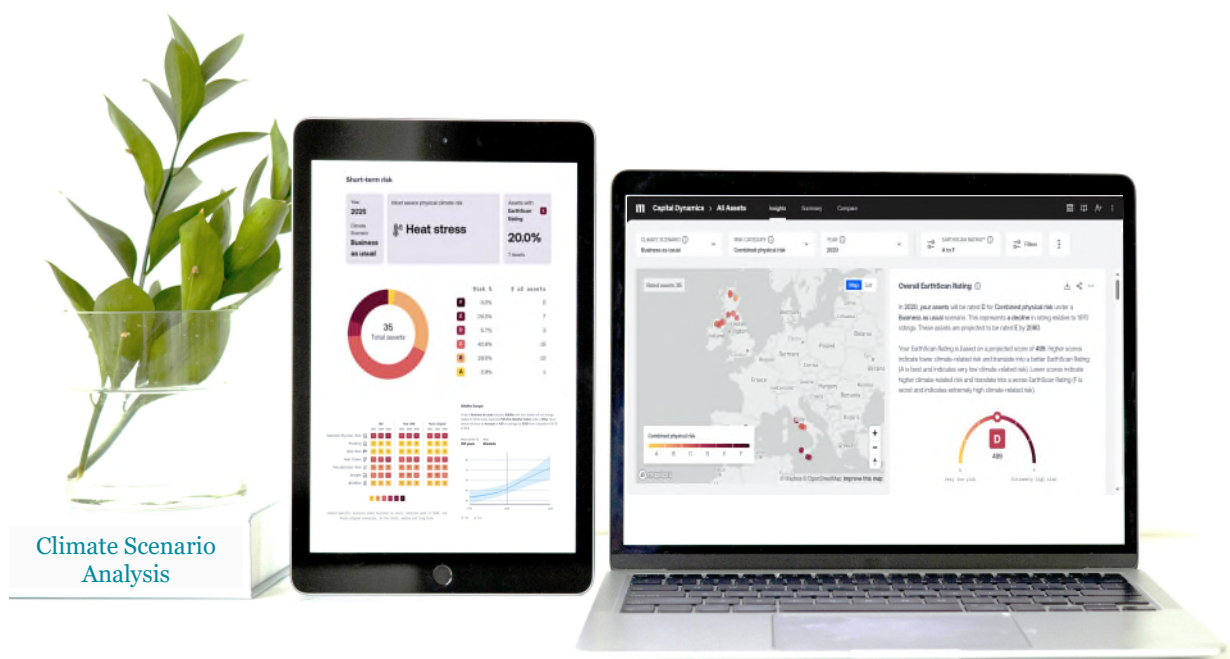
# Climate-related risks and opportunities

As investors in real assets, our Clean Energy business is exposed to physical climate risks, which could cause damage to solar PV modules or wind turbines, leading to higher repair costs and insurance premiums in high risk locations. Extreme weather events and chronic physical climate risk could represent a possibility of early asset retirement.

Overall, our European Clean Energy portfolio is well diversified in terms of geographic exposure to manage physical climate risks. To effectively analyze climate risks and identify adaptation measures, Capital Dynamics' Clean Energy business line has implemented Mitiga's EarthScan™ platform. This innovative tool enables us to comprehensively<sup>1</sup> assess climate-related risks across our European Clean Energy portfolio and provide valuable insights into financially material climate hazards.

By leveraging advanced data analytics and scenario modeling, we can proactively identify vulnerabilities and develop targeted strategies to enhance resilience. Additionally, we use the outputs of the climate scenario analysis for the following purposes:

1. Offer our clients market-leading climate risks reporting in line with the TCFD and ISSB disclosure frameworks and in accordance with the EU Taxonomy
2. Conduct pre-transaction due diligence
3. Produce internal and external risk reporting on financially material climate matters
4. Undertake physical asset exposure analysis and location planning to protect asset value and generate long-term risk-adjusted returns for our clients



<sup>1</sup> Comprehensive RI screening involves a detailed evaluation of investments and suppliers based on sustainability and ethical criteria. Capital Dynamics utilizes both the R-Eye™ scorecard and ReRisk to evaluate investments across a range of possible impacts. This process includes, among other criteria: Environmental: Assessing impact on climate, energy use, and waste management; Social: Evaluating labor practices, human rights, and community engagement; and Governance: Analyzing leadership, transparency, and business ethics. The goal is to identify and mitigate ESG-related risks, ensuring alignment with sustainable and responsible business practices.

# Climate adaptation measures

Capital Dynamics implements a variety of climate adaptation measures to enhance our resilience against climate hazards. Utilizing the EarthScan™ platform, we identify and assess physical climate risks, which our European Clean Energy assets are exposed to over the short- (2025), medium- (2030) and long-term (2050) time horizons.

While certain mitigation measures are only applicable to the operational phase, the following actions form part of our standard procedures across the Clean Energy portfolio:

## Components durability



Our modules and wind turbines are built with resistant materials and components. Regular external inspections of the blades are conducted to identify and rectify any deterioration, including damage caused by adverse weather conditions. Further, modules undergo routine thermography analysis and have extensive warranties.

## Heat mitigation



Capital Dynamics use Tier 1, AAA solar panels that are of high quality and durability. Panels can withstand temperatures of up to 60-65°C. In addition, it is standard practice to ensure equipment in substation is adequately ventilated to avoid overheating. Similarly, for larger assets with offices within the premises, the offices are equipped with A/C units. Consideration on shift times will be taken into account to ensure workers avoid working during the hot hours of the day.

## Resilience to extreme weather events



All assets are equipped with trackers that tilt the angle of the solar panel depending on the weather conditions to ensure maximum efficiency of the technology.

The added benefit of such trackers is that they can change the panel's position depending on the weather conditions (extreme wind and sun position), improving the cooling and ventilation of the panels despite the temperature onsite.

## Vegetation management



Once operational, all assets create and follow planned preventative maintenance programs. As part of these plans, dry vegetation is cleaned at defined intervals including the perimeter fence vegetation to create a firebreak between the area covered by PV modules and the external vegetation. In high-risk areas, this will be completed prior to the high-risk summer months and in line with any restrictions imposed by the local authorities (e.g. to avoid works during the bird nesting season).

## Extreme weather preparedness



All assets develop emergency plans which address fire risks, flooding, high winds and first aid. Moreover, each asset conducts fire risk assessments. Further, to comply with local legal requirements, fire extinguishers are placed within the premises. To enhance the resilience of our wind turbines, they're equipped with sensors, automated control systems, and shutdown mechanisms triggered by conditions such as excessive wind, wind gusts or increased temperatures.

## Water management

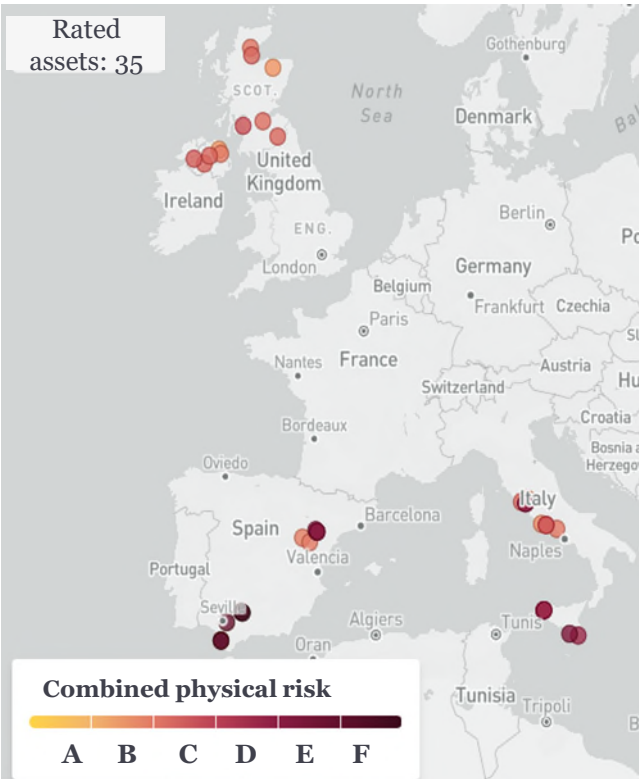
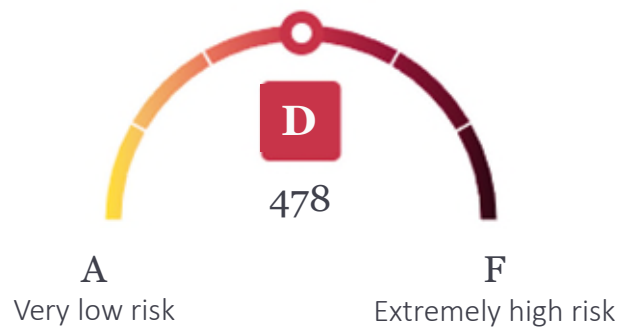


Water usage is notably low across the Capital Dynamics portfolio. Water is used at welfare facilities and for irrigation purposes. Panels are washed with ionized water, which is brought to the assets in water tanks. Wind turbines operate independently of the main water supply. However, all assets have water bottles to ensure visitors' well-being.

# Physical climate risk exposure of our European Clean Energy portfolio

The map to the right showcases the asset distribution across Europe, alongside the EarthScan™ rating from A (very low climate-related risk) to F (extremely high climate-related risk).

In the year 2025, the assets were rated D for combined physical risk under Business as usual scenario. This is a decline in rating relative to 1970 ratings.



The risk matrix shows the portfolio’s average EarthScan™ Rating for each climate hazard. This shows how average climate exposure may change

over the short, medium and long-term under three scenarios: business as usual, emissions peak in 2040 and Paris-aligned.

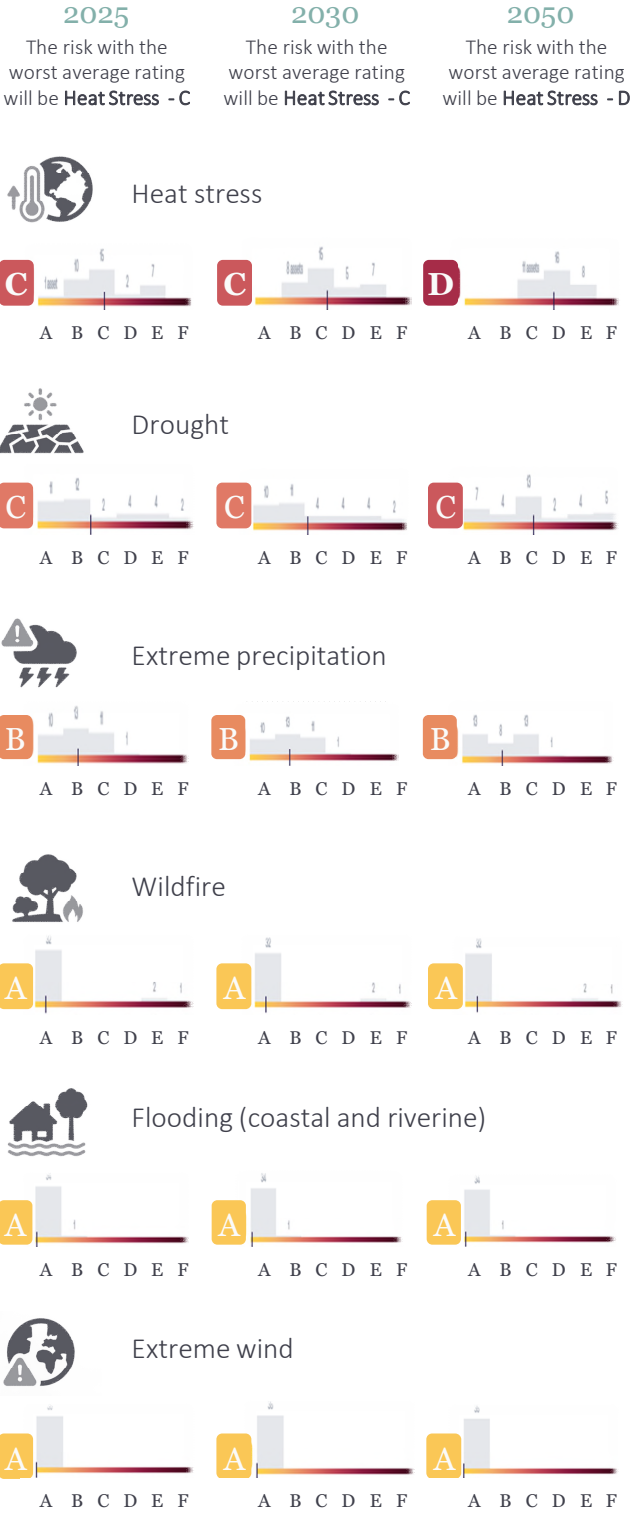
		BAU			Peak 2040			Paris-aligned		
		2025	2030	2050	2025	2030	2050	2025	2030	2050
Combined Physical Risk		D	D	D	D	D	D	D	D	D
Flooding		A	A	A	A	A	A	A	A	A
Wind Risk		A	A	A	A	A	A	A	A	A
Heat Stress		C	C	D	C	C	D	C	C	C
Precipitation Risk		B	B	B	B	B	B	B	B	B
Drought		C	C	C	B	B	C	B	B	C
Wildfire		A	A	A	A	A	A	A	A	A

