

ESG AND RESPONSIBLE INVESTMENT POLICY

Brawn Capital Management (Singapore) Pte. Ltd.

Version Number: 2

Date of Publication: 01 11 2023

1. INTRODUCTION

1.1 Purpose of ESG Policy

Brawn Capital Management (Singapore) Pte. Ltd.'s and its group companies' (collectively, "Brawn Capital") environmental, social and governance ("ESG") policy outlines our support for the Paris Agreement and the 1.5°C decarbonization pathway and our commitment to social and governance principles. Our responsible investment strategy aligns with its goals as we will make continuous efforts to reduce emissions in a consistent and measurable manner utilizing the 1.5°C scenario as a guideline for our business decisions. Our ESG efforts contribute to value creation for our investors, partners, and local communities by catalyzing innovative energy-related opportunities in line with the global energy transition, creating a brighter future for upcoming generations.

1.2 Commitment to Responsible Business Practices

We are committed to upholding the highest standards of responsible business practices, recognizing that our success is dependent on the well-being of our stakeholders and the communities in which we operate. Our dedication to responsible business practices extends across all aspects of our operations, from environmental stewardship to social responsibility and corporate governance. We believe that integrating ESG considerations into our business practices and decision-making processes is essential to creating long-term value for our stakeholders and contributing to the low carbon economy we are working towards. As a member of the Principles for Responsible Investment ("PRI") since our inception in 2016, we have incorporated the 6 principles into our decision-making and business model.

1.3 United Nations Sustainable Development Goals

We continue to support the United Nations Sustainable Development Goals (UNSDGs) because we understand the need for collective action to shift to a sustainable future and have highlighted the specific areas that Brawn Capital is actively working on. Our business model is directly linked to the following goals and targets, which allows us to create positive impact:



7.1 By 2030, ensure universal access to affordable, reliable, and modern energy services.

7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.

7.A By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology.

8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavor to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead.

9.1 Develop quality, reliable, sustainable, and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.

13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

17.16 Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology, and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries.

2. ENVIRONMENT

The Environmental section of our ESG policy outlines our commitment to responsible stewardship of the planet's resources and the reduction of our ecological footprint. We recognize the urgent need to address climate change, while promoting sustainable practices and mitigating the environmental impacts of our operations. To achieve this, we have established clear objectives for environmental factors and are actively engaging with our stakeholders to encourage environmentally responsible behavior and foster continuous improvement in our environmental performance.

2.1 Greenhouse Gas Emissions

Scope 2 Emissions

- **100% net zero emissions for Scope 2 by 2025 as compared to 2022 baseline.**

This target will be achieved through the purchase of renewable energy certificates (RECs) to support the increased demand and continued deployment of renewable energy projects and reduce our indirect emissions.

Scope 3 Emissions

- **100% net zero emissions for Scope 3 by 2050 as compared to 2022 baseline.**

We plan to reduce scope 3 emissions by managing renewable energy assets that displace fossil fuel-based power generation while also following our decarbonization strategy to reduce firm-wide emissions.

Emission reduction will cover the material scope 3 sections of Purchased Goods and Services, Fuel and Energy Related Activities, Business Travel, Employee Commute, and Financed Emissions.

Portfolio Decarbonization

- **2030 Portfolio coverage target**
- **2030 Allocation to climate solutions target**

100% of our AUM will remain "considered net zero" – we will continue to ensure the assets' emissions performance level remains near 'net zero' relative to the relevant science-based net zero decarbonization pathway for the energy sector. We will also continue to improve asset-level disclosures and information such that our assets move from 'Committed to aligning' to continually satisfy the net zero alignment criteria set out in the PAII Infrastructure asset guidance, or other alignment guidance for green infrastructure as becomes available. Brawn Capital will continue to maintain 100% of AUM allocation to climate solutions as per the EU Taxonomy Standards.

2.2 Climate Risk

Brawn Capital analyzes portfolio-level risks including physical and transition climate risks, the proposed risks and mitigation plans are reviewed by an investment committee as part of the decision-making. As part of our consideration for physical risk, climate scenario analysis is conducted using data from various credible sources including international and region-specific data. More details can be found in the Responsible Investment section.

