BROWN CAPITAL

Sustainability Report 2023

Accelerating the low carbon future

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BRAWN AT A GLANCE

In 2023, the Brawn Capital Group (Brawn) has achieved significant milestones that we are immensely proud of. Our collaborations with existing and new partners have progressed smoothly across multiple projects for solar energy, grid-scale BESS, and biomass gasification. We are particularly thrilled to have announced the launch of our strategic partnership with Mitsui & Co. Alternative Investments and JA Mitsui Energy Solutions, Ltd, the B&M Investment Limited Partnership, which will further bolster our capabilities in renewable energy development and operation.

This past year has seen significant progress in the overall renewable energy sector. The Asia-Pacific (APAC) market has been proactive in expanding its policies and regulations to meet regional emission reduction targets. The outcomes of COP28 underscored the importance of sustainable finance and the role of private market players in facilitating the transition to a net-zero future. Notably, the prices of solar technology and grid-scale BESS have seen a significant decrease thanks to advancements in production and scale.

We are deeply committed to accelerating our journey towards a low-carbon future. From an environmental, social, and governance (ESG) standpoint, our ESG Committee has played a pivotal role in aligning our internal strategy and fostering collaboration with stakeholders. We are proud to share the following highlights of our progress:

- Implementing a comprehensive long-term ESG strategy.
- Engaging with investors to deepen firmwide ESG integration, including climate risk.
- Updating our firmwide ESG and Responsible Investment Policy to align with our material topics and current practices.
- Collaborating with coalitions such as AIGCC, NZAM, and PRI to continue strengthening our ESG practices in line with the global direction.
- Engaging in internal and external dialogues on ESG material topics through various means, including questionnaires and selective interviews.
- Further expanding ESG due-diligence processes into the pre-acquisition stage.
- Becoming a member of the Global Impact Investment Network (GIIN).
- Fulfilling our annual reporting obligations to the Principles for Responsible Investment (PRI).
- Conducting firmwide ESG training and implementing employee engagement surveys.

We would like to express our sincere appreciation for the invaluable support shown by our partners, investors, and stakeholders, whose unwavering commitment has been instrumental in attaining our current goals and achievements. On a global scale, 50% of upcoming renewable energy projects are predicted to be situated in the APAC region. We eagerly anticipate utilizing this opportunity by forging new alliances and nurturing existing partnerships to further our expansion efforts.

Best regards,
Scott Reinhart
Chief Executive Officer

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Brawn's strategy is aligned with the United Nations Sustainable Development Goals (UNSDGs) and contributes to these goals and underlying targets by managing renewable energy investments across Asia. By collaborating with partners across geographies, we contribute to global renewable energy capacity growth while creating innovative infrastructure and providing admirable work in rural areas.

SDG 7 – Affordable and Clean Energy

Brawn purchases renewable energy assets situated in both rural and urban areas across developed and developing economies. Renewable energy displaces fossil fuels, providing considerable improvements to air pollution and health risks. Grid-scale BESS projects enhance power system flexibility and enable high levels of renewable energy integration, thus ensuring sustainable energy from clean sources. Brawn mainly purchases technology from reliable Tier 1 suppliers to ensure the quality and longevity of the assets. For operational projects purchased, our strategy includes retrofitting and upgrading equipment to maintain efficiency in electricity generation.

SDG 8 – Decent Work and Economic Growth

The act of decoupling economic growth from environmental degradation requires businesses to find new ways to seek returns and innovative solutions that actively contribute to environmental protection while still being profitable. Brawn actively increases clean energy solutions to assist with the overall reduction of environmental degradation. Additionally, by collaborating with local partners and sub-contractors for various assets, we are able to increase employment opportunities in the low-carbon sector.

SDG 9 – Industry, Innovation, and Infrastructure

The illiquid and long-lasting infrastructure asset class needs to be designed and constructed with current and future demand and risks in mind. Brawn's ESG considerations span the asset's lifetime, from pre-asset due diligence to monitoring throughout operations. This holistic approach allows for environmental and social considerations to be injected into a project's planning, development, construction, and operation through sound governance.

SDG 13 – Climate Action

Brawn was founded to accelerate to a low-carbon future and continues to focus on assets designed specifically for global climate mitigation. The assets themselves have climate adaptation measures in place to allow long-term reliable performance at reduced risks. Brawn also actively participates in industry-led initiatives to educate and raise awareness of the opportunities and strategies possible in renewables. To date, we have managed over 300 individual systems accounting for 500MWDC of capacity.

SDG 17 – Partnership for the Goals

Deploying capital to create a renewable energy asset involves multiple stakeholders across industries. The finance and funding side involves the asset manager and underlying investors, banks, and other institutions. The development side requires technical experts, project management, construction partners, sub-contractors, and additional stakeholders. The research required to create renewable technologies is a global feat in itself. Brawn's experience in cross-border collaboration ensures international partnerships to bring necessary projects to life.

INITIATIVES AND COLLABORATIVE GROUPS

Taskforce on Climate-Related Financial Disclosures

Brawn has aligned with the Task Force on Climate-Related Financial Disclosures (TCFD) framework and has been disclosing in accordance with these guidelines since 2022. Adopting and reporting via the TCFD framework has been beneficial as it has allowed for a better understanding and integration of climate-related risks into Investment processes and assisted in maximizing value from identified opportunities.

Principles for Responsible Investment

Maintaining a continuous commitment and active involvement to the Principles for Responsible Investment (PRI) is highly important to us. The educational material, engagement opportunities, and guidance gained through this membership have allowed the organization to improve on responsible investment. This year, some of our staff attended the PRI in-person event held in Tokyo, Japan, where we engaged with fellow limited partners (LPs) and general partners (GPs) to explore the trajectory of sustainable finance and gain insights from industry leaders. As a long-standing PRI member, we have consistently participated in PRI reporting exercises, demonstrating our dedication to responsible investment practices.

Net Zero Asset Managers Initiative
Asia Investor Group on Climate Change

The Net Zero Asset Managers initiative

AIGCC
ASIA INVESTOR GROUP ON CLIMATE CHANGE

The Net Zero Asset Managers Initiative and Asia Investor Group for Climate Change have been valuable organizations for Brawn to collaborate with over the years. The Net Zero Investment Framework's Infrastructure guidance has been internalized for Brawn's decarbonization strategy, and the resources available to managers through these platforms continue to assist in capacity building and improvements in our net zero journey.

Climate Action 100+

Climate Action 100+
Global Investors Driving Business Transition

Through our membership, Brawn supports decarbonizing the high-emitting sectors by integrating renewable energy. In 2023, we participated in collaborations led by CA100+ on the engagement of Japanese Utilities. While Brawn is not a shareholder in Japanese utilities, we have been collaborating with them and their subsidiaries for decarbonization. We see this as another opportunity to engage and support climate-related conversations.