ABCDEF

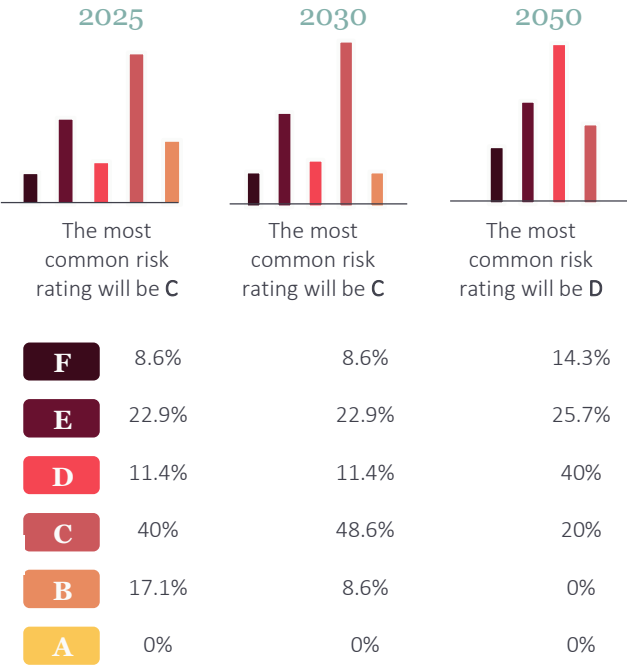
EarthScan™ ratings range from A = very low risk to F = extremely high risk

# Climate scenario analysis results: Business as usual

## Climate hazard risk distribution

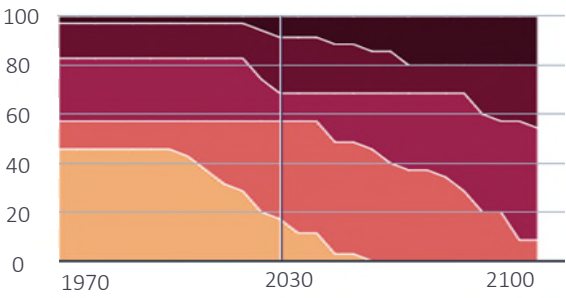


## Risk Distribution (35 assets)

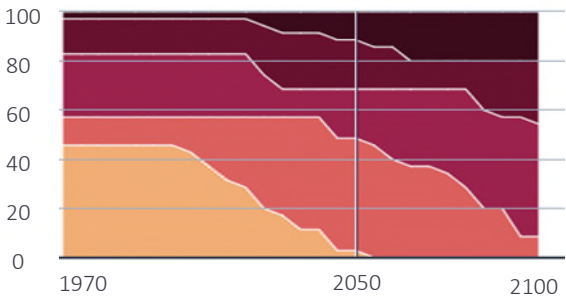


## Risk distribution over time

The proportion of assets rated **F** will **increase**. By 2030, this is an increase of **2** assets rated **F**.



The proportion of assets rated **F** will **increase**. By 2050, this is an increase of **4** assets rated **F**.





# Climate scenario analysis results: Emissions peak by 2040

## Climate hazard risk distribution

**2025**  
The risk with the worst average rating will be **Heat Stress - C**

**2030**  
The risk with the worst average rating will be **Heat Stress - C**

**2050**  
The risk with the worst average rating will be **Heat Stress - D**



Heat stress



Drought



Extreme precipitation



Wildfire



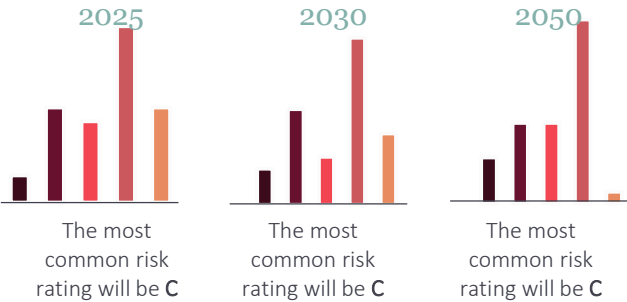
Flooding (coastal and riverine)



Extreme wind



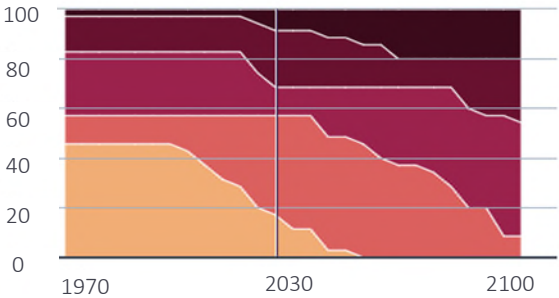
## Risk Distribution (35 assets)



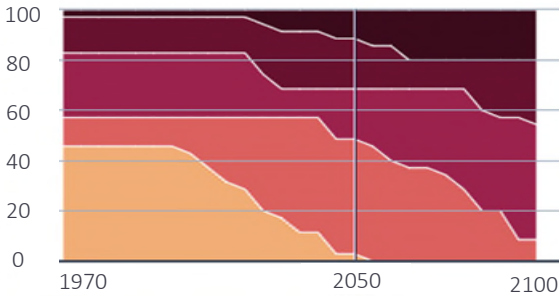
<b>F</b>	5.7%	8.6%	11.4%
<b>E</b>	20%	22.9%	20%
<b>D</b>	17.1%	11.4%	20%
<b>C</b>	37.1%	40%	45.7%
<b>B</b>	20%	17.1%	2.9%
<b>A</b>	0%	0%	0%

## Risk distribution over time

The proportion of assets rated F will **increase**. By 2030, this is an increase of **2** assets rated F.

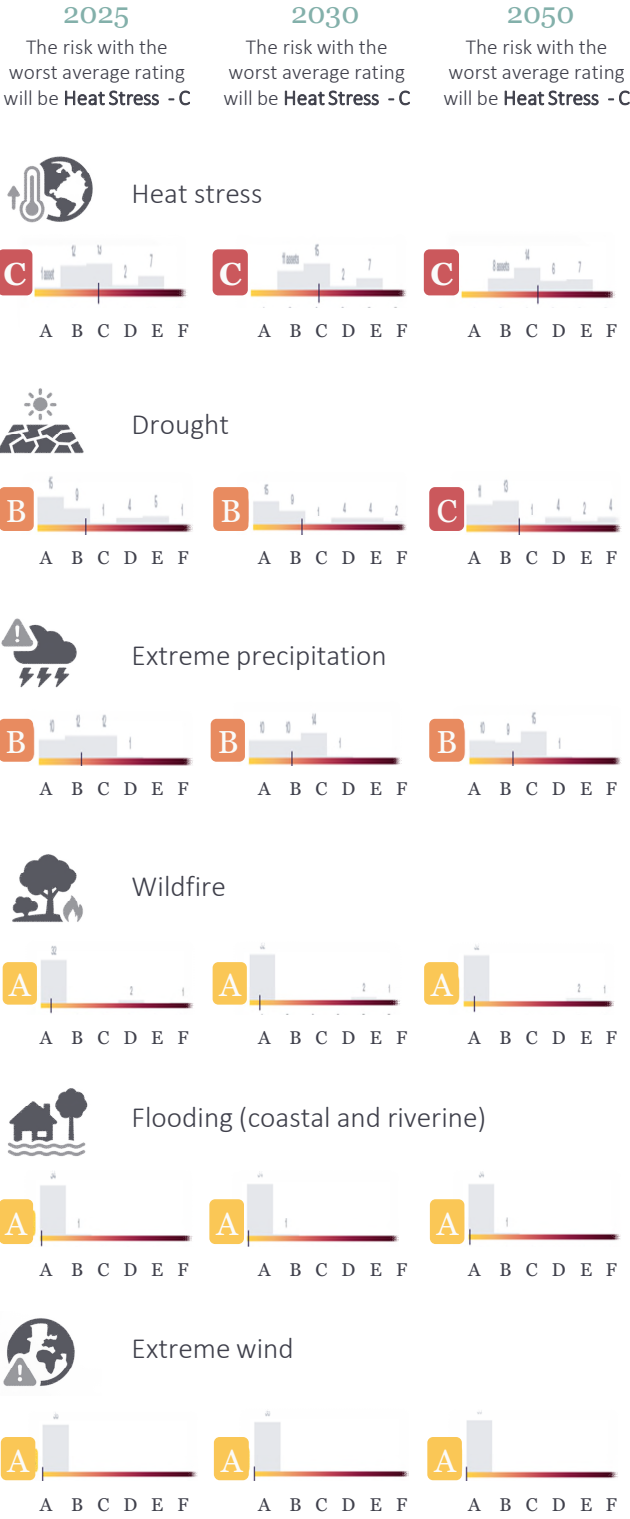


The proportion of assets rated F will **increase**. By 2050, this is an increase of **3** assets rated F.

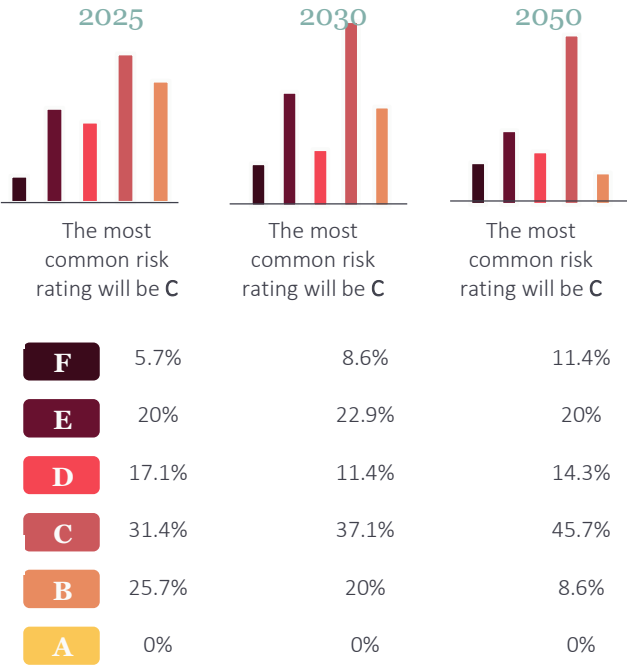


# Climate scenario analysis results: Paris-aligned

## Climate hazard risk distribution

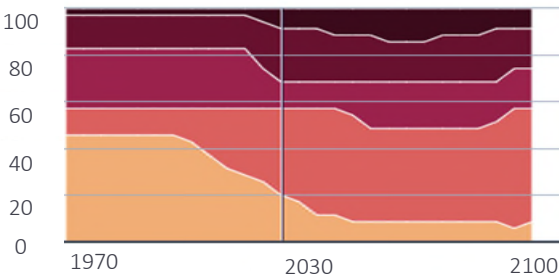


## Risk Distribution (35 assets)

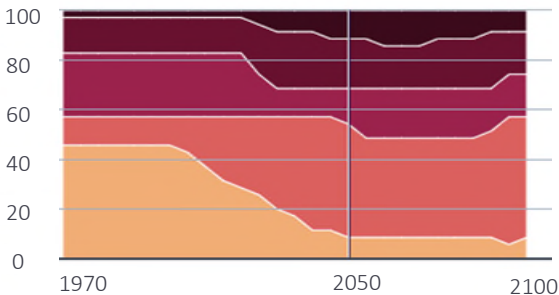


## Risk distribution over time

The proportion of assets rated F will **increase**. By 2030, this is an increase of **2** assets rated F.



The proportion of assets rated F will **increase**. By 2050, this is an increase of **3** assets rated F.



# 5

## Society



# A spotlight on human rights

As a socially responsible investor, Capital Dynamics has a long-standing commitment to corporate responsibility. We are committed to preventing any form of Modern Slavery and human trafficking throughout our business.

The Firm conducts its investment activities according to best practices and uses its Responsible Investment policy as a guiding tool. The firm’s RI policy sets out its commitment to the Modern Slavery Act and the key processes that are in place to minimize Environmental, Social and Governance risks. Modern slavery and human trafficking are clearly identified as characteristics of businesses the firm never knowingly invests in.

Capital Dynamics Clean Energy invests in countries with high protection of human rights.

All investments are screened for broad RI compliance and any risk must be recorded in the R-Eye™ scorecard and investment approval paper. RepRisk provides an additional layer of monitoring in relation to the supply chain.