2.3 Energy and Resource Efficiency

We are determined to ensure that the assets in our portfolio incorporate resource-efficient technology, to minimize our environmental impact. We continue to work with our development partners to purchase hardware from well-established and credible manufacturers, who we can maintain a long-term relationship with, as we prioritize the quality and longevity of our assets. Wherever possible, we utilize relatively recent and more reliable technology available in the market. Additionally, by continuing to maintain a business model focused on renewables, we are actively increasing the availability of clean energy sources.

2.4 Waste Management

We require partners to monitor construction and operational waste. This data is requested annually for oversight. Beyond this, we review our construction partners and O&M partners to check if they have implemented a waste management plan. We work in relatively remote areas and hence it is very important that we do not contaminate or degrade the land quality, so as to not indirectly impact the local community negatively.

2.5 Supply Chain Sustainability

We strive to work with suppliers and partners who share our values and commitment to environmental and social responsibility. We prioritize transparency and ethical practices in our supplier relationships through maintaining communication with our suppliers which extends beyond the product or service itself. ESG integration into such discussions allows us to maintain transparency and clearer understanding. ESG risks are also analyzed in the process of onboarding new stakeholders.

2.6 Land Acquisition and Land Use

We recognize the importance of land use and land rights when investing in renewable energy infrastructure projects. To mitigate risks such as invalid land titles, unidentified landowners, unsuitable land, or ethical concerns, we have a thorough due-diligence process in place that includes conducting site visits and assessments to ensure that all requirements and potential issues are addressed. Land is either leased or bought with full consent and compensation to the owner, and all land rights are cleared before purchasing the project.

Our focus on smaller projects gives it an advantage in land acquisition and use, as these projects do not require resettlements. For all new projects, land classification and features surrounding the land are reviewed and analysed. Potential projects are rejected on the basis of ESG if we find that the implementation of the project would impact the local community and environment negatively. We prioritize pre-cleared non-forest land for all projects.

2.7 Biodiversity and Ecosystem Services

We place a high value on protecting the environment and biodiversity and take steps to ensure that its energy infrastructure projects do not harm ecosystems or habitats. When sourcing land for new project

development, the land category provided by the government is one of our key decision-making points. We prioritize pre-cleared land to reduce our impact on the local environment. We follow all rules set out by the national and regional governments where projects are located, this includes the completion of an Environmental Impact Assessment study for all large-scale projects. We will continue to monitor and prioritize the opportunities that cause the least impact to nature.

3. SOCIAL

3.1 Labor Practices and Human Rights

We are committed to upholding the highest standards of ethical and fair treatment of employees, contractors, communities, and other related stakeholders, as well as respect for human rights in all aspects of our operations. We believe that our success as a company is closely tied to the well-being and satisfaction of our stakeholders, and we recognize that our actions can have a significant impact on the communities in which we operate.

We work towards this goal by:

1. **Respect for workers:** We treat all workers fairly, regardless of their background. We maintain an open dialogue with employees to address their concerns.
2. **Safe working conditions:** We provide a safe and healthy work environment, minimize risks, and provide training for safe job performance.
3. **Discrimination and harassment prevention:** We prohibit all forms of discrimination and harassment, maintain a work environment free from such behaviors, and encourage reporting of incidents.
4. **Human rights support:** We respect human rights, prohibit forced or child labor, and ensure our supply chain partners uphold these standards.

Our commitment to fair and ethical treatment of employees and respect for human rights is essential to our long-term success. We continuously review and improve policies and practices to uphold these values in all aspects of our operations.

Our Modern Slavery Act Statement provides further details on how we ensure human trafficking and slavery does not occur in our supply chains or in our operations.

3.2 Diversity, Equity & Inclusion

We value a diverse and inclusive work environment and recognize its importance to our success. Our goals are to promote a culture of inclusion, attract and retain diverse talent, and continuously review and improve our policies. We believe our commitment to diversity and inclusion is essential to our long-term success, and we strive to provide equal opportunities to all employees.

We are committed to providing equal employment opportunities to all job applicants. We do not discriminate against any applicant based on their race, color, religion, gender, sexual orientation, identity or expression, national origin, age, disability, or any other protected status. We believe that a diverse workforce is essential to our success as a company, and we are dedicated to creating an inclusive work environment that values and respects differences in background, experience, and perspective.

3.3 Health and Safety

We work with partners to provide a safe and healthy work environment for our employees, partners, contractors, and the local communities. We prioritize the health and safety of all individuals affected by our operations and strive to minimize risks and prevent accidents. We adhere to all relevant laws and regulations and continuously review and improve our policies and practices to ensure that we meet or exceed industry standards.