Partnership for Carbon Accounting Financials (PCAF)

PCAF Partnership for Carbon Accounting Financials

Brawn utilizes the PCAF database for our financed emissions reporting data and calculations. While we continue to discuss emissions with our partners and work towards more direct data collection, the PCAF datasets and methodologies allow for the visualization of our portfolio emissions and allow for increased transparency with investors and other stakeholders on financed emissions associated with the assets.

Global Impact Investment Network (GIIN)

GIIN
GLOBAL IMPACT INVESTING NETWORK

The Global Impact Investing Network (GIIN) has been a valuable platform for us to communicate effectively and showcase our investments while facilitating meaningful exchanges with industry counterparts. We remain committed to actively participating in GIIN events, engaging in speaking engagements, and demonstrating solidarity with our peers within the network.

RENEWABLE ENERGY PROJECTS

The assets we manage span a range of project types, including ground-mounted solar, agricultural solar, rooftop solar, grid-scale battery energy storage systems (BESS), and biomass gasification. Geographically, the assets are situated across Asia, namely Japan, Taiwan, and Vietnam.

100MW+
Operational Project Experience

US$174+
Million Assets Under Management

500MW+
Projects Invested

Rooftop Solar, Vietnam

Ground Mount Solar, Japan

Biomass Gasification, Japan

Grid Scale BESS, Japan[1]

[1] Grid-scale BESS photograph is for reference purposes only.

MATERIAL ESG TOPICS

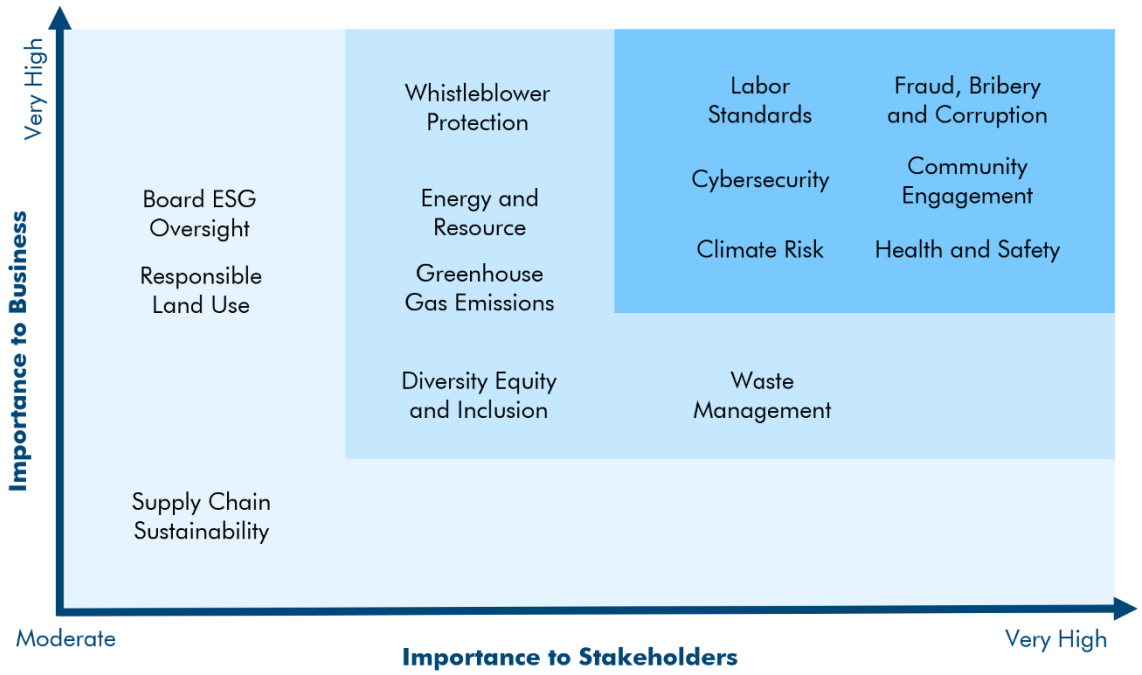
Materiality Assessment Methodology

Brawn has undertaken a diligent and comprehensive materiality assessment that encompasses a wide range of voices and opinions from both internal and external key stakeholders. This assessment was conducted to identify and prioritize the topics that hold the greatest significance to us in terms of environmental, social, and governance considerations.

During the materiality assessment, stakeholders were actively engaged and invited to participate in the process. They were provided with the opportunity to evaluate and select, from a list of topics, areas that they deemed to be the most material. Brawn teams engaged directly with employees, development partners, construction partners, operations partners, and investors. Further interview-style engagements were conducted with select stakeholders to gain additional insights into topics considered material. The feedback was then assessed and collated with publicly available data from stakeholders we were unable to engage with directly, to create a holistic understanding of their priorities. The feedback gathered from this collaborative exercise was invaluable in understanding the material issues that are of utmost importance to us.

For the factors deemed material to the business, an internal analysis was conducted focusing on the extent of each material topic's ability to impact the business operations and processes. These results were consolidated and analyzed along with industry norms and publicly available information. Lastly, the output of the materiality assessment was shared with and reviewed by Brawn's ESG committee.

Materiality Matrix



Brawn remains committed to ongoing engagement with stakeholders as we recognize the importance of their insights and perspectives in shaping our sustainability strategy and decision-making processes. Through continued dialogue and collaboration, we aim to further enhance our understanding of material issues, refine our approach, and drive positive impact in line with our sustainability goals.

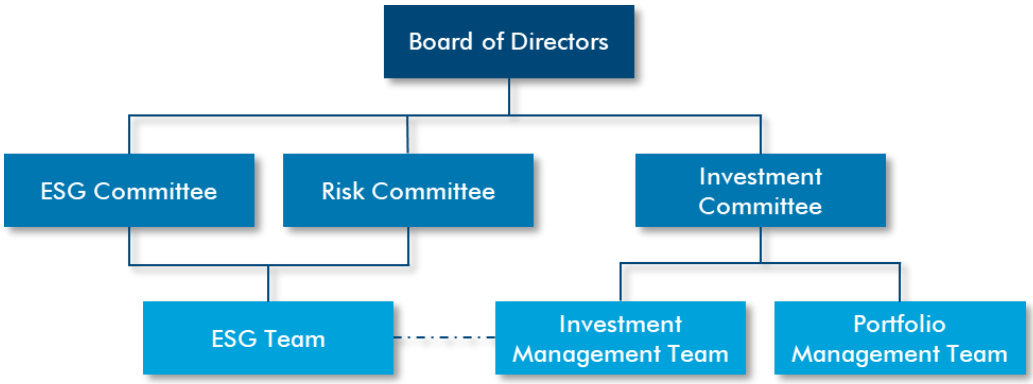
GOVERNANCE

Board of Directors

The governance of Brawn is overseen by an experienced Board of Directors (the Board). They understand and support ESG integration into the firm, including climate-related issues. Comprised of individuals with expertise in asset management, financial services, and renewable infrastructure, the Board ensures a comprehensive examination of assets, reducing risk and enhancing decision-making quality. The Board's responsibilities include overseeing risk and opportunities, establishing policies and risk management frameworks, providing strategic direction, and monitoring progress against organization-level goals and targets.