Note, in 2023 none of our investments were involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises.

## Our supply chain in Clean Energy

Our strategic partnerships are forged with like-minded suppliers that align with our vision, mission, and core values. We have a zero-tolerance policy for unlawful labor, and all our suppliers are required to comply with the applicable laws, including laws covering modern slavery and forced labor. Our supply chain includes:

- Equipment suppliers for the provision of wind turbines, solar modules, trackers and electrical infrastructure
- Construction firms and service providers for our operations

Visit our [website](#) to learn more about our commitment to mitigate and prevent human rights issues in our latest **Modern Slavery Act Statement**



## Our human rights due diligence and monitoring commitments

Capital Dynamics rolled out its Responsible Contractor Policy to define the process that will be followed for contractors and subcontractors and outlining our expectations and requirements for such third-parties.

Key component suppliers are required to abide by the Capital Dynamics Clean Energy Code of Ethics

Add a clause in supplier contracts requiring the adherence to applicable human rights laws and international standards



Screen all key suppliers in the supply chain through RepRisk prior to investments and on an ongoing basis



Maintain a white-list of suppliers to whom we have introduced additional contractual requirements on modern slavery and forced labor



# Supply chain risk management

Capital Dynamics is committed to respecting all human rights and preventing any form of Modern Slavery and human trafficking throughout our business. This is particularly relevant for the PV solar supply chain, where there is a high risk of labor rights abuse in the modules manufacturing space. A great number of firms supplying polysilicon are based in the Xingjian region in northwest China, an area linked to forced labor. In order to mitigate forced labor risks in our supply chain we have introduced the following remedial actions:



All suppliers are evaluated via RepRisk for RI-related risks, including those pertaining to modern slavery, human trafficking and other human rights matters



We have developed a “white-list” of preferred component suppliers using the latest available bankability and league tables from “Bloomberg New Finance” and internally compiled lists of the most reputable component suppliers



Introduced the Responsible Contractor Policy to screen our suppliers and contractors. The qualification process for third parties consists of completing questionnaires, providing documentation and interviewing



We have introduced additional requirements and commitments regarding forced labor in our contractual agreements with major project suppliers, including solar PV manufacturers

## Due Diligence/ Investment Stage

Each investment is screened for financial, legal, RI and other risks to identify potential significant flaws. We engage with various advisors, such as legal and technical advisors, topographic surveyors, geotechnical surveyors, archaeologists, and we aim to work with large and reputable, European-based or internationally recognized service providers.

## Holding Phase

### Throughout the phase

Throughout the holding period of the investment, the Clean Energy team works with contractors who provide construction, repairs, maintenance and infrastructure operating services. Additionally, various advisors and administrative service providers such as insurance brokers, accounting, tax and audit advisors, fund administrators and banks are engaged in Clean Energy projects. To mitigate supply chain risk, all suppliers are subject to RI risks screening through RepRisk.

### Construction phase

Capital Dynamics has increased its focus and exposure to pre-construction assets within Europe. Depending on the stage of the negotiation of a project, the team may have oversight of the supplier evaluation and selection process. We prioritize purchasing equipment from well established, reputable suppliers with diverse global supply chains. Due to the higher ESG risk associated with our supply chain, the Clean Energy team has introduced additional controls, such as the Responsible Contractor Policy and the introduction of its Code of Ethics.

### Operational phase

Portfolio management of Clean Energy operational assets is covered by its integrated asset management affiliate, Netro Energy. Throughout the operational phase of a project, the team works with various counterparties such as Operations and Maintenance providers, HSE consultants and landowners. We aim to employ local contractors when feasible and generate additional auxiliary benefits to the local community.

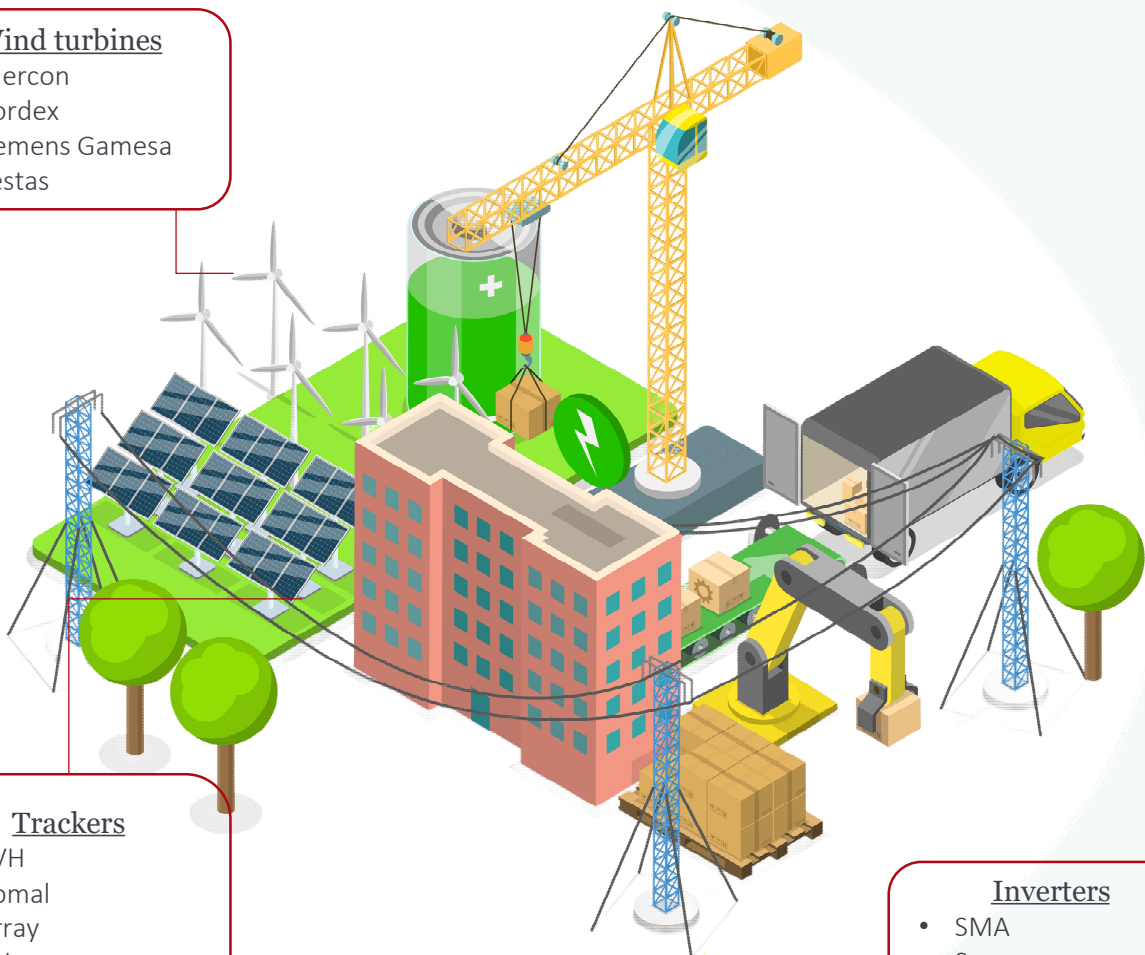
## Exit Stage

Similar to the Due Diligence stage, the Clean Energy team works with reputable European transaction advisors during the exit stage of each investment

# A few of our components suppliers

## Wind turbines

- Enercon
- Nordex
- Siemens Gamesa
- Vestas



## Trackers

- PVH
- Comal
- Array
- Soltec
- Nextracker

## Inverters

- SMA
- Sungrow
- Siemens
- Power Electronics

## PV modules

- Jinko
- JA Solar
- Trina
- Longi
- Jektion
- Seraphim



# Our Responsible Contractor Policy

As a responsible investor, Capital Dynamics is firmly committed to making investments with fund managers, and in companies and projects, that align with our core Responsible Investment values. Since Capital Dynamics' Clean Energy business line makes direct investments into renewable energy projects, with increasing focus on pre-construction assets, we believe that it is necessary to identify and monitor ESG risks associated with our investments throughout their lifecycle and risks originating from the supply chain.

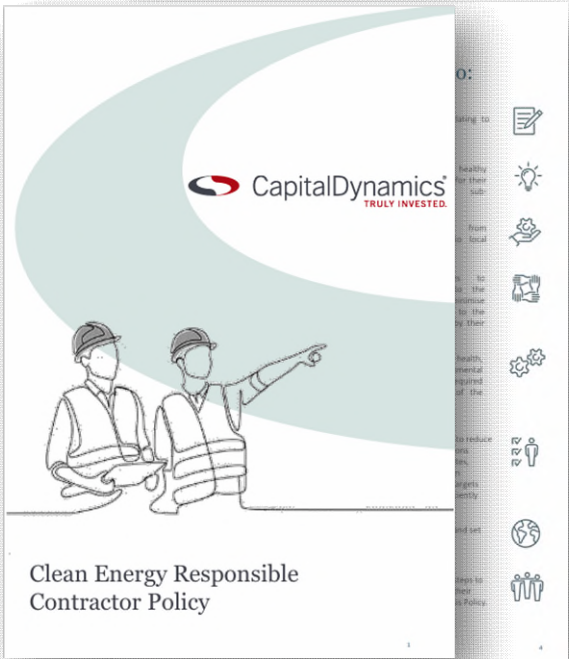
To that effect, in 2023, Capital Dynamics rolled out its Responsible Contractor Policy to define the process that will be followed to select, assess, qualify and evaluate suppliers, contractors and subcontractors and to outline Capital Dynamics Clean Energy team's expectations and requirements for such third-parties. The Clean Energy team considers a responsible contractor to be one that provides competitive and high-quality services whilst complying with the highest environmental, health and safety, and labor standards and whilst committing to enhancing the Environmental, Social and Governance performance of the projects they are involved in.

Capital Dynamics will assess its contractors via a process that considers factors aligning with its policies and will evaluate them against a set of criteria including but not limited to indicators of:

-  **Financial performance**
-  **Health and safety**
-  **Sustainability**
-  **Cost**
-  **Experience**
-  **Skillset**

The qualification process for contractors consists of completion of questionnaires, provision of documentation and interviews.

Capital Dynamics' Clean Energy business line evaluated 3 EPC contractors via its Responsible Contractor Policy in 2023. These contractors are currently managing the construction works of 7 solar PV plants. Capital Dynamics will continue to monitor and report the number of contractors governed by this policy. The Responsible Contractor Policy can be found [here](#).



# Health and Safety

As a responsible investor, we aim to promote and encourage a positive health and safety culture across all of our sites. We require all asset managers, contractors and third parties to comply with health and safety legislation and abide by the Capital Dynamics Clean Energy ESG Asset-level policy and our commitment to provide a safe working environment for employees, contractors and visitors.

## Health & Safety, Environmental and Quality Management (HSQE) system

Capital Dynamic’s asset management business line, Netro Energy, has developed an integrated Health & Safety, Environmental and Quality management system (“HSQE”), which is applied to all sites that Netro Energy manages internally. The HSQE system is certified to International Standards ISO 45001, ISO 14001 & ISO 9001 respectively.

For our construction assets and operational sites that are managed externally, our project managers work with engineering, procurement, and construction (“EPC”) contractors and operation and maintenance (“O&M”) vendors to ensure comprehensive<sup>1</sup> and site-specific safety programs are put in place and are communicated accordingly. Together, Capital Dynamics and Netro Energy ensure that contractors are assessed for having suitable HSQE arrangements in place to carry out the services they offer safely, before being authorized to work on our sites.

## HSQE Monitoring and Reporting

We receive weekly and monthly reports from our projects under construction and externally managed sites, which include HSQE and RI metrics. The Netro Energy HSQE manager and other appointed third-party auditors carry out suitable and sufficient site and contractor system audits to ensure contractors continue to implement suitable HSQE systems. Further, the Netro Energy HSQE system ensures all HSQE risks are identified.

ZERO

Time lost on injuries

Operational Assets	Construction Assets	
0	0	Work-related fatalities
0	0	Days lost due to work-related injuries
1	0	Injuries

We deploy a hierarchy of risk controls to eliminate hazards and reduce the risks to as low as reasonably practicable. Significant findings are recorded on Risk Assessments & Method Statements (RAMS). The Business Management System (“BMS”) requires HSQE hazards, near misses, injuries, releases to the environment, complaints and any other non-conformances to be reported to the HSEQ department using the Netro Energy incident reporting form. The site manager will carry out an initial investigation and instigate direct corrective actions. The HSQE manager will review the incident and if required commence a thorough investigation to determine root cause and identify suitable corrective actions, using the hierarchy of control. Once the investigation is complete, the report is issued to duty holders to implement corrective actions. Any amendments required to the system are made by the HSQE manager, who adds the details to our incident statistics. Incidents are reviewed during the weekly operations and Senior Management Team meetings and may also be reviewed during HSQE committee meetings.