3.4 Indigenous Peoples and Cultural Heritage

We recognize the importance of obtaining necessary development permits and ensuring that site conditions are appropriate before investing in energy infrastructure projects. This includes complying with local government regulations and protecting cultural heritage, which involves conducting an artifact check before construction and pausing construction if any artifacts are found. Additionally, Brawn Capital considers the potential impact on indigenous peoples and communities and works to avoid building in areas that could negatively affect them.

4. GOVERNANCE

4.1 Board of Directors

The respective boards of directors of each Brawn Capital entity (“**Board**”) are responsible for overseeing Brawn Capital's governance and assets. The Boards comprise individuals who possess vast experience in asset management, financial services, and renewable infrastructure, which enables them to examine assets from various perspectives to reduce risk and improve decision-making quality. Each Board has several duties, including overseeing risk and opportunities, overseeing policies and risk management strategies, providing strategic direction for the organization, and monitoring progress against goals and targets. Each Board also discusses the company-level ESG strategy and goals bi-annually, covering major business plans of action, changes to the ESG landscape, internal plans, and updating internal processes.

4.2 Investment Committee

Investment Committees of our funds play a crucial role in our governance at the fund level, as they are responsible for overseeing the assets in each of our funds. Depending on the specific needs of the fund, the members of the Investment Committee may differ, which guarantees that the individuals supervising the fund have a comprehensive understanding of its assets. Each Investment Committee is regularly informed about current and emerging issues concerning the assets, including ESG risks, through Investment Committee Memorandums. Consequently, short-term, and medium-term asset-level risks are monitored closely in terms of ESG oversight.

4.3 Risk Committee

Led by our Managing Director and Group Financial Controller, our risk committee team convenes every quarter to provide guidance and oversight for managing risks in the portfolio. The team is responsible for identifying and escalating operational, construction, financial, counterparty, and climate risks, among others including general ESG risk. They appoint specific team members to take charge of mitigating identified risks and conduct ongoing monitoring of risks at both the company and portfolio levels.

4.4 ESG Committee

Brawn Capital's ESG Committee comprises the Managing Director, Chief Compliance Officer, and the ESG Team. Every quarter, they review the progress of the ESG team and discuss necessary topics, key

environmental topics such as climate-related risks and opportunities, mitigation plans, progress towards decarbonization strategies, and implementation of new strategies. The ESG Committee reviews our current ESG measures regularly and proposes new directions for continuous improvement and oversees the work of the ESG team.

4.5 Stakeholder Engagement

We are committed to engaging with and listening to our stakeholders, including employees, customers, investors, governments, and local communities. We seek to understand their needs and concerns and incorporate their feedback into our decision-making processes. We believe that stakeholder engagement is essential to building strong relationships based on trust and mutual respect, and to creating sustainable solutions that benefit all parties involved. Our ESG questionnaire is part of the stakeholder engagement process, developing transparency between us and our stakeholders. We prioritize engagement with local communities to check and ensure that they have accepted the development of our projects in their neighborhood. We do this through the local governments and contractors.

4.6 Compliance and Accountability

Brawn Capital upholds the highest standards of ethical conduct and compliance with all applicable laws and regulations for the jurisdictions within which we operate. We strive to maintain a culture of accountability and transparency, where all employees are responsible for promoting and upholding our values. We provide monthly updates to the Boards and the rest of Brawn Capital on key metrics relevant to each team, this allows transparency within the organization and allows early detection of any issues.

5. RESPONSIBLE INVESTMENT

As a signatory of the PRI, we are dedicated to responsible investment practices that consider ESG factors. These considerations are critical to making informed investment decisions that can have a significant impact on long-term financial performance. We integrate ESG considerations across our investment analysis and decision-making processes, and we engage with a broad range of stakeholders to encourage responsible business practices and promote positive ESG outcomes.

We believe in transparency and accountability in our responsible investment practices and strive to continuously improve our approach to align with the PRI and industry best practices. By doing so, we can better understand and manage the potential risks and opportunities associated with ESG factors, ultimately working to achieve positive outcomes for our clients, investors, and the broader society. We assess and integrate ESG into our investment practice in numerous ways, as described below.