At Brawn, ESG data is shared with the Board monthly and discussed semi-annually. These discussions include major business plans, changes in the ESG landscape, internal plans, and updates to internal processes. Significant climate-related risks and opportunities are reported to ensure alignment with the firm's ESG objectives and allow for a responsive approach to evolving sustainability considerations.

Organizational Structure



ESG Committee

The ESG Committee, overseen by the Chief Executive Officer and Chief Compliance Officer, convenes quarterly to provide oversight and assess the progress of our ESG initiatives. During these meetings, the committee addresses a range of topics, including climate-related risks, mitigation plans, and opportunities. The ESG team presents quarterly updates directly to the ESG committee on material ESG topics, new and existing projects, and highlights on climate-related risks and mitigation. The Committee oversees the activities conducted by the ESG Team, reviews the progress made in the implementation of sustainability strategies, and explores potential new approaches.

The CEO leads both the ESG and Risk Committees, ensuring effective communication and alignment of risk management and ESG initiatives within the organization.

Risk Committee

Brawn's Risk Committee, led by the Chief Executive Officer and Group Financial Controller, convenes quarterly to fulfill several key objectives. These include providing oversight and guidance, managing risks within the portfolio, and escalating critical risks such as operational, construction, financial, counterparty, and climate risks. When necessary, the committee designates a specific team member to spearhead risk

mitigation efforts. Furthermore, the committee maintains ongoing monitoring of risks at both the company and portfolio levels.

The Risk Committee is informed of climate-related risks by the Investment Team and Portfolio Management Team. During committee meetings, significant climate risks at the portfolio level are shared with members for discussion and analysis. Additionally, firm-level climate risks are regularly reviewed and examined.

Investment Committee

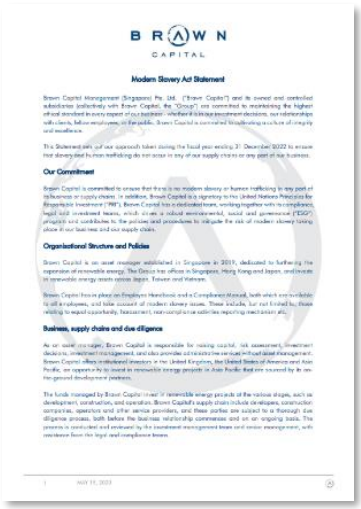
Brawn appoints an Investment Committee for each designated investment vehicle to consider proposed transactions associated with investment objectives and guidelines. Their focus is to safeguard the portfolio with their expertise and provide asset-level oversight. The member composition of the Investment Committee varies among each of Brawn's fund strategies.

Their duties include but are not limited to evaluating and approving investments, monitoring business activities related to investments, and reviewing and recommending amendments to the fund's strategy and objectives. For new acquisitions, the Investment Committee receives a detailed memorandum containing project details, risks, and mitigants. Climate risks and other ESG risks identified are shared in this documentation for their feedback and approval.

For the monitoring of existing assets in the portfolio, the Investment Committee's oversight focuses on financial metrics associated with the assets and overarching strategy. Physical climate risks have been internalized into capital and operational expenditure allocations to projects and, as such, are included in the overall monitoring. Transition risks are discussed as part of capital allocation within the fund for utilizing different technologies, underlying policy changes, market shifts, and other risks.

ESG and Related Policies

Our website features a range of policies that undergo an annual review and are updated to align with current industry direction. Such policies include the ESG and Responsible Investment policy, the Modern Slavery Act Statement, and the Sustainability Exclusion policy. Additionally, we maintain a collection of internal policies that encompass various social and governance aspects, including Cybersecurity, Conflicts of Interest, Risk Management, Compliance Manual, Investment Policy, and others.



ENVIRONMENT

Energy and Resource Efficiency

Efficient energy generation and resource management are vital considerations within the energy generation sector. Brawn has implemented varying measures depending on the specific asset type.

Solar

When it comes to maximizing energy generation for solar projects, two key aspects are taken into account: project design during development, and operational maintenance. In the initial stages, project designs undergo careful consideration of factors such as site selection, panel placement, panel tilt, exposure to hazards, and other variables to ensure long-term stability and optimal returns. This is done using state-of-the-art AI-assisted PV design software to produce optimum designs. Brawn collaborates with experienced developers and employs a rigorous due diligence process to identify, assess, and mitigate risks associated with each asset prior to acquisition or development. From an operational perspective, strategies include retrofitting and revamping with updated and more efficient technology, regular panel cleaning and maintenance to prevent dust accumulation, and prompt repairs for any damaged modules to optimize electricity generation.

BESS

One of the rising barriers to increasing global renewable energy generation is the grid's limited capacity to handle the surplus electricity during peak hours. At these times, when both base load and non-base load sources are operating at total capacity, the grid may reach its maximum limit and be unable to accommodate the excess energy. As a result, electricity generated by non-base load sources, particularly renewables, is curtailed until the grid capacity is available again. To address this issue, deploying BESS assets plays a crucial role in improving energy and resource efficiency. BESS technology enables the storage of excess electricity for later use, thereby avoiding the wastage of renewable energy. More importantly, it assists in increasing the utilization factor, which contributes to the overall efficiency of the power plants when BESS is coupled with energy generation. To ensure the success of this BESS strategy, we actively collaborate with various reputable 3rd party research groups and data providers to gain insights into the BESS market. The strategy itself includes both developing BESS projects from scratch and acquiring land that was unable to secure approval for energy generation projects. Once acquired, these lands are repurposed for BESS deployment, utilizing any pre-existing development and construction efforts on the site.

Biomass

Utilizing biomass gasification presents an opportunity to generate electricity in rural Japan by making use of low-grade wood deemed unsuitable for other purposes and waste wood from the maintenance of artificial forests. In Brawn's biomass assets in Japan, collaboration has been established with local forestry unions to source wood for this purpose. Additionally, in newer development projects, Brawn is upgrading the gasification technology to be utilized and employing newer and more efficient technology. For our latest project, we have contracted newer dual oxidation technology for gasification, which further reduces ash and tar generation compared to the previous model. We continue to see quick growth and evolution of renewable energy technology and are enthusiastic about expanding and adapting the latest technology as they reach scale and maturity.

Overall, Brawn remains committed to implementing strategies that enhance energy generation efficiency and resource utilization across various renewable energy sectors.

Waste Management and Pollution Prevention

As part of our commitment to environmental sustainability, we recognize the importance of proper waste management throughout the lifecycle of our renewable energy projects. We currently focus on project construction and operation stages, working closely with our partners to ensure that waste generated is disposed of in accordance with local and national guidelines, emphasizing timely and appropriate disposal methods.

Solar PV and grid-scale BESS projects primarily generate waste during the construction phase. This typically includes packaging materials, scrap materials, electronic waste, and excavation waste. However, once these projects are operational, the quantity of waste generated significantly decreases as replacements and spare parts become the primary source of waste generated.