Where sites are managed externally, the EPC or O&M are required to have similar procedures in place and forward any incidents reports for review as per the Netro Energy procedures mentioned above. RI information is reported on a monthly basis to the Clean Energy Investment team. Material RI incidents are also reported to the Capital Dynamics RI Committee.

<sup>1</sup> Comprehensive RI screening involves a detailed evaluation of investments and suppliers based on sustainability and ethical criteria. Capital Dynamics utilizes both the R-Eye™ scorecard and RepRisk to evaluate investments across a range of possible impacts. This process includes, among other criteria: Environmental: Assessing impact on climate, energy use, and waste management; Social: Evaluating labor practices, human rights, and community engagement; and Governance: Analyzing leadership, transparency, and business ethics. The goal is to identify and mitigate ESG-related risks, ensuring alignment with sustainable and responsible business practices.



## Audits

A program of formal audits and inspections is developed at the start of each 12-month period to:



**Evaluate the HSQE processes;**



**Ensure compliance with the Clean Energy and Netro Energy requirements; and**



**Promote continual improvement**

The frequency of these audits and inspections will take into consideration the potential risk to personnel health & safety, the environment, other risks to the business and the results of previous audits. Additional unplanned audits and inspections may be undertaken as required.

Details of any opportunities for continuous improvement are logged in the Netro Energy Risk Register and SMART action plans are developed to ensure implementation.

## Health & Safety worker training

In the UK, the HSQE department of Netro Energy identifies training requirements from the results of risk assessments, Control of Substances Hazardous to Health (“COSHH”) assessments, environmental aspects & impacts assessments, incident investigation, audits, management review, legislative requirements, consultation with individuals, appraisals, customer needs and customer feedback and records individual core training needs on a BMS Training Matrix. Employees are only authorized to carry out work after they have completed a validation process, which provides access to the appropriate RAMS and is recorded on the training matrix.

In the UK, all our wind farm managers attend a Construction Design Management course in order to manage construction work, an IOSH Health & Safety management course for general site hazard management and GWO - First Aid Approved person – refresher every 3 years.

Anyone attending the sites, including O&M contractors, must complete site induction training in advance. All contractors are required to hold relevant competency certificates which are audited by the HSE Manager periodically. In continental Europe, contractors are required to provide relevant training and competency documentation to Netro Energy for evaluation. Occupational Health and Safety hazards and training requirements are identified as described above and through our COSHH procedure.





“

As ‘Truly Invested’ partners, our dedication extends beyond our core operations within the communities we serve. As such, we prioritize environmental, social and governance initiatives as integral parts of our investment and take pride in getting to know the community and their values.

”

Katerina Fytanoglou  
ESG Specialist at Netro Energy



# Our stakeholder engagement programs and support for local communities

Capital Dynamics' Clean Energy team is deeply committed to developing long-term relationships with the local communities in which we operate. We aim to organize educational visits to project sites in collaboration with local schools and institutions and our local partners and O&M contractors, to raise awareness of the benefits of renewable energy investments and the job opportunities these can create. Below is a summary of key activities in 2023:

## Puerto Real 1 – Student training

In Q2 an agreement was arranged between a local high school, the regional authority of Andalusia and our O&M contractor, Elmya, together with the consent of Capital Dynamics. The agreement has allowed a few students from IES La Janda de Vejer to complete the practical training of their courses preparing them to work as electricians in renewable assets. The students were onsite in groups of two always accompanied by the asset team and they have shared that this has been a great opportunity for them to have a first contact with the professional world.



## Puerto Real 1 & 2 – Student visits and internships

The O&M contractor arranged HSE students to visit our assets in Puerto Real as part of their occupational hazards training course. The picture was taken during their asset visit.

Additionally, the O&M contractor organized a 2-month internship program for 2 students from an electricity education course from a local college. The students have been learning basic technical skills related to the operation of a photovoltaic plant to complete their college course. The internship program will continue to allow more students to gain technical skills.



## Italy – High-school visit

More than 50 students from the Scuola Secondaria di Montalto di Castro in Italy have visited our solar plant to increase their knowledge about environmental awareness and to gain a good overview of how solar panels work. Our co-investment partner organized a workshop for the students on the operations of the plant.

Capital Dynamics is supportive of local culture and prioritizes building strong relationships with local stakeholders. Our Clean Energy team engages in local community programs on an ongoing basis and will continue to seek opportunities where we can promote an inclusive and diverse community in the areas in which we operate. In this report, we are pleased to highlight examples of our 2023 contributions made and the various causes we supported:

### Altamuskin Community Association

The project is to install solar panels on the community center. Shantavny Wind Farm has agreed to provide £6,000 to upgrade the control panel as the first stage of the project to allow the efficient running and integration of the solar panels.



### Kirkinriola Primary School

Elginny Wind Farm paid £10,000 to fund a community pollinator garden to open up to the community on a regular basis, hold outdoor events, gardening mornings, litter picks, and be a space that those who have no access to green places and are suffering rural isolation can use. This outdoor space will provide space for members of the community to enjoy the pollinator garden and attend community events in all weathers.



# £242,000

Contributed to local causes by our wind and solar assets in the UK in 2023 through their Community Benefit Funds

### Crockandun Wind Farm

# £135,000

Provided over a three-year period to fund the development of a new community hub

### Seegronan Wind Farm

# £4,500

Contributed to “The Gemma Mc Hale Foundation” which strongly promotes the mental health and well-being of children in the community. The Foundation funds facilitators to provide Counselling and Mindfulness services to children in local primary schools. These are very much needed therapies in helping children to face the challenges of today, and both therapies equip children with life-skill tools at a young age

### Longhill Wind Farm

# £30,000

Contributed to match fund the development phase of the community’s strategic capital project. The project aims to redevelop a key local building, a large Victorian Co-operative Bakery Building, to become a family-friendly, heritage attraction



## Community support in Italy

The majority of our Italian assets have monetarily contributed to the local community as part of the planning permission stage. This is typically a one-off payment as agreed with the local Municipality.

The projects are defined by the local council and have an environmental or social purpose. A few examples of causes supported by our Italian portfolio include:

- Refurbishment of re-creative areas within the local municipality, e.g. installation of LED lights and monitoring systems in parking areas
- Installation of street lighting
- Redevelopment of an area falling within the territory of the municipality of Santa Croce Camerina, through the construction of a fitness zone, a jogging track with related lighting and a dog zone.

# €1.265 m

Already contributed by our Italian projects with more projects worth over 4 million Euros yet to be agreed with the relevant municipalities



# 6

## Governance



# RI Governance at Capital Dynamics

Capital Dynamics is deeply committed to delivering long-term risk-adjusted returns for our clients, which is why we have always taken an active approach to Responsible Investment (“RI”).

In 2018, we formed the Capital Dynamics Responsible Investment Committee (“RIC”) with representation and support from across the leadership of the organization from Private Equity, Clean Energy, and Private Credit as well as from central management.

The remit of the committee includes implementing a consistent Responsible Investment framework, oversight over the R-Eye™ rating system coupled with a reporting protocol ensuring that the firm embraces the principles of Responsible Investment as an organization and contributes to the discourse and thought leadership about Responsible Investment in the alternative asset classes.

Our RI Committee is responsible for:

- Reviewing the RI policy on an ongoing basis;
- Making adjustments and additions to the policy as RI-related issues arise; and
- Ensuring the effective implementation of the policy across our firm’s business lines.

The RI Committee reports to the firm’s Executive Committee and Risk Committee and its responsibilities are governed by the Responsible Investment Committee Charter.

The Co-Chairs of the RI Committee are Bryn Gostin, Senior Managing Director and Chief Product and Strategy Officer, and Verena Rossolatos, Senior Vice President and the firm’s dedicated Responsible Investment resource. The Co-Chairs hold observer seats in each of Capital Dynamics’ Strategies’ investment committees, which provides an additional layer of RI oversight throughout the investment process.



**Bryn Gostin**  
Senior Managing Director  
Chief Product & Strategy Officer &  
Co-Chair Responsible Investment



**Verena Rossolatos**  
Senior Vice President  
Co-Chair Responsible  
Investment



**Simonne Cepollina**  
Senior Associate  
Client Relations  
RIC Secretary



**Carolyn Hirschbiel**  
Sr. Managing Director



**David Smith**  
Sr. Managing Director



**Helen Lais**  
Sr. Managing Director



**Mauro Pfister**  
Managing Director



**Linda Monti**  
Senior Analyst



**Barney Coles**  
Managing Director



**Dario Bertagna**  
Managing Director



**Carolyn Skuce**  
Sr. Managing Director



**Klaus Gierling**  
Sr. Managing Director



**Philippe Jost**  
Managing Director



**Kairat Perembetov**  
Director

Responsible Investment Committee

As part of the RI committee members’ roles, these senior individuals serve as the RI Committee representative designated to evaluate all investment decisions made by their business lines. If these individuals identify complex RI issues during their investment review, it is their responsibility to refer the potential investment to the full RI Committee for review and consideration. The issues include matters pertaining to environmental, and social impacts, including matters pertaining to human rights, as well as financially material climate risks and opportunities and governance-related matters. The RI Committee will then issue a recommendation to the relevant investment committee, opining on best practice as it relates to the identified issue or issues.

The affected investment committee will consider this recommendation, along with other key investment, risk and portfolio considerations, in making a final investment decision.

This same RI Committee review process also applies to managers and assets during the investment holding period. The RI Alert process is summarized in Figure 1.

The RI Committee reports to the firm’s Executive Committee and Risk Committee and its responsibilities are governed by the Responsible Investment Charter. In certain instances, firm-wide RI issues may be escalated to the Risk Committee for evaluation and consideration. To the extent required, the Risk Committee brings RI matters to the CEO and the board’s attention.

RI Alert Process

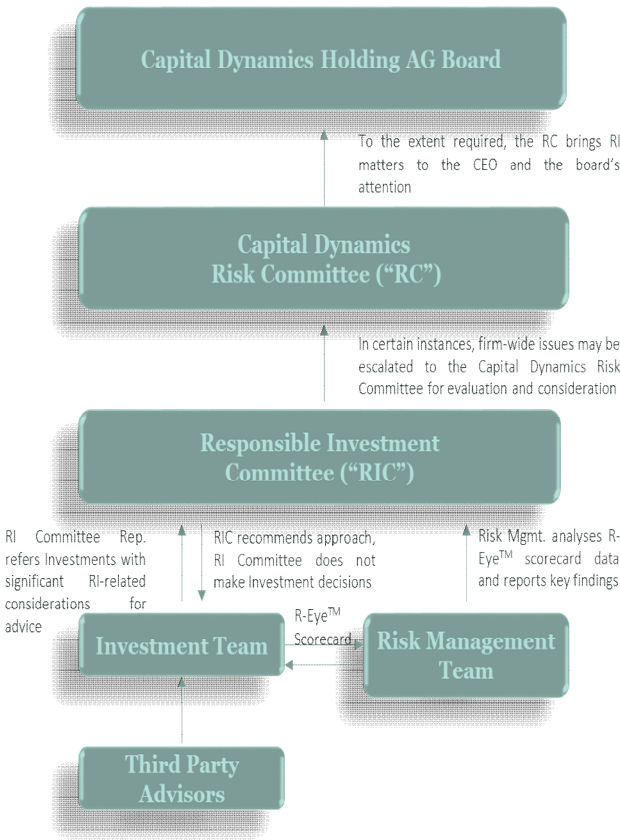


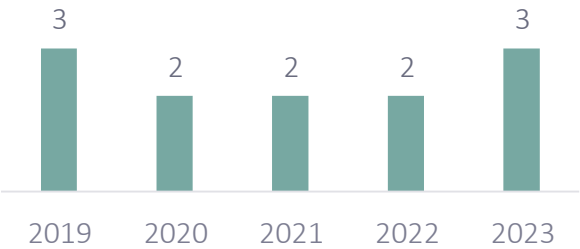
Figure 1: Capital Dynamics RI Alert process

RI Alert Process by the Numbers

3

RI Alerts pertaining to Capital Dynamics’ Clean Energy business line brought to the attention to the RIC in 2023

...Compared to the number of Clean Energy RI Alerts reviewed by the RIC in previous reference periods:



Although we have a modest amount of RI alerts, Capital Dynamics utilizes RepRisk and our R-Eye™ scorecards to diligently monitor all of our investments and supply chains. The nature of the RI Alerts include:

1

Monitoring Contractor during due diligence

1

Complaints from the community regarding one of our contractors

1

Reputational risk raised during due diligence resulting in a pass on the transaction



# Meet the RI Co-Chairs

Bryn Gostin and Verena Rossolatos jointly lead the Responsible Investment program across all investment strategies at Capital Dynamics. Their long-standing industry experience and expertise in Responsible Investment in private markets enables them to bring in a set of diverse perspectives and best practices to advance our RI program for the benefit of our clients. The diversity, independence and competencies relevant to the RI impacts of Capital Dynamics' investment activities were key criteria for Martin Hahn, CEO of Capital Dynamics to appoint Bryn and Verena as Co-Chairs of the Responsible Investment Committee.