5.1 Principles for Responsible Investment



As a PRI signatory, Brawn Capital is committed to:

- Principle 1:** Incorporating ESG issues into investment analysis and decision-making processes.
- Principle 2:** Being an active owner and incorporating ESG issues into ownership policies and practices.
- Principle 3:** Seeking appropriate disclosure on ESG issues by investee companies.
- Principle 4:** Promoting acceptance and implementation of the principles within the investment industry.
- Principle 5:** Working together to enhance effectiveness in implementing the principles.
- Principle 6:** Reporting on activities and progress towards implementing the principles.

5.2 Overview of ESG-Integrated Investment Process

Stage	Pre-Investment		Investment	Post-Investment	
Process	ESG Negative Screening	ESG Due Diligence	Investment Decision	ESG Monitoring	ESG Reporting
Activity	Applying Exclusion Policy to business partners, borrowers, landowners, constructors, developers, O&M, buyers etc.	Conducting ESG, Legal, Compliance and Financial Due Diligence	Investment Committee decision includes ESG review	Active and regular monitoring of ESG consideration	Regular and ad-hoc Reporting to Investors
Responsible Team	IM Team	Each department	IC Members	IM Team / ESG Team	ESG Team

5.3 ESG Negative Screening

Brawn Capital has published the Sustainability Exclusion Policy, which explains our approach and details company activities which are excluded from the investment funds we manage. Such screening is done via internet search or third-party research companies, conducted by our Investment Management team ("IM Team") before engaging with potential stakeholders as listed above. When any negative information

or suspicion is found, the IM Team shall raise it to ESG Committee who will decide whether Brawn Capital may continue the business relationship or not.

5.4 ESG Due Diligence

When onboarding new business partners, Brawn Capital shall conduct ESG due diligence as well as legal, compliance and financial due diligence.

The ESG Team shall communicate with the IM Team and assess the business partners’ material ESG topics. It would be possible that Brawn Capital’s business partner may be a small corporation and there may not be a good governance structure. In this case, our Managing Director and Head of Investment shall interview the Managing Director or representative director of that company to see whether their governance may or may not impact on the project materially and report it to the ESG Committee.

Environmental	Social	Governance
<ul style="list-style-type: none"> • Climate Change • Environmental Management • Supply Chain Sustainability 	<ul style="list-style-type: none"> • Labor Practices and Human Rights • Health and Safety • Diversity, equity, and inclusion 	<ul style="list-style-type: none"> • Board Structure • Executive remuneration • Tax fairness • Responsible political engagement

5.5 Investment Decision

Conflicts of Interest Management

Brawn Capital shall operate in accordance with the highest standard of compliance and ethical conduct, so before making an investment decision, Investment Committee shall review the Related Party Transactions as stated in the Conflicts of Interest Policy to maintain the arms’-length rule.

Investment Committee Meeting

During Investment Committee meetings, the IM Team shall provide an overview of the ESG aspects of the proposed investment which shall include the climate risks and opportunities and an overview of the ESG due diligence. The Investment Committee carefully considers ESG factors as part of the investment approval process.

5.6 ESG Monitoring and Engagement

ESG monitoring and engagement for stakeholders is conducted on an annual basis. We utilize ESG questionnaires to better understand our partners’ current situation and utilize the data collected to improve quality of engagement.

Asset level monitoring is conducted through a combination of regular communication with partners, site visits, and sharing of site images to track progress. We have weekly calls to communicate the needs of all partners and alignment on any issues that arise, including ESG risks.

5.7 ESG Reporting

Product Level Reporting

We understand and support the use of ESG factors in investment decision-making and are committed to providing investors with transparent and comprehensive information on our ESG performance. To this end, we continue to provide in-depth responses to requests from investors about the ESG performance and materiality for their portfolio. ESG engagement questionnaires are always welcome and appreciated, as we believe in working together with our stakeholders to promote the acceptance and implementation of the PRI.

Public Disclosures

We are committed to transparency and accountability in our approach to ESG issues. As part of this commitment, Brawn Capital has released our annual ESG report that provides stakeholders with information on our ESG performance, including progress towards its goals for reducing environmental impact, improving social outcomes, and enhancing corporate governance. The reports will continue to include detailed information on our approach to climate-related risks and opportunities, in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). Going forward, the company will continue to release annual ESG reports that provide stakeholders with a comprehensive and transparent view of its ESG performance, as well as its progress towards its long-term sustainability goals.