



CapitalDynamics<sup>®</sup>  
TRULY INVESTED.



## Clean Energy Asset-Level ESG Policy

# European Asset-Level ESG Policy

Capital Dynamics' Clean Energy business line ("Clean Energy") was established in 2010 and makes direct equity investments in clean, low-carbon and renewable energy projects. As a responsible investor, Capital Dynamics is firmly committed to making investments in companies and projects that align with our core Responsible Investment ('RI') values. It is our belief that investing in such companies can generate superior risk-adjusted returns.

**Within Clean Energy, responsible investment means investing in sustainable energy projects, which:**



Contribute to climate change mitigation while ensuring their operations do not adversely impact the environment



Support the local communities, employ local talent whenever possible and implement fair labour and responsible contracting policies



Implement strong governance policies



Generate superior returns for the firm's clients

Our Clean Energy Funds, which are subject to the ESMA Guidelines on funds' names using ESG or sustainability-related terms (ESMA 34-1592494965-657), adhere to the exclusionary criteria of the Paris-aligned Benchmark ("PAB") standards as referred to in Article 12(1)(a) to (g) of the Commission Delegated Regulation (EU) 2020/1818.



Clean Energy is committed to continuously improving the ESG performance of its investments. To this effect, the projects aim to set relevant controls in place and to meet the following Environmental, Social and Governance goals.

# Environmental



Monitor exposure to physical climate and transition risks by completing scenario analysis, evaluating adaptation measures where applicable and aligning with fund-level net zero targets



Monitor and report energy usage, water consumption and waste generation, and measure their impact



Use durable and long-lasting equipment and use low carbon materials when commercially feasible



Use resources efficiently by promoting responsible waste management practices, recycling and efficient use of water



Identify the assets' biodiversity impacts and implement mitigation measures, where appropriate



Protect the environment and take reasonable steps to prevent pollution incidents



Implement measures to reduce energy usage and GHG emissions of assets (where appropriate/relevant)

# Social



Promote and encourage a positive health and safety culture across its operations and supply chain



Provide a safe working environment for employees, contractors and visitors



Assess Health and Safety risks and put in place reasonable procedures and controls to ensure work is completed in a safe manner



Monitor and report Health and Safety performance, including incidents, and set targets for improving the performance



Take reasonable steps to minimise impact on the community during construction and operations, including impact from noise, light, dust, glare



Support the local community either via financial support or via active collaboration (engagement activities, visits etc.)



Implement CE's responsible contractor policy



# Governance



Comply with the applicable HSE legislation and international standards pertaining to responsible business operations such as the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and the UN Guiding Principles on Business and Human Rights



Implement an effective risk management system to identify, assess, respond to and monitor operational, financial, market, legal, ESG (including climate) and other risks



Set measurable and quantifiable ESG performance targets for the projects and implement action plans



Promote diversity by setting gender diversity targets at the board level



Ensure that the boards are effective, accountable, meet regularly and provide adequate oversight of activities and policies at the project level



Implement at least quarterly operational, ESG and financial reporting to the relevant stakeholders



Ensure the relevant policies, procedures and control mechanisms are in place by carrying out regular and independent financial and health & safety and environmental audits

Monitoring of implementation of this Policy sits with the entity's Board of Directors and its asset manager, Netro Energy. Any issues related to this Policy and its implementation may be referred to the Capital Dynamics Responsible Investment Committee, responsible for overseeing Capital Dynamics Responsible Investment Framework, as part of Capital Dynamics' RI governance processes.



If you have questions, please contact Client Services:

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