Bryn Gostin joined Capital Dynamics in 2018 and is a Senior Managing Director on the Business Development team, where he is the Chief Product & Strategy Officer, Co-Chair of the Responsible Investment Committee and Co-Head of the Environmental Committee. He is also a member of the Executive Committee and the Chair of the firm's Product Committee. Prior to joining Capital Dynamics, Bryn worked at Goldman Sachs in the Investment Management Division where he served as the Head of Business Development for GP stake, secondary, and senior lending strategies.

Verena Rossolatos joined Capital Dynamics in 2021 and is Senior Vice President on the Business Development team, where she is the Co-Chair of the Responsible Investment Committee and Co-Head of the Environmental Committee. Prior to joining Capital Dynamics she worked at UBS Asset Management, specializing in sustainable finance regulation and Responsible Investment initiatives in alternative investments. Verena is an EFFAS Certified ESG Analyst (CESGA<sup>®</sup>) and a GRI Certified Sustainability Professional and possesses several certifications in the field of climate change, Net Zero and RI in private markets.



**Bryn Gostin**  
Senior Managing Director  
*Chief Product & Strategy Officer and Co-Chair  
Responsible Investment*

**Verena Rossolatos**  
Senior Vice President  
*Co-Chair Responsible Investment*

# The Board’s oversight of RI matters

At Capital Dynamics, our governance around RI risks and opportunities encompass both the governance we implement for our firm, as well as the governance for our funds and Clean Energy assets in relation to Responsible Investment (“RI”). Our processes ensure that environmental, economic and social considerations are part of our holistic approach<sup>1</sup> to RI, investment due diligence and ongoing monitoring.

### Board’s oversight of RI risks and opportunities

The board of directors of Capital Dynamics Holding AG (“the board”) is responsible for setting and overseeing the overall strategic direction of the firm, including matters pertaining to RI and sustainable development. The board has delegated the authority to manage the business, including internal control and risk, to the firm’s Chief Executive Officer (CEO) Martin Hahn, who is also a member and delegate of the board. The CEO has delegated primary responsibilities for the risk and controls framework within the group and the independent monitoring and reporting of risk and

controls to the firm’s Risk Committee (“RC”). The RC delegates the responsibility for assessing and managing RI-related matters to the RIC Co-Chairs who work in close cooperation with the RIC members. The firm’s RIC is comprised of members of the Executive Committee (“EC”) and senior leadership representing all Capital Dynamics business lines. The RIC meets monthly and on an ad-hoc basis to set the firm’s agenda for RI and monitors financially material RI risks and opportunities. In particular, the RIC is responsible for reviewing RI-related alerts, in line with the RI alert process. The RC is regularly informed about RI risks and opportunities by Bryn Gostin, Chief Product & Strategy Officer and Co-Chair Responsible Investment, who is also a member of the firm’s EC. On a quarterly basis, Bryn informs the EC about RI-related matters for awareness, as well as presents RI-related risks and opportunities to the RC. To the extent required, the RC brings RI matters to the CEO and the board’s attention.

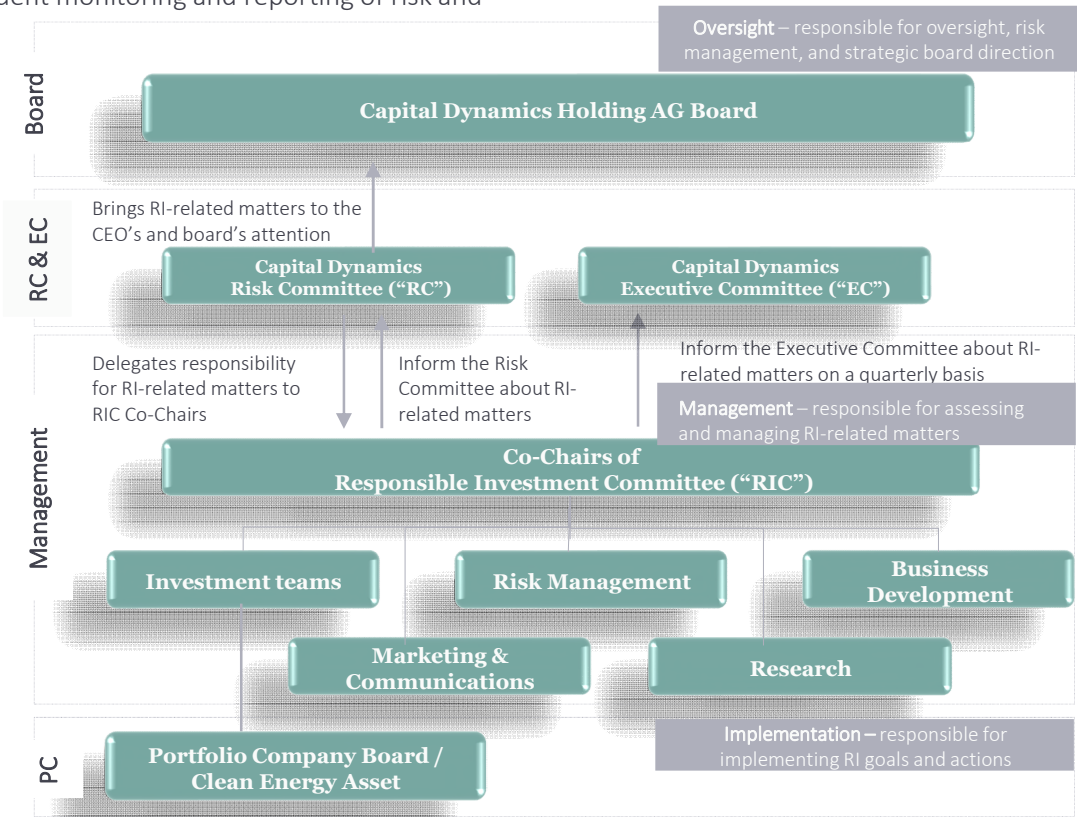


Figure 2: Capital Dynamics’ Governance structure for RI-related risks and opportunities

<sup>1</sup>A holistic approach to Responsible Investment integrates ESG factors into all stages of investment. Key aspects include: ESG Integration: Evaluating ESG factors in due diligence and decision-making; Engagement: Actively working with companies, GPs and other stakeholders to improve ESG practices; Impact Investing: Focusing on investments that address global challenges, such as investments in energy transition technologies in our Clean Energy business line; Long-term Perspective: Prioritizing sustainable value creation over short-term gains; Stakeholder Consideration: Considering impacts on stakeholders; Transparency: Promoting robust ESG reporting and accountability; This approach aims to achieve sustainable financial returns while fostering positive social and environmental outcomes.

# Additional committees serving as Governance functions at Capital Dynamics

Committee	Scope
Executive Committee (EC)	<p>Serves as the advisory committee to the Chief Executive Officer, who is responsible for steering the direction of the Firm and implementing the Firm's short- and long-term strategic plans, including:</p> <ul style="list-style-type: none"> <li>• Long-term growth and business expansion</li> <li>• Strategic business initiatives</li> <li>• Product strategies</li> <li>• Resourcing priorities</li> <li>• Culture/business practices</li> </ul> <p>The EC meets quarterly and as needed, and is comprised of the Firm's business unit heads. Business units operate within agreed upon guidelines, toward the attainment of the EC's objectives.</p>
Clean Energy Investment Committee (CE IC)	<p>Reviews and approves investment/divestment decisions relating to CD-sponsored clean energy products and advisory mandates, considers allocations among clients and products, and monitors portfolio risk in respect of clean energy products and mandates. Investment related conflicts of interest and compliance matters are referred to the CCC. The composition of the CEI IC is tailored to the individual Clean Energy product and is approved by the Product Committee. Each of the CE ICs is comprised of at least two members. The CE ICs meet as needed.</p>
Product Committee	<p>Considers, approves and/or ratifies the terms, fees, extensions and modification of all Capital Dynamics (CD) sponsored fund and advisory products mandates.</p> <p>The PC meets as needed to review product and service mandate terms. Terms are submitted via a New Product Sheet (NPS) and/or PC memo. Has the power to form, amend and dissolve CD's investment committees and the valuation committees, and to appoint or remove members thereof (unless agreed otherwise in respect of a CD product).</p>
Compensation Committee (CC)	<p>Oversees compensation policies, bonus and carry programs and employee benefits plans and approves senior level promotions. The Compensation Committee meets annually to approve discretionary bonuses and compensation plans, and as needed.</p>

Committee	Scope
Conflicts and Compliance Committee (CCC)	Reviews investment-related conflicts of interest and compliance issues arising from the investment activities of all CD-sponsored funds and advisory mandates. Conflicts and compliance matters are referred to the CCC by the investment committees. Where a matter has not been referred but falls within the mandate of the CCC, the CCC may require the matter to be so referred. Requests for review must be submitted to the CCC with at least 48 hours' notice. The CCC meets as needed.
Valuation Committee (VC)	Reviews quarterly valuation reports of direct investments held by CD-sponsored funds. Evaluates on an annual basis the appropriateness of the valuation methodology applied to primary and secondary fund-of-funds investments held by CD-sponsored funds and investments held by advisory mandates. Periodically reviews all valuation policies applied to investments across CD-sponsored funds and advisory mandates. The VC meets quarterly and as needed.
Operations Committee (OC)	Advises the COO on operations initiatives in support of the Firm's strategic goals. Provides recommendations for coordinated direction on operations matters. Resolves day-to-day operational issues and serves as a forum for the exchange of ideas to improve operational performance. Performs the role of liaison with non-operations business units. The OC meets bi-weekly and as needed.
Risk Committee (RC)	Approves principles, policies, strategies and processes for the management of risk. Coordinates with business units to identify principal risks, evaluate their potential impact, and implement appropriate systems to manage such risks. Addresses IT and Responsible Investment related risks. Reports to the CEO as to risk matters and also reports to the appropriate group boards as needed. Follows the direction of the CD Holding Board as to the risk appetite of the Firm. The RC meets quarterly and as needed.



# From Disclosure to Action: SFDR and EU Taxonomy

In the ever-evolving landscape of sustainable investment, two significant regulatory frameworks have been making waves for the past three years: the Sustainable Finance Disclosure Regulation (“SFDR”) and the EU Taxonomy Regulation. These regulations aim to bring clarity and transparency to sustainable investment practices and have important implications for renewable energy investors.

## SFDR: Shedding Light on Sustainability

The SFDR, which came into effect in March 2021, is designed to promote sustainable investments across the European Union by standardizing disclosure requirements for financial market participants. It mandates that investment firms integrate sustainability considerations into their investment processes and disclose how environmental, social and governance factors are considered in their investment decisions.

Under the SFDR, investment products are categorized into three main levels, with Article 9 funds being the highest in terms of sustainability. Article 9 products are those designed with sustainable investments as their objective, underscored with a clear commitment to sustainability within their investment strategy, while targeting strong financial returns.

The recent funds of Capital Dynamics’ Clean Energy business line meet the criteria set out under Article 9 SFDR and support the climate mitigation objective.

## EU Taxonomy Regulation: Establishing Green Standards

Complementing the SFDR is the EU Taxonomy Regulation, which sets out a classification system for sustainable economic activities. It defines criteria for determining whether an economic activity is environmentally sustainable, with the aim of directing capital flows towards sustainable investments and combating greenwashing.

The taxonomy establishes clear thresholds for economic activities that contribute to environmental objectives, such as climate change mitigation and adaptation. By providing a common language for sustainable finance, the taxonomy helps investors identify truly green investments and promotes greater transparency and comparability in the market.

Our latest European Clean Energy fund has made a commitment to achieve at least a proportion of 50% EU Taxonomy alignment, fostering our commitment to the highest possible level of sustainability.

“

These regulations aim to bring clarity and transparency to sustainable investment practices and have important implications for renewable energy investors.

”

## What the regulations mean for Clean Energy investors

For renewable energy investors, these regulations offer both challenges and opportunities. On one hand, complying with the SFDR and taxonomy requirements entails rigorous data collection, analysis and reporting on the sustainability of investment products. This may require investment firms to enhance their ESG integration processes and disclosure practices.

On the other hand, the regulations provide a framework for investors to assess the sustainability credentials of renewable energy projects and funds more effectively. By aligning with SFDR Article 9 products, investors can ensure that their investments are contributing to environmental objectives and supporting the transition to a low-carbon economy.