In the case of biomass gasification plants, waste generation extends beyond the construction phase and includes significant operational waste. During operations, the plant will generate sewage water, drainage water, power plant wastewater, waste gases, ash, and tar. To address and properly maintain these waste streams, our operations partner is preparing a comprehensive waste management plan. This incorporates the proper handling, treatment, and disposal of each waste type while seeking the necessary permits and approvals and engaging appropriate waste collectors.

For sewage water, a septic tank system will be implemented, while drainage water from rainwater flows will be connected to the general drainage system. Regarding power plant wastewater, thorough analysis, and testing will be conducted once the plant is closer to operation to determine the appropriate treatment required. This analysis will also inform the selection of suitable coagulants and flocculants for effective treatment. Preliminary reports from the technology manufacturer indicate acceptable air quality levels, although ongoing discussions are underway to assess and improve air quality management continually.

As we continue to expand our renewable energy portfolio, we actively engage with our suppliers to deepen our understanding of the environmental impacts associated with these investments. This enables us to implement necessary mitigation measures and strengthen waste management practices across our projects.

Responsible Land Usage

Responsible land acquisition and land use are critical considerations for infrastructure projects, as the majority of assets are located in rural areas. Brawn understands the importance of prioritizing pre-cleared land to reduce biodiversity losses. In collaboration with development partners, the initial site selection process prioritizes land that is already pre-cleared and not categorized as forest land.

For solar and grid-scale BESS projects, this is relatively straightforward to prioritize due to the availability of numerous suitable land plots for screening. There are multiple asset types in which solar can be implemented without the need for deforestation, including rooftop and agricultural solar strategies.

With regards to biomass gasification projects, these assets are required to be situated in close proximity to the forests from which the wood is to be sourced. As such, trade-offs must be considered between the daily distance to be covered for regular transportation of thinned wood and the availability of pre-cleared plots of land for the scale required. The substantial land requirements of biomass plants arise from the need to house gasification plants, fuel yards, woodchipper equipment, and other essential components onsite.

The development partners conduct thorough due diligence on the necessary permits and community approvals required to bring these projects to construction and operation. This process includes diligently addressing and mitigating adverse environmental and social factors associated with the projects.

Climate Risk Strategy and Management

Brawn's approach to climate-related risks and opportunities focuses on seizing gaps arising from the global energy transition to a low-carbon economy while actively monitoring and managing our exposure to physical and transition climate risks. Our strategy of incorporating both large- and small-scale renewables, including solar, grid-scale BESS, and biomass gasification, allows for a diversified approach to renewable solutions for the countries in which we operate. As a specialist private equity firm dedicated to Asian renewable energy investments, we take into account regional regulatory, operational, environmental, social, and economic factors that influence our current and future assets. Our objective is to acquire and develop high-quality renewable energy assets and related infrastructure that will contribute to long-term reductions in greenhouse gas emissions.

Our climate resilience hinges on our ability to effectively address the risks and opportunities posed by the continued rise in global temperatures. This includes effectively integrating climate risk into the wider organizational risk management practices. Brawn's ESG Team works closely with the Investment Team and Portfolio Management Team to monitor assets across their various stages of development and operation. Risks flagged are communicated with partners for the implementation of solutions. The reverse is also true where any risks identified by partners are shared back to Brawn's Investment Teams and the ESG Team, along with proposed risk mitigation strategies. This bilateral method is also used for wider risks beyond climate and ESG, allowing transparency and visibility into the portfolios we manage.

Physical Risk Identification

Regarding climate risk identification, physical risks are assessed through asset-level analysis using historical data and scenario analysis. The Shared Socioeconomic Pathways (SSP) scenarios are utilized through a third-party climate risk tool for scenario analysis, while historical data is obtained through public resources such as government geospatial portals and data from cities and prefectures. A systematic process has been established to evaluate potential investments based on a range of ESG criteria, including climate-related risks. These are identified during the pre-acquisition due diligence stages as part of initial screening. Potential assets with high-risk profiles beyond our appetite are screened out, while those with acceptable risks are assessed and investigated for potential implementation of mitigation measures. The Investment Team works closely with development partners to incorporate the costs associated with risk mitigation into the project's overall risk returns profile. The risks and mitigants identified during due diligence processes are presented to the relevant Investment Committee prior to making an investment decision.

Physical risk assessments are undertaken using SSP scenarios 8.5, 4.5, and 2.6 on the following acute and chronic hazards:

- River Flood
- Typhoon
- Wildfire
- Landslide
- Rainfall Flood
- Snow Melt
- Drought
- Storm Surge
- Extreme Heat
- Sea Level Rise

The output of our portfolio-wide climate risk assessment for both historical data and scenario analysis reveals that the assets are most vulnerable to:

- Rainfall Flooding (depth of expected flooding events)
- Typhoons (maximum expected wind speed)
- Landslides (annual landslide frequency)
- Extreme Heat Days (Maximum expected temperature)

The tables below summarise the medium-term (MT - 2030) and long-term (LT - 2050) risks faced, the material financial impact from the increased severity of these hazards, and the mitigation measures placed to reduce the risk and manage the impacts.

Risk Description	Time Horizon		Project Stage	Financial Impact	Mitigation Measures
	MT	LT			
Increased severity of rainfall flooding			Development and construction	Increase in capital expenditure due to the construction of an asset being interrupted by soil erosion, compromising foundation stability, damaging equipment, and infrastructure, delaying construction timelines, and increasing overall project costs.	Incorporating design features in the planning stage to increase asset resilience, adding buffers in budgets and timelines to cover unexpected costs, and obtaining insurance with sufficient coverage.
			Operation	Increase in operational expenditure caused by replacement of damaged equipment, disruption of power generation, safety concerns, and increased maintenance requirements. These factors lead to decreased energy output and potential downtime. The vulnerability of the asset depends on the technology type; BESS systems are more vulnerable to damage from prolonged exposure to water.	Conducting regular site inspection and maintenance, installing protective measures such as flood barriers and raised platforms where necessary, and diversifying asset types and locations.
Increased severity of typhoons			Development and construction	Increase in capital expenditure due to an increase in unexpected delays, damage to equipment and materials, and increased safety risks for workers, thereby leading to higher costs and longer project timelines.	Incorporating design features in the planning stage to increase asset resilience, adding buffers in budgets and timelines to cover unexpected costs, and obtaining insurance with sufficient coverage.
			Operation	Increase in operational expenditure caused by disruption of operations of the asset due to physical damage to the infrastructure, such as energy generation or storage technology and support structures, leading to reduced energy generation and potential downtime for repairs.	Obtaining appropriate insurance coverage, diversifying asset types and locations, and including a buffer in financial models for unexpected costs from damages.