## Our commitment to sustainability

At Capital Dynamics, we are committed to transparency and sustainability in our investment practices. Our latest Clean Energy funds disclose sustainability information in line with SFDR Article 9 requirements, providing investors with clear insight into the sustainability objectives of our investment products.

Furthermore, we are pleased to announce that we have expanded our RI reporting offerings to better serve our European clients' needs. In addition to our existing suite of RI reporting, we are now providing the European ESG Template ("EET") for our recent Clean Energy funds.

The EET is a comprehensive<sup>1</sup>, machine-readable report designed to disclose ESG performance data required under a range of European ESG regulations, including SFDR, the EU Taxonomy, and the ESG portions of MiFID and IDD reporting requirements. By integrating the EET reporting into our offerings, we are providing our clients with a more tailored approach to RI reporting, ensuring compliance with regional requirements and enhancing transparency and accountability.

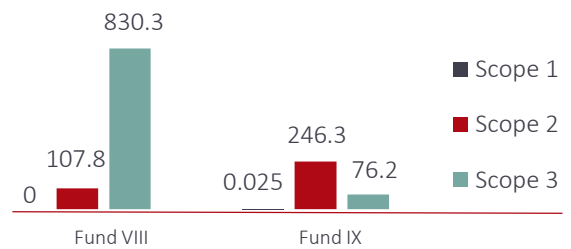
Nonetheless, we go beyond mere disclosure by analyzing and reporting the Principal Adverse Impacts for these funds. This includes identifying and assessing the potential negative effects of investment decisions on sustainability factors such as climate change, biodiversity and social issues. By doing so, we aim to promote Responsible Investment and ensure that our investments contribute to positive environmental and social outcomes.

In conclusion, the SFDR and EU Taxonomy Regulation represent significant milestones in the journey towards sustainable finance. For renewable energy investors, these regulations provide a valuable framework for evaluating and investing in sustainable projects and funds. Our Clean Energy funds have aligned with SFDR Article 9 products, reporting on sustainability impacts for over 5 years. By aligning with the SFDR Article 9 framework, investors can play a crucial role in driving the transition to a more sustainable future.

Capital Dynamics is proud to be at the forefront of this movement, and we remain committed to advancing sustainable investment practices for the benefit of our clients and the planet.

## Extracts from our SFDR PAIs statement<sup>1</sup>

Scope 1, 2 and 3 GHG emissions (tCO<sub>2</sub>e)



### Coverage:

- Scope 1 and 2 GHG emissions: 100% of eligible assets
- Scope 3 GHG emissions: Covers water from operational and construction assets and energy (fuel/diesel oil/electricity) and water from assets under construction. Underlying data include revenue and debt of SPVs which are not yet audited. Current value of investments and enterprise value exclude holding companies.



No investments in companies active in the fossil fuel sector



None of our assets have negative impacts on biodiversity-sensitive areas



None of our investments have water discharges



All of our investments adhere to UNGC principles and OECD Guidelines for Multinational Enterprises

<sup>1</sup> Comprehensive RI screening involves a detailed evaluation of investments and suppliers based on sustainability and ethical criteria. Capital Dynamics utilizes both the R-Eye<sup>™</sup> scorecard and RepRisk to evaluate investments across a range of possible impacts. This process includes, among other criteria: Environmental: Assessing impact on climate, energy use, and waste management; Social: Evaluating labor practices, human rights, and community engagement; and Governance: Analyzing leadership, transparency, and business ethics. The goal is to identify and mitigate ESG-related risks, ensuring alignment with sustainable and responsible business practices. <sup>2</sup> The PAIs data shown are an extract of the PAIs statements we produce for our recent Clean Energy funds. Please reach out to us to obtain more information on the PAIs for each fund.

# Memberships

Capital Dynamics is an active member and/or supporter of a variety of stewardship-related initiatives in the private assets industry and has received recognition for our leadership in this space:



We were early adopters of the Principles for Responsible Investment (“PRI”), signing in 2008. In the most recent (2023) assessment, we received 5-Star ratings for Investment & Stewardship Policy, Private Debt and Clean Energy.



As a member of IIGCC, Capital Dynamics signed a letter calling upon the leaders of the European Union to include provisions related to a sustainable future, such as green technologies and Clean Energy, in stimulus packages helping European Union nation states in their recovery from the global pandemic. Capital Dynamics was also a co-chair of an IIGCC committee and has been working on the creation of a framework for private equity firms to achieve net-zero emissions.



Capital Dynamics joined the Partnership for Carbon Accounting Financials (“PCAF”) in April 2022. PCAF is a global partnership of financial institutions that work together to develop and implement a harmonized approach to assess and disclose the greenhouse gas emissions associated with their loans and investments. The PCAF standard is the only global standard built on and reviewed by the GHG Protocol for measuring and disclosing financed emissions of financial portfolios. Using the standard allows financial institutions to deploy a harmonized, robust method to assess climate-related financial risks in line with the Task Force on Climate-Related Financial Disclosures (“TCFD”).

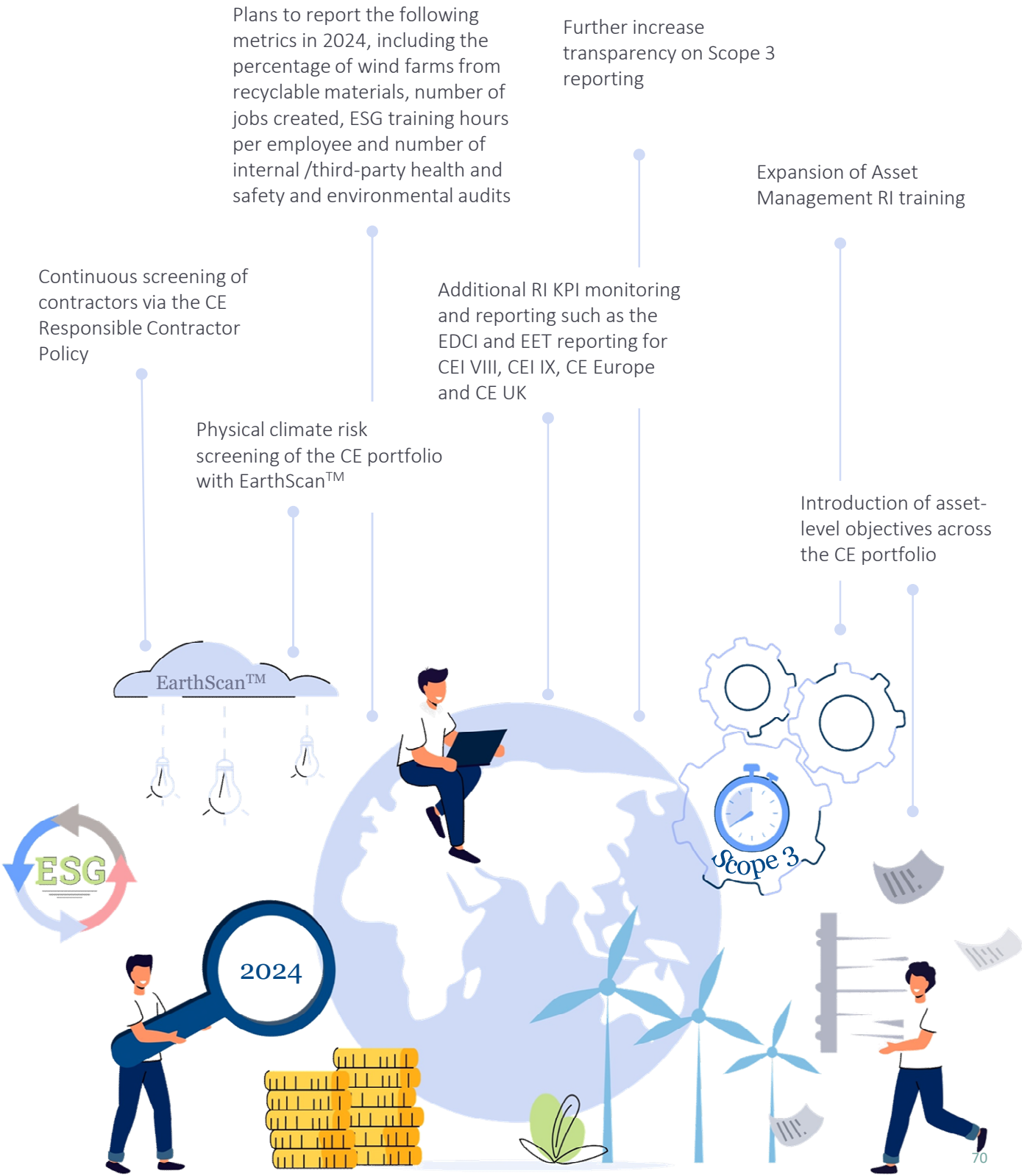


Capital Dynamics has been a supporter of the Task Force on Climate-related Financial Disclosures (“TCFD”) since 2020, an initiative created to develop a set of recommendations for voluntary and consistent climate-related financial risk disclosures in mainstream filings.



Capital Dynamics is a member of iC International – France, a collective commitment to understand and reduce carbon emissions of private equity-backed companies and secure sustainable investment performance.

# Looking ahead – our 2024 plans





# About Capital Dynamics

If you have any questions regarding the Clean Energy Sustainability Report, please contact:





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## GRI Content Index



# GRI Content Index

Statement of use		Capital Dynamics has reported in accordance with the GRI Standards for the period 1 January 2023 - 31 December 2023				
GRI 1 used		GRI 1: Foundation 2021				
Applicable GRI Sector Standard(s)		None apply				
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDAR D REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	

General disclosure						
GRI 2: General Disclosures 2021	2-1 Organizational details	Pages 7, 10 and 11				
	2-2 Entities included in the organization’s sustainability reporting	<p>Page 3</p> <p>All European assets of Capital Dynamics' Clean Energy financial reporting are included in our sustainability reporting. As we are a private company, our audited consolidated financial statements or financial information is not filed on public record. Capital Dynamics' holistic approach to Responsible Investment is applied across all of our Clean Energy funds disclosed in this report. We do not make adjustments to information for minority interests and the approach does not differ across the disclosures of the GRI 2: General Disclosures 2021 standard and across material topics.</p>				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDAR D REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosure						
GRI 2: General Disclosures 2021	2-3 Reporting period, frequency and contact point	Page 3				
	2-4 Restatements of information	There have been no restatements of information from the previous report.				
	2-5 External assurance	<p>This report has been reviewed by the following parties to ensure accuracy, in line with Capital Dynamics' review practices for sustainability reporting:</p> <ul style="list-style-type: none"><li>- Clean Energy Investment team leadership</li><li>- Capital Dynamics' Co-Chairs of the Responsible Investment Committee</li><li>- Capital Dynamics' Responsible Investment Committee members -</li><li>- Capital Dynamics' Head of Compliance</li></ul> <p>No third-party entity audited this report.</p>				



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDAR D REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosure						
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	<p>Pages 11-12 Page 21 Page 52</p> <p>Equipment suppliers who provide turbines, solar panels, trackers, electrical infrastructure etc. have global supply chains. Construction firms and service providers used for our operations are typically local firms.</p> <p>No significant changes to the previous reporting period occurred for our activities, value chain and other business relationships</p>				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDAR D REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosure						
GRI 2: General Disclosures 2021	2-7 Employees	Pages 11 and 12 headcount numbers reported represent total numbers of employees by employment contract, type and gender within the Capital Dynamics Clean Energy team and Netro Energy, which are monitored by HR. No temporary workers and non- guaranteed hours staff are employed by Capital Dynamics Clean Energy or Netro Energy. Workers who are not employees include on-site construction, operation and maintenance of our assets, which is performed by contractors. The work performed by these contractors is reflected in our Health & Safety data. No significant fluctuations in the number of employees occurred during the reporting period.				
	2-8 Workers who are not employees	Capital Dynamics has started measuring job creations of our assets in 2023. Currently, we have the job creation figures of two assets, Solar Italy XVI and Limes 6, and will continue improving our data coverage of assets going forward.  Please refer to Page 31.				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDAR D REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosure						
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	Pages 61 – 62 The Responsible Investment Committee is the highest governance body dedicated to RI matters at Capital Dynamics with senior leadership representation from all of Capital Dynamics' business lines to take into account varying stakeholder views. The committee is led by Bryn Gostin (male) and Verena Rossolatos (female) who both have extensive industry experience in Responsible Investment in the private markets. The gender and executive composition of the RI Committee is as follows: - 43% of RI committee members are female - 40% of RI committee members are also member of the firm's Executive Committee. Additional Diversity, Equity and Inclusion metrics can be found in our annual RI report available at: <a href="https://www.capdyn.com/news/2022-2023-responsible-investment-report/">https://www.capdyn.com/news/2022-2023-responsible-investment-report/</a>				
	2-10 Nomination and selection of the highest governance body	Page 63				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDAR D REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosure						
GRI 2: General Disclosures 2021	2-11 Chair of the highest governance body	Page 63  Conflicts of interest are prevented and mitigated through the conflicts of interests handling procedure (refer to 2-15)				
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 61 - 64				
	2-13 Delegation of responsibility for managing impacts	Page 64				
	2-14 Role of the highest governance body in sustainability reporting	The Co-Chairs of the Responsible Investment Committee review and approve reported information in sustainability reports in close cooperation with key stakeholders, including the RIC members (representation from all business lines) as well as the Head of Compliance. Further, the Co-Chairs of Responsible Investment involve Capital Dynamics' Board in reviewing and approving information reported in sustainability reports, as part of the quarterly updates to the Executive Committee.  Please refer to page 27 for a list of our material topics.				



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosure						
GRI 2: General Disclosures 2021	2-15 Conflicts of interest	As part of the formal review of complex RI matters in the RI Alert process, the RIC might face conflicts of interest arising from sustainability risks. The co-chairs of the RIC refer such conflicts of interest to Capital Dynamics’ Conflicts and Compliance Committee (“CCC”). The CCC consists of senior leadership and firm ownership and is responsible for reviewing conflict of interest matters and making decisions on remedial actions. Should a conflict of interest occur, Capital Dynamics will provide transparent reporting to our clients on the matter and remediation actions.  Please refer to page 65 for more information on the Conflicts and Compliance Committee.				
	2-16 Communication of critical concerns	Pages 62 and 64				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDAR D REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosure						
GRI 2: General Disclosures 2021	2-17 Collective knowledge of the highest governance body	<p>Page 63</p> <p>Capital Dynamics is committed to ensuring that all Capital Dynamics professionals receive RI training on at least an annual basis. The topics and group sizes may vary but the overall purpose is to keep the firm’s staff up to date regarding RI considerations, existing and upcoming regulations, best practices and raising awareness of key RI matters (for example climate change, biodiversity loss and human rights issues) and lessons learned in the alternative assets industry. Capital Dynamics views this annual training as essential in achieving the firm’s external and internal initiatives given the constantly evolving landscape of RI on a global basis generally and in our industry specifically. The last annual firm wide RI training was successfully completed by 100% of Capital Dynamics employees in 2023. Each business line also undertakes its own strategy specific RI training on an annual basis.</p>				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	

General disclosure						
GRI 2: General Disclosures 2021	2-17 Collective knowledge of the highest governance body (cont.)	In addition, the Co- Chairs of Responsible Investment regularly engage with industry peers, standard setters, regulators and RI associations on advancing best practices in Responsible Investment, which supports the capacity building internally and within the industry. For example, for the past three years, Capital Dynamics co-led the Institutional Investor Group on Climate Change (IIGCC) working group on the Net Zero Investment Framework for Private Equity, which developed a practical and accessible guide for the Private Equity industry. We continue working closely with the IIGCC to develop additional Net Zero guidance for infrastructure assets and how investments into climate solutions, like renewable energy projects, represent meaningful Net Zero targets in the private markets.				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDAR D REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosure						
GRI 2: General Disclosures 2021	2-18 Evaluation of the performance of the highest governance body	Each employee at Capital Dynamics is part of the annual performance review and objectives setting process. Managers and employees discuss progress on professional and personal development objectives and how well employees have performed against key competencies. As part of the end of year meeting, employees receive a performance rating. The performance evaluation of the Co- Chairs of Responsible Investment is therefore integrated in the annual appraisal cycle and take into consideration 360 degree feedback from stakeholders.				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDAR D REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosure						
GRI 2: General Disclosures 2021	2-19 Remuneration policies	Remuneration consists of fixed pay and variable pay. Fixed pay salaries are reviewed once per year. Any increase is determined primarily on performance, but the general level of pay increases within our industry will also be taken into account. The annual review does not guarantee you an increase in salary. Capital Dynamics may in its absolute discretion pay a bonus of such amount and subject to such conditions as the Company may in its absolute discretion determine from time to time. Further, the Clean Energy investment team has launched impact targets linked to carried interest for its new funds. This ensures strong GP alignment with the goal to achieve positive impacts on the environment, economy and society. In addition, Capital Dynamics rolled out a sustainability-linked remuneration policy in 2021. The sustainability risk remuneration policy is available <a href="#">here</a> .				



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDAR D REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosure						
GRI 2: General Disclosures 2021	2-20 Process to determine remuneration	For our new Clean Energy funds, we have rolled out impact-linked carry, which is paid upon successful achievement of the two Clean Energy impact targets. Remuneration determination: The Compensation Committee at Capital Dynamics oversees compensation policies, bonus and carry programs and employee benefits plans and approves senior level promotions. The Compensation Committee meets annually to approve discretionary bonuses and compensation plans, and as needed. Salary increases are determined primarily on performance, which takes into account stakeholder views (360 degree feedback as part of annual performance reviews). See page 65.				
	2-21 Annual total compensation ratio	No disclosure	2-21 a-c	Confidentiality constraints	As we are a small team and the sample size for computing the compensation ratio is small, the data are identifiable, which we cannot report due to confidentiality and data protection laws.	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosure						
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	Page 4				
	2-23 Policy commitments	Pages 23, 50, 51 and 53 Policy commitments described in this report are approved by the Responsible Investment Committee and Capital Dynamics' Board.				
	2-24 Embedding policy commitments	Pages 19, 23, 52, 61 and 62				
	2-25 Processes to remediate negative impacts	Pages 19, 22, 23 and 25, 61 and 62 Capital Dynamics' Grievance Policy ensures that any employee who wishes to raise a work-related grievance will be treated in a fair and equitable manner. All grievances will be dealt with promptly and every effort will be made to settle these to the satisfaction of all concerned.				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDAR D REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosure						
GRI 2: General Disclosures 2021	2-26 Mechanisms for seeking advice and raising concerns	Capital Dynamics strives to maintain an environment that encourages compliance with Capital Dynamics’ Code of Conduct and the securities laws that apply to Capital Dynamics’ activities in the various jurisdictions in which it conducts business. Each employee who has reason to believe that a possible violation of Capital Dynamics’ Code of Conduct or securities laws applicable to Capital Dynamics’ activities has occurred, is ongoing or is about to occur, is encouraged to immediately report the suspected Misconduct in accordance with these procedures. Capital Dynamics has established the following procedures (commonly referred to as “whistleblower procedures”) for the receipt of, and response to, such reports in the respective jurisdictions in which it has business. All Capital Dynamics employees, directors and officers are responsible for compliance with Capital Dynamics' whistleblowing policy and the whistleblowing procedures.				
	2-27 Compliance with laws and regulations	No significant instances of non-compliance with laws and regulations and no fines were paid during the reporting period				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDAR D REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosure						
GRI 2: General Disclosures 2021	2-28 Membership associations	Pages 13 and 69				
	2-29 Approach to stakeholder engagement	Pages 29, 30 and 57 – 64 The Clean Energy team engages with a wide array of stakeholders on a regular basis. These stakeholders include employees, investors, energy buyers, equipment suppliers, service providers, landowners, public authorities and NGOs. Stakeholder engagement is managed on a project-by project basis. Throughout the project lifecycle we work with contractors and local community members to resolve any issues and keep the projects running smoothly. We regularly meet with investors and distribute quarterly reports for each fund, as well as annual sustainability disclosures to report on progress made in Responsible Investment.				
	2-30 Collective bargaining agreements	Capital Dynamics and Netro Energy do not have collective bargaining agreements internally.				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDAR D REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Page 27				
	3-2 List of material topics	Page 27  The list of material topics has been updated in line with best market practices, regulatory developments and evolving significance of topics to stakeholders and our business				

<b>Economic performance</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 27, 29 and 30  Capital Dynamics prepares long-term business plans for all the investments at the time of the investment and updates them on a quarterly basis to estimate the fair market value of each investment. With the help of Netro Energy, Capital Dynamics also prepares detailed operating budgets for each asset on an annual basis, which include forecasted distributions to the funds. Actual performance is measured against the operating budget on a monthly basis. Key economic indicators are reported to the limited partners on a quarterly basis.				



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDAR D REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Economic performance						
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	<u>United Kingdom</u>  Revenue: £30,494,809.02 Operational Costs: £7,697,907.54 EBITDA: £22,796,901.48  <u>Mainland Europe</u>  Revenue: €37,159,518.85 Operational Costs: 8,603,256.87 EBITDA: 28,556,261.98				
	201-2 Financial implications and other risks and opportunities due to climate change	Information provided in our 2023 TCFD disclosure available <a href="#">here</a> .				
	201-3 Defined benefit plan obligations and other retirement plans	Not material				
	201-4 Financial assistance received from government	Not material				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDAR D REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Market presence						
GRI 3: Material Topics 2021	3-3 Management of material topics	Not material				
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Not material				
	202-2 Proportion of senior management hired from the local community	Not material				
Indirect economic impacts						
GRI 3: Material Topics 2021	3-3 Management of material topics	As a renewable energy investment manager, we invest in clean energy projects (wind and solar) in the UK, Italy and Spain.				
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Pages 11 – 12 Pages 22 – 25 Pages 27 – 30				
	203-2 Significant indirect economic impacts	Pages 22 – 25 Page 31				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Procurement practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	Procurement is managed by the Clean Energy Investment professionals. All main component suppliers are subject to RI risks screening through RepRisk. Capital Dynamics has implemented a Responsible Contractor Policy in 2023.				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Renewable energy projects rely on equipment produced globally and thus cannot achieve a high degree of local sourcing. A lot of materials we source originate in certain markets (e.g. China) and there are limited or no alternative options available. Services for construction and operation employ significant local labor (i.e. within the country). Due to the complexity of our supply chain, we do not currently monitor budgets based on the location of operations.				
Anti-corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	The Capital Dynamics Clean Energy team complies with the company's Anti- bribery Policy and undergoes annual trainings. The main project agreements include requirements for our contractors to comply with anti- corruption laws and maintain adequate procedures to ensure that. More information can be found at: <a href="https://www.capdyn.com/disclosures/">https://www.capdyn.com/disclosures/</a>				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDAR D REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Anti-corruption						
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	All Clean Energy employees and operations are covered by anti-corruption monitoring and standards overseen by our Compliance team. All payments approvals are limited to a select number of employees and require multiple signatures. Further, as part of our ongoing risk management processes, RepRisk is utilized to screen third parties for RI-related risks, including risks pertaining to corruption. In line with our RI Policy, we ensure all investments are aligned with the UNGPs and OECD Guidelines on responsible business conduct. No significant risks related to corruption were identified in the reporting period.				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDAR D REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Anti-corruption						
GRI 205: Anti- corruption 2016	205-2 Communication and training about anti- corruption policies and procedures	All CE Team employees and operations are covered by anti-corruption monitoring and standards. All payments approvals are limited to a select number of employees and require multiple signatures. RepRisk provides an additional layer of monitoring for these risks. All Capital Dynamics employees receive training on anti-corruption policies and procedures during onboarding and must report quarterly any gifts received or given. The mandatory compliance portal requires quarterly acknowledgment of the employee handbook which has strict anti corruption requirements.				
	205-3 Confirmed incidents of corruption and actions taken	We have not had any confirmed incidents of corruption.				
Anti-competitive behavior						
GRI 3: Material Topics 2021	3-3 Management of material topics	Due to our firm's size, this topic is not material				
GRI 206: Anti- competitive Behavior 2016	206-1 Legal actions for anti- competitive behavior, anti- trust, and monopoly practices	We have not had any incidents pertaining to anti competitive, anti-trust, or monopoly practices.				