Risk Description	Time Horizon		Project Stage	Financial Impact	Mitigation Measures
	MT	LT			
Increased chances of Landslide near the asset			Development and construction	Increase in capital expenditure to due to the necessity of additional geotechnical studies, implementing slope stabilisation measures, potentially altering asset design or location, and causing construction delays and increased costs.	Screening out land plots with significant risk of landslides, incorporating design features in the planning stage to increase asset resilience, adding buffers in budgets and timelines to cover unexpected costs from climate risk, and obtaining insurance with sufficient coverage.
			Operation	Posing safety risks to personnel, potentially damaging infrastructure, disrupting access to the site, and causing delays or interruptions in energy generation.	Regular site inspection and maintenance, installation of slope stabilization techniques where necessary, and diversification of assets and locations.
Increasing frequency in extreme heat days			Development and construction	Increase in capital expenditure due to the necessity of additional precautions for worker safety, potentially causing delays from heat-related work restrictions and requiring enhanced thermal management measures during construction activities.	Incorporating design features in the planning stage to increase asset resilience, adding buffers in budgets and timelines to cover unexpected costs from climate risk.
			Operation	Each technology reacts differently to extreme heat. Higher temperatures negatively impact solar PV electricity generation and revenue while having a positive impact on BESS storage capacity. Biomass is impacted by additional rest time needed for staff under harsh conditions. An increase in operational expenditure is to be expected and accounted for.	Regular site inspection and maintenance, engagement with contractors to incorporate climate risks into their operations, diversification of assets and locations, and obtaining adequate insurance coverage for operations.

Transition Risk Identification

Brawn's transition risks are assessed annually across policy and legal, market, technology, and reputation risks. These assessments utilize a wide range of information sources, including inputs from internal stakeholders, industry-wide research, and case studies derived from our existing portfolio of assets. This section covers the risks identified, potential financial impacts, and mitigation or adaptation strategies to build resilience to expected risks.

Policy and Legal Risk

Risk/Opportunity Description	Time Horizon	Potential Financial Impact	Mitigation/Realisation Strategy
Renewable energy projects are subject to the influence of new regulations that can significantly affect their profitability. These regulations may involve heightened scrutiny during the permitting process or alterations to feed-in-tariffs (FIT) and power purchase agreements (PPA), leading to potential financial implications for such projects.	ST/MT	Investment returns in the renewable energy sector rely on accurate forecasts of future demand and revenue. However, policy changes have the potential to significantly impact revenue generation, resulting in a decrease in return on investment (ROI) and a potential devaluation of our asset portfolio.	Responding proactively to policy changes by engaging multiple data providers for insights on expected shifts and aligning the portfolio accordingly. Prioritizing high-quality off-takers through long-term corporate PPAs ensures revenue reliability. Diversifying portfolios across geographies and technology sectors to mitigate concentration risk and optimize overall performance.
		Elevated scrutiny during the permitting process has the potential to introduce project delays and supplementary expenses and necessitate more extensive assessments. Such heightened scrutiny may also result in permit denials or require design modifications, potentially posing challenges to the project's feasibility and overall financial viability.	Engaging with development stakeholders and fostering relationships with local and regional authorities, conducting comprehensive pre-permitting assessments, and requesting transparent documentation from partners. This approach enables proactive monitoring of the regional policy landscapes to stay informed about any potential changes.
Governments may adopt increasingly stringent climate regulations, resulting in a disorderly transition towards a low-carbon economy.	MT/LT	Unexpected policy changes may require an increased allocation of time and finances to effectively comprehend and ensure compliance with the revised regulatory landscape.	Proactively assess regulatory changes, strategies, and operations that can be adapted to meet emerging requirements. Active participation in industry events with stakeholders and leaders to access valuable insights into industry-wide adaptations and facilitate collaborative approaches and knowledge sharing for best practices and innovative solutions.

Technology Risk

Risk/Opportunity Description	Time Horizon	Potential Financial Impact	Mitigation/Realisation Strategy
The rapid pace of technological advancements in renewable technologies often renders current technologies less efficient than newer alternatives. Prone to seeing a price drop from the release of cheaper technologies after the contracting of existing ones for projects.	ST/MT/LT	Emerging efficient renewable technologies may reduce the competitiveness of existing assets, depreciating their value.	Closely monitoring industry trends and technological developments in the renewable energy verticals invested in to identify opportunities and risks early. Monitoring price changes in technology and timing the procurement for new projects accordingly.
		Maintaining and upgrading older, less efficient technologies may result in higher operational and maintenance costs.	Viewing this risk as an investment opportunity by acquiring older operational renewable energy projects and strategically investing in the necessary upgrades to enhance their operational efficiency. Modernizing these assets allows for effective operation and prolonged electricity generation from renewable sources.
Possibility of reduced demand for current and pipeline projects due to technological breakthroughs in other renewable energy sectors. These advancements have the potential to diminish the market demand at the point of portfolio resale.	MT/LT	The emergence of alternate renewable technology could diminish the demand for existing investments, resulting in a decline in revenues and profitability.	Mitigating concentration risk by maintaining a balanced portfolio of assets across different technologies and geographies. Researching emerging technologies for viability and ability to scale up, considering implementation into the portfolio if the financial performance and risks involved are favorable.
Carbon capture storage technology could become commercially viable, giving high-carbon emitting entities a low-cost option to offset emissions.	MT/LT	The same pool of investors may have an interest in both renewable energy projects and carbon capture and storage (CCS) initiatives. CCS technologies may attract a higher level of attention from investors seeking low-carbon transition solutions, impacting the allocation of investments in the sustainable investment landscape.	Continuously monitoring the progress of CCS technology. Once it achieves commercial viability, particularly through the involvement of established tier 1 manufacturers, the existing portfolio can be expanded to integrate CCS.

Market Risk

Risk/Opportunity Description	Time Horizon	Potential Financial Impact	Mitigation/Realisation Strategy
The expected returns for renewable energy assets are highly volatile due to several external factors impacting market dynamics within the transition energy sector.	ST/MT/LT	The financial performance and anticipated returns of renewable energy assets are subject to inherent fluctuations. While a multitude of factors can be considered in predicting long-term returns, it is important to recognize that the actual outcomes may deviate from the expected values. Additionally, the valuations of individual assets or portfolios can be influenced by the prevailing volatility within the market.	Market analysis and acquiring data from different sources are important for a holistic understanding of current and future market conditions, which allows for informed decision-making and mitigates potential impacts on investment performance. This encompasses planning for multiple scenarios in financial modeling, internalizing external risks by assessing their potential effects on capital and operational expenditures and utilizing a diverse range of sources to derive the most accurate revenue projections for assets.
Physical climate hazards could disrupt global supply chains, thereby impacting the availability, cost, and delivery time of renewable assets and their components. Challenges in the procurement and acquisition of essential equipment and materials can subsequently affect the overall availability and pricing of renewable energy assets.	ST/MT	Disruptions in the supply chain can lead to increased expenditures resulting from lack of availability, higher costs of transportation and logistics, and longer delivery timelines for components. Consequently, these disruptions can lead to delays in construction schedules and operations timelines, especially for assets requiring maintenance or repair.	Diversifying suppliers and strengthening supplier relationships to mitigate some of the anticipated financial burden. Contingency plans should be placed with buffers for expected delays to help reduce uncertainty in the situation. Sourcing locally, where possible, also reduces risks that may arise from global supply chains.
Supply shortages may occur due to heightened competition resulting from the redirection of capital towards clean energy and a rapid surge in demand for renewable technologies.	ST/MT	As competition intensifies in the renewable energy sector, increased price competition may occur, along with higher prices of the technology and materials due to demand surge. Consequently, this can lead to reduced profit margins for renewable energy projects and potentially impact the financial viability of investments.	Establishing and developing long-term relationships with technology providers and component suppliers to secure a steady supply of materials and timely access to emerging technologies as they become accessible. Enhancing the capability of internal teams and partners to effectively manage diverse asset types, enabling long-term adaptability and flexibility.

Reputation Risk

Risk/Opportunity Description	Time Horizon	Potential Financial Impact	Mitigation/Realisation Strategy
Developing renewable energy projects in outlying areas may pose reputation risks if the local communities are unwilling to accept the projects. Lack of community approval and the potential for conflicts can cause reputational risk and impede future project development.	ST	A damaged reputation resulting from a lack of community approval can lead to the termination of development stage renewable energy projects, necessitating their relocation to a different area. This can result in significant financial losses and have long-term repercussions.	Engaging in proactive outreach, addressing concerns, and building positive relationships with local communities to foster understanding and support. Conducting site selection with ESG factors integrated to reduce impacts to the neighbours.
The existing internal operation and governance structure may pose challenges in effectively aligning with the latest climate regulations. The rigidity may impede timely adaptation and the ability to stay in line with the most up-to-date environmental standards.	MT	Failure to adapt and comply with evolving environmental standards may result in penalties and lead to reputational damage, loss of investor confidence, and decreased access to capital.	Implementing companywide ESG training and integrating ESG considerations into existing and new processes to enhance the team's awareness of current and upcoming regulatory requirements. This proactive approach facilitates seamless adaptation to evolving ESG standards and ensures that the team remains informed and well-equipped to navigate the changing ESG landscape effectively.

Integration of Climate Risk into Overall Risk Management

Brawn's comprehensive risk management approach includes integrating climate-related risks into its overall risk management framework. One of the key practices is the monthly asset-by-asset risk reviews conducted by the Investment Team and Portfolio Management Team, the output of which is shared with the Board. These reviews serve as a crucial mechanism for assessing and addressing a range of risks, including ESG risks and project risks associated with climate factors.

While the risk reviews encompass multiple dimensions, climate risks and their potential impact on operations are significant for discussion. For instance, several assets are in northern Japan, where high levels of snowfall during winter months pose a specific challenge. In this case, risk management discussions focus on ensuring adequate site access, mitigating adverse impacts on operations, and safeguarding the health and safety of personnel.

This integrated approach ensures that climate risks are given due consideration alongside other types of risks. By incorporating climate-related factors into the organization's risk assessment process, the board and relevant stakeholders receive a holistic view of the potential risks faced by the organization. This approach enables Brawn to proactively address climate-related vulnerabilities, enhance its resilience, and make informed decisions to safeguard its operations and long-term sustainability.

Our Approach to a Low-Carbon Future

Brawn Capital takes immense pride in its active contribution to the low carbon transition, positioning the organization to thrive in a 2-degree scenario. This scenario necessitates a significant increase in the adoption of renewable energy and the implementation of other low-carbon technologies. While the transition to a 2-degree scenario presents inherent uncertainties in terms of policy and legal regulations and market volatility, Brawn has expertise in effectively internalizing these risks through sound risk management practices. By harnessing both internal and external resources, the organization proactively enhances its resilience and preparedness across solar, BESS, and biomass assets, enabling it to navigate the evolving landscape with confidence.

Stakeholder Engagement for Climate Risk

Specific to climate risks, Brawn has engaged development, construction, and operations partners for discussions on mitigation measures for each asset for which material physical risks were identified. The engagements undertaken in 2023 additionally included the integration of the third-party climate risk tool's output as part of ESG due diligence for scenario analysis integration at the asset level. These ongoing discussions are expected to be an iterative process to streamline the climate risk due diligence process across partners and implement holistic solutions. As more assets are screened through the dual lens of historical data and scenario analysis, the database of risks and mitigants is expected to be generated for long-term off-the-shelf solutions rather than the current case-by-case approach.

With regards to conversations engaging investors, the portfolio Climate Value at Risk and the percentage of net asset value located in areas of material risk are shared. Brawn is keen to continue discussions with investors and provide further details on climate KPIs upon request.

Greenhouse Gas Emissions

As a renewable energy asset manager, our focus is to increase the capacity of renewables for global decarbonization. However, it is also important to consider creating these assets in a way that is net zero aligned. As such, Brawn has set greenhouse gas emission reduction targets at the firm and portfolio levels. This year, the firm's decarbonization strategy was updated to better align with our targets.

To further enhance our understanding of emissions, Brawn is actively working with internal and external stakeholders to gain better insights at both the firm and portfolio levels. By obtaining more granular data and improving the data collection systems in place, Brawn aims to identify sources of high emissions across operations and implement targeted reduction strategies. This commitment to emission reduction entails engaging with development, construction, and operations partners who play pivotal roles in Brawn's decarbonization journey.

Additionally, Brawn is in discussions with renewable energy certificate (REC) suppliers. Through these collaborations, Brawn seeks to secure reliable long-term purchases of RECs. These discussions highlight Brawn's commitment to supporting renewable energy projects and reducing its carbon footprint through the procurement of clean energy certificates.

Organizational Targets

100%
Net Zero Scope 2 emissions by 2025

100%
Net Zero Scope 3 emissions by 2050

Brawn's organizational targets are centred around the crucial objective of decarbonization. This encompasses a dual approach of integrating renewable energy sources into the grid and reducing emissions at the firm level. In the short term, Brawn aims to achieve full reliance on renewable energy for its operations while concurrently striving for medium-term decarbonization across its portfolio.

To monitor progress towards these goals, Brawn is actively engaging in collaborative efforts with third-party consultants to assess and measure emissions. The subsequent steps involve identifying areas within the project value chain that contribute significantly to emissions within the organization's scope. Collaborating closely with key partners, Brawn aims to explore and implement low-carbon alternatives in these high-emitting areas.

Portfolio Targets

100%
Net Zero Aligned AUM Maintained

100%
AUM Allocation to Climate Solutions

Brawn adopts the Net Zero Investment Framework's Guidance for Infrastructure Assets from IIGCC as a foundation for its decarbonization strategy. Although this guidance is not directly tailored to the renewable energy infrastructure sector, Brawn can leverage it as a reference to develop and implement its own decarbonization strategy. Under this framework, Brawn's assets are considered "net zero aligned," and the medium-term objective is to transition them towards an "achieving net zero" state. As Brawn

advances its decarbonization strategy, short-term targets can be established and pursued with determination.

Currently, Brawn maintains regular engagement with key stakeholders to address ESG considerations and communicate its sustainability aspirations. Moving forward, cross-functional teams can collaborate closely to identify opportunities for emissions reductions and collectively work towards resolving challenges in achieving the organization's sustainability goals.

Environmental Metrics

Greenhouse Gas Emissions

Emission Sources	Emissions (tCO_2e)
Scope 1[1]	-
Scope 2[2]	7.19
Purchased Electricity[2]	7.19
Material Scope 3	
Purchased Goods and Services[3]	65.43
Capital Goods[3]	1.55
Upstream Transportation and Distribution[3]	0.50
Business Travel[4]	110.37
Employee Commute[5]	2.68
Upstream Leased Assets[3]	20.31
Investments[6]	26.95
Total Emissions	234.98

Notes:

1 Scope 1: Brawn Capital does not have Scope 1 emissions as a financial services firm.

2 Scope 2, Purchased Electricity: Brawn's Scope 2 emissions consist entirely of the office spaces utilized by the employees; the emissions are calculated through a location-based approach.

3 Scope 3, Purchased Goods and Services, Capital Goods, Upstream Transport and Distribution, Upstream Leased Assets: Calculated utilizing spend-based method, average-data method or supplier-specific method where possible. Data sources include invoices and General Ledgers, which are processed through the Net0 carbon accounting platform.

4 Scope 3, Business Travel: emissions have been calculated via a dual approach of utilizing the distance method where such data was available, combined with a spend-based method where there were gaps.

5 Scope 3, Employee Commute: is derived from a distance-based approach via a survey of current employees. Averages are used where the survey is not applicable.

6 Scope 3, Investments: Financed Emissions for Asset Managers (managed investments and client services) are optional for reporting under the GHG Protocol's guidance. Emissions have been calculated using the Partnership for Carbon Accounting Financials (PCAF) emission factors for asset classes for which data is currently available.

All other Scope 3 categories do not apply to Brawn Capital.

SOCIAL

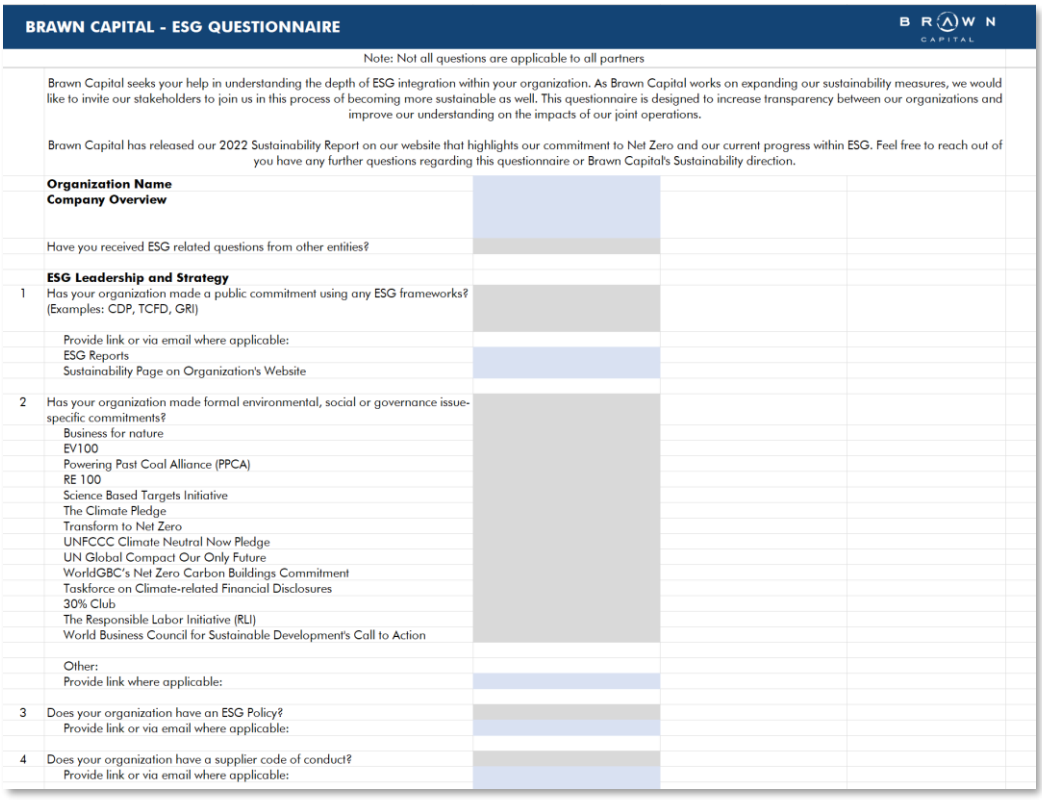
Stakeholder Engagement

A large part of Brawn's long-term sustainability depends on the collective efforts of our stakeholders. Once we identified key stakeholders in our value chain, we engaged them by sharing custom ESG questionnaires tailored to our relationship with them to understand their current and future ESG direction, and we requested participation in our materiality assessment. The goal of this initiative was to assess the depth of ESG integration within their organization and identify opportunities for collaboration and value creation through continued engagements.

Brawn's ESG, Investment, and Portfolio Management teams have been engaged in conversations with key stakeholders on topics including:

- Energy efficiency
- GHG emissions and decarbonization
- Health and safety
- Noise pollution
- Community value creation
- Modern slavery and forced labor
- Climate risk analysis and integration
- Policy and regulations

Some engagements have succeeded in their goal, while others are long-term conversations to re-visit and continuously improve on collaboratively. Overall, this approach to sustainability allows for transparency, accountability, and sustainable practices for responsible investment.



BRAWN CAPITAL - ESG QUESTIONNAIRE

BROWN CAPITAL

Note: Not all questions are applicable to all partners

Brawn Capital seeks your help in understanding the depth of ESG integration within your organization. As Brawn Capital works on expanding our sustainability measures, we would like to invite our stakeholders to join us in this process of becoming more sustainable as well. This questionnaire is designed to increase transparency between our organizations and improve our understanding on the impacts of our joint operations.

Brawn Capital has released our 2022 Sustainability Report on our website that highlights our commitment to Net Zero and our current progress within ESG. Feel free to reach out of you have any further questions regarding this questionnaire or Brawn Capital's Sustainability direction.

	Organization Name
	Company Overview
	Have you received ESG related questions from other entities?
	ESG Leadership and Strategy
1	Has your organization made a public commitment using any ESG frameworks? (Examples: CDP, TCFD, GRI)
	Provide link or via email where applicable:
	ESG Reports
	Sustainability Page on Organization's Website
2	Has your organization made formal environmental, social or governance issue-specific commitments?
	Business for nature
	EV100
	Powering Past Coal Alliance (PPCA)
	RE 100
	Science Based Targets Initiative
	The Climate Pledge
	Transform to Net Zero
	UNFCCC Climate Neutral Now Pledge
	UN Global Compact Our Only Future
	WorldGBC's Net Zero Carbon Buildings Commitment
	Taskforce on Climate-related Financial Disclosures
	30% Club
	The Responsible Labor Initiative (RLI)
	World Business Council for Sustainable Development's Call to Action
	Other:
	Provide link where applicable:
3	Does your organization have an ESG Policy?
	Provide link or via email where applicable:
4	Does your organization have a supplier code of conduct?
	Provide link or via email where applicable:

Brawn Capital ESG Questionnaire - Partners

Labor Standards and Health and Safety

Brawn places significant emphasis on maintaining high labor standards and prioritizing health and safety throughout its operations. Contractually, construction partners and sub-contractors are obligated to adhere to health and safety clauses that encompass the Occupational Health and Safety Environmental Plan and Occupational Health and Safety Environmental Regulations. Along with that, the contractors must ensure that the contract price includes an adequate amount for proper compliance with health and safety obligations. Additionally, contractors are responsible for effectively managing the health and safety obligations of their sub-contractors.

For accountability and transparency purposes, Brawn requires partners to provide incident reports and KPIs as part of their monthly progress reporting on the assets. This enables Brawn to stay informed about any potential health and safety incidents and take appropriate actions to address them promptly. 2023's reports show that there have been 0 incidents of accidents across all construction sites.

Climate risks are also considered, as climate-related hazards can directly impact the well-being and safety of partners' employees on construction and operational sites. These risks are assessed and managed as part of Brawn's broader approach to physical risk management.

Community Engagement

Communicating and engaging with the project neighbors and extended community is essential for the success of our assets. From a legal point of view, community approval is mandatory in many regions of Japan for projects to be constructed; beyond that, we find that building these relationships allows for smoother processes. In the year 2023, we had multiple engagements with the community and local town halls for a number of our projects. Highlighted below are some key case studies.

BESS Noise Analysis and Engagement

We have had ongoing discussions with one of our EPC contractors regarding the potential noise pollution associated with large-scale grid-scale BESS assets and its potential impact on the local community surrounding the project site. This engagement was in line with our comprehensive engagement policy, which aims to address any identified concerns during the pre-IC ESG due diligence phase.

Our objective in this engagement was to ensure that all parties were well-informed about the potential noise impacts and conduct additional due diligence to identify suitable mitigation measures if the issue proved to be significant. The contractor completed a comprehensive noise study to identify a supplier whose technology offered lower noise levels, thereby eliminating the need for additional mitigation

measures. In addition to their efforts in noise mitigation, the contractor coordinated with the local community on our behalf. This included talking to the community-appointed leader and nearby institutions, such as a hospital and nursing home, to address any concerns related to the project's potential noise impact. Fortunately, the community expressed no issues with the project, further affirming the success of the engagement.

As a result of this, the construction of this asset was able to proceed with no barriers, and the community has been assured that noise-related concerns have been adequately addressed. Moreover, this engagement has strengthened our relationship with the contractor, as they demonstrate a clear understanding of our ESG objectives and a willingness to actively support our goals through their operations.

Addressing Community Concerns for Biomass

The community engagement process for our inaugural biomass project proved to be an enlightening experience for all parties involved. As part of our commitment to transparent and inclusive development, our development partner organized a community meeting that brought together key stakeholders, including the community leader, fire department, and renewable energy department of the city office.

During the meeting, the attendees expressed that their primary concern is the discharge of wastewater from the project site. The project is situated adjacent to a river, in a town heavily reliant on agriculture and other industries that depend on this vital natural resource. Specifically, they inquired about the temperature of the discharged water and its potential consequences. In response to these concerns, our development partner provided a comprehensive explanation. Taking into account the flow rate and ambient temperature of the water, they assured the community that the discharge would not have any adverse effects on the neighbouring areas. This open and informative dialogue helped alleviate the community's apprehensions and fostered a sense of trust and understanding.

Community engagement is significant for our biomass project as we actively work with the local residents for services and sourcing of low-grade wood from local forestry unions. Through open communication, addressing concerns, and building relationships, we seek to foster a harmonious relationship with the local community.

Supply Chain Sustainability

As part of our modern slavery supply chain due diligence efforts, we embarked on a crucial engagement to assess the potential risks of modern slavery within the supply chains of solar and grid-scale BESS. Recognizing the inherent vulnerabilities in the raw materials extraction process, we sought to communicate with our key suppliers on upholding human rights policies and processes.

In accordance with Brawn's commitment to combat modern slavery and uphold human rights, we initiated direct communication with our suppliers, with a specific focus on inquiring about their human rights policies, risk management measures, and the availability of supporting documents.

During the engagement, our battery suppliers demonstrated their dedication to addressing modern slavery risks by promptly providing their Modern Slavery and Human Trafficking policies and statements. Additionally, they shared valuable insights into their risk management measures.

Meanwhile, our engagement with the solar PV supplier was not as fruitful; this particular project was in its pre-non-disclosure agreement (NDA) stage, which restricted the extent of information that could be

disclosed at that moment. Nonetheless, this initial engagement allowed us to establish an important foundation for future collaboration.

While the pilot supplier engagement for modern slavery risk yielded partial success, it served as a crucial opportunity to showcase our strong commitment to ESG principles to our suppliers. Simultaneously, our suppliers demonstrated their alignment with our values by sharing their policies and processes. While this is a positive first step, more communication is needed to understand the risks associated with the raw material extraction and manufacturing processes within their upstream processes.

Diversity, Equity and Inclusion

Diversity, Equity, and Inclusion (DE&I) are integral components of our corporate values. We firmly believe in fostering an inclusive and equitable workplace where every individual, regardless of their sexual orientation, ethnicity, gender, nationality, disability, family status, or race, has equal opportunities for employment and growth. Our DE&I policy reflects our commitment to creating a diverse and inclusive workforce.

Accountability for DE&I in the workplace lies with the CEO, executives, and the Head of Human Resources, who are responsible for driving DE&I initiatives, ensuring compliance, and fostering an inclusive culture. Furthermore, our compliance and ESG teams recognize the overlap in their responsibilities, reinforcing the integration of DE&I considerations within our broader sustainability framework.

To promote diversity in our recruitment practices, we have implemented a comprehensive Diversity, Equity, and Inclusion policy. This encompasses various strategies aimed at attracting a more diverse pool of candidates. Job vacancies are actively advertised on broader and more diverse networks, ensuring that individuals from a wide range of backgrounds and communities are reached. Moreover, an inclusive approach has been adopted for educational and professional qualification requirements, recognizing that diverse experiences and skills can bring unique perspectives to teams. Additionally, we consider a broader range of work experiences when evaluating candidates, valuing diverse career paths and transferable skills.

Recognizing the importance of accommodating diverse needs, hybrid working flexibility is offered to all employees, consultants, and interns. This flexible approach has been well-received, with a high uptake rate among our workforce. Notably, productivity has been maintained, further emphasizing the benefits of accommodating diverse needs while achieving business objectives.

We recognize that DE&I is an ongoing journey. We are dedicated to continuously improving our practices, fostering a culture of inclusivity, and creating equal opportunities for all. By integrating DE&I considerations into our ESG framework, we strive to build a sustainable and equitable future, both within our organization and in the broader communities we serve.

Indigenous and Cultural Heritage