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDAR D REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Tax						
GRI 3: Material Topics 2021	3-3 Management of material topics	All Clean Energy products issue audited financial statements in the relevant tax jurisdictions				
GRI 207: Tax 2019	207-1 Approach to tax	Not material				
	207-2 Tax governance, control, and risk management	Not material				
	207-3 Stakeholder engagement and management of concerns related to tax	Not material				
	207-4 Country- by-country reporting	Not material				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDAR D REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Materials						
GRI 3: Material Topics 2021	3-3 Management of material topics	We hold a competitive process for a variety of different turbine manufacturers. We closely monitor various recyclability initiatives within the industry and if commercially viable, we would consider such options in our future investments. Currently, our R-Eye scorecard includes questions on whether projects include decommissioning bonds/guarantees and whether the main equipment supply agreements (panels, batteries, turbines) include supplier’s recycling obligations/ commitments.				
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Not material				
	301-2 Recycled input materials used	Not material				
	301-3 Reclaimed products and their packaging materials	Not material				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDAR D REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 35 and 39				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Corporate energy usage is outside the scope of this report as it represents total energy usage for the whole office, which includes Capital Dynamics employees outside of the CE business and is deemed not applicable for inclusion within this report.				
	302-2 Energy consumption outside of the organization	The renewable energy portfolio achieves a positive net energy output. We do not currently monitor energy intensity for energy used or energy produced				
	302-3 Energy intensity	Not material				
	302-4 Reduction of energy consumption	Pages 35 - 37				
	302-5 Reductions in energy requirements of products and services	Pages 35 - 37				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDAR D REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Water and effluents						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 40				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Page 40				
	303-2 Management of water discharge- related impacts	We do not employ significant water resource at wind turbine sites except when pouring turbine foundations. Solar projects located in dusty climates are washed when necessary for energy production and the operations team uses grey water when possible				
	303-3 Water withdrawal	Not material				
	303-4 Water discharge	Water discharge is minimal due to the nature of solar and wind farms. We work to ensure that when applicable, all water discharges are legal and safe.				
	303-5 Water consumption	Page 40				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDAR D REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Biodiversity						
GRI 3: Material Topics 2021	3-3 Management of material topics	All investments are screened for environmental compliance and any risk must be recorded in the R-Eye™ scorecard and investment approval process. All investments undergo required environmental assessments during the planning phase. Environmental Impact Assessments are carried out for all investments in the UK and mainland Europe.				
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Page 42 and 68 None of our assets are located near a biodiversity-sensitive area that could negatively impact the surrounding areas.				
	304-2 Significant impacts of activities, products and services on biodiversity	Blades from wind turbines may cause avian strikes and are reported for protected species. Vegetation management for solar assets can have fire risk during specific periods of the year. Travel to and from sites may include speed restrictions to protect sensitive species.				
	304-3 Habitats protected or restored	Page 42 Specific assets have implemented an environmental monitoring program that covers the construction phase and the operation of the plant in order to monitor the soil, ait and watercourses in the area.				



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDAR D REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Biodiversity						
GRI 304: Biodiversity 2016	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	The list of protected species affected by our projects is identified by reviewing relevant environmental assessments and reporting documentation for each site. Affected species are those found within the mapping of an asset. If affected species are found conservation plans are developed independently at each site. There are no known IUCN Red List species located within our assets.				
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	Emissions data (energy generated and energy consumed) is collected by our asset management teams and reported monthly				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page 35				
	305-2 Energy indirect (Scope 2) GHG emissions	Page 35				
	305-3 Other indirect (Scope 3) GHG emissions	Page 35				
	305-4 GHG emissions intensity	Fund VIII – 202,412 MWh Fund IX – 447,737 MWh  Capital Dynamics has shown the GHG emission intensity ratio per MWh produced for Scope 1 and Scope 2 emissions. Fund VIII includes assets that have been operational for 12 months, which excludes Longhill and Sorbie.				
	305-5 Reduction of GHG emissions	Page 39				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDAR D REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Emissions						
GRI 305: Emissions 2016	305-6 Emissions of ozone- depleting substances (ODS)	In the UK, SF6, a potent greenhouse gas with a high global warming potential is used in HV equipment across some of our wind assets. We monitor levels monthly during the Wind Managers’ inspections and annually via competent electrical contractors. There were no emissions associated with ozone-depleting substances in the reporting period.				
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Our operational assets do not cause any significant air emissions				
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	Waste management at our sites is monitored by third party EPC and O&M contractors. We collect all available waste management data from our contractors at defined intervals. Our team actively partners with suppliers who are conscious of these impacts and working to develop recycling and second life programs.				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Page 41				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDAR D REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Waste						
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	Page 41				
	306-3 Waste generated	Page 41				
	306-4 Waste diverted from disposal	Page 41				
	306-5 Waste directed to disposal	Page 41				
Supplier environmental assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 50				
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Page 50, 51 and 53  Capital Dynamics has implemented a Responsible Contractor Policy in 2023 to help us assess contractors against a range of health, safety, environmental and social criteria.				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDAR D REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Supplier environmental assessment						
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	Page 19  We assess all of our suppliers for potential and actual negative impacts as part of our rigorous RI due diligence and monitoring processes.				
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	Not material				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Not material				
	401-2 Benefits provided to full- time employees that are not provided to temporary or part-time employees	Not material				
	401-3 Parental leave	Not material				
Labor/management relations						
GRI 3: Material Topics 2021	3-3 Management of material topics	Not material				
GRI 402: Labor/Manage ment Relations 2016	402-1 Minimum notice periods regarding operational changes	Not material				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDAR D REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 54 and 55  The Clean Energy team considers Health and Safety to be a top priority at all our investments. We work hard to enforce fair and safe working conditions for all employees, contractors and associated workers.				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Pages 54 and 55 All of our construction and operational sites have strict occupational H&S requirements developed based on the specific risks identified at the site and local regulations. Our Risk Assessments & Method Statements used in the UK are reviewed: - if there is a significant change in a process/ introduction of a new one; - on the introduction of new / amended legislation; - following an accident /near miss; - if there is a significant change in the workplace layout; - to assess any controls identified in an incident investigation before they are implemented - If there is evidence that the original assessment was inaccurate; - where there is new information about hazards; - on changes in staff numbers/ competency; - when it is suspected the original assessment is no longer valid; - at least every 12 months				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDAR D REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Occupational health and safety						
GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	Pages 54 and 55				
	403-3 Occupational health services	Pages 54 and 55				
	403-4 Worker participation, consultation, and communication on occupational health and safety	Pages 54 and 55				
	403-5 Worker training on occupational health and safety	Page 55  The training Matrix will be reviewed at least annually or prior to any of the following changes: a) A new employee enters the work place; b) Work practices; c) An employee is assigned to a new area or task; d) New plant or materials are purchased; e) Control measures alter; f) A systems change takes place.				
	403-6 Promotion of worker health	Pages 54 and 55  The Clean Energy team considers Health and Safety to be a top priority at all our investments. We work hard to enforce fair and safe working conditions for all employees, contractors and associated workers. We monitor and report on our team's and contractors' Health and Safety data.				



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDAR D REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Occupational health and safety						
GRI 403: Occupational Health and Safety 2018	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pages 54 and 55				
	403-8 Workers covered by an occupational health and safety management system	Pages 54 and 55				
	403-9 Work- related injuries	Pages 54 and 55				
	403-10 Work- related ill health	There was one injury on Clean Energy project sites in 2023. A OEM technician suffered a minor back strain while installing a replacement hoist beam. The incident occurred late on Friday afternoon and the technician was able to continue working and fully recover before returning to work on Monday. After the incident, the Risk Assessment and Method Statement was reviewed.				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDAR D REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Training and education						
GRI 3: Material Topics 2021	3-3 Management of material topics	Capital Dynamics is committed to ensuring that all Capital Dynamics professionals receive RI training on at least an annual basis. The topics and group sizes may vary but the overall purpose is to keep the firm’s staff up to date regarding RI considerations, existing and upcoming regulations, best practices and raising awareness of key RI matters (for example climate change, biodiversity loss and human rights issues) and lessons learned in the alternative assets industry. Capital Dynamics views this annual training as essential in achieving the firm’s external and internal initiatives given the constantly evolving landscape of RI on a global basis generally and in our industry specifically. The last annual firm wide RI training was successfully completed by 100% of Capital Dynamics employees. Each business line also undertakes its own strategy specific RI training on an annual basis.				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDAR D REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Training and education						
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	We do not currently monitor hours of training per employee. Aggregated data on training is collected at Capital Dynamics level. The All-Staff annual RI training lasts approximately one hour. Further, the investment team receives dedicated RI training, which takes approximately 1.5 hours.				
	404-2 Programs for upgrading employee skills and transition assistance programs	The CE team provides multiple opportunities and platform for employee growth, including internal and external seminars and talks by experts in their fields.				
	404-3 Percentage of employees receiving regular performance and career development reviews	All Capital Dynamics and Netro Energy employees receive regular performance reviews.				
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	In our Clean Energy business line we set a target to have 40% of female board representation. In 2023, the Clean Energy boards had 41.4% female representation. Key performance indicators for diversity metrics are tracked to measure progress over time.				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Page 30  We target to have 40% female board representation at our Clean Energy funds. In 2023, the Clean Energy boards had 41.4% female representation. Additional DEI metrics can be found in our upcoming 2023 - 2024 RI report.				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Diversity and equal opportunity						
GRI 405: Diversity and Equal Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	Not material				
Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	All Capital Dynamics employees are subject to the firm's Code of Conduct rules and anti-harassment policies laid out in the employment handbook				
GRI 406: Non- discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	There were no incidents of discrimination and corrective actions taken during the reporting period at Capital Dynamics.				
Freedom of association and collective bargaining						
GRI 3: Material Topics 2021	3-3 Management of material topics	Not material				
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Not material				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDAR D REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Child labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	Capital Dynamics would never knowingly invest in activities that exploit forced labor or child labor as defined by the International Labour Organization. We conduct rigorous RI underwriting, including screening of human rights issues using RepRisk. In addition, we have added clauses to supplier contracts for our solar PV module manufacturer (an industry which is known for links to forced labor). Our contractual agreements require our suppliers to adhere to all applicable human rights and labor laws.				
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Pages 21, 29 and 50				
Forced or compulsory labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	See above (Child labor, 3-3)				
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Pages 21, 29 and 50				
Security practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	Not material				
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Not material				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDAR D REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Rights of indigenous peoples						
GRI 3: Material Topics 2021	3-3 Management of material topics	Capital Dynamics is deeply committed to respect all human rights and to mitigate and prevent human rights issues in relation to our own operations, our investments and business relationships. Our approach to human rights-related risk management and policies is available in our latest Modern Slavery Act statement available at: <a href="http://www.capdyn.com">www.capdyn.com</a>				
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	There were no incidents of violations involving rights of indigenous peoples during the reporting period.				
Local communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	Community engagement programs and initiatives are developed on a project-by-project basis and we strive to make a positive impact on all the communities we work in. Many of our European assets have dedicated community funds.				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Pages 29 and 30 Pages 57 - 59				



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDAR D REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Local communities						
GRI 413: Local Communities 2016	413-2 Operations with significant actual and potential negative impacts on local communities	Our investments undergo thorough RI due diligence prior to making investment decisions. Any significant negative impacts would be flagged during that stage. Planning authorities would either recommend mitigation measures or reject the planning permission.				
Supplier social assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 53  The Clean Energy team is taking environmental and social criteria into account when selecting suppliers. All suppliers are subject to RI risks screening through RepRisk. In addition, Capital Dynamics has implemented a Responsible Contractor Policy to help us assess contractors against a range of health, safety, environmental and social criteria.				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Page 53  The Clean Energy team is taking environmental and social criteria into account when selecting suppliers. All suppliers are subject to RI risks screening through RepRisk. In addition, Capital Dynamics has implemented a Responsible Contractor Policy to help us assess contractors against a range of health, safety, environmental and social criteria.				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDAR D REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Supplier social assessment						
GRI 414: Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	Pages 29 and 30 Pages 50 and 51				
Public policy						
GRI 3: Material Topics 2021	3-3 Management of material topics	Not material				
GRI 415: Public Policy 2016	415-1 Political contributions	Not material				
Customer health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	Not material				
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Not material				
	416-2 Incidents of non- compliance concerning the health and safety impacts of products and services	Not material				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDAR D REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Marketing and labeling						
GRI 3: Material Topics 2021	3-3 Management of material topics	Four of our Clean Energy funds disclose regulatory information in line with the Sustainable Finance Disclosure Regulation ("SFDR"). The reports are reviewed by the co-chairs of Responsible Investment, the Clean Energy Investment leadership as well as audited by a third party prior to publication. These controls ensure accurate product and marketing information is disclosed for our funds.				
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Not material				
	417-2 Incidents of non- compliance concerning product and service information and labeling	Four of our Clean Energy funds disclose fund information in line with SFDR Article 9. Capital Dynamics produces the respective periodic reports in line with the regulatory requirements. No incidents of non- compliance concerning product information have occurred.				
	417-3 Incidents of non- compliance concerning marketing communications	As above				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDAR D REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Customer privacy						
GRI 3: Material Topics 2021	3-3 Management of material topics	Capital Dynamics ensures it adheres to the requirements set out in the UK General Data Protection Regulation, the Data Protection Act 2018, and all other relevant legislation and regulation.				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	There were no substantiated complaints concerning breaches of customer privacy and losses of customer data during the reporting period.				
Topics in the applicable GRI Sector Standards determined as not material						
TOPIC			EXPLANATION			
N/A						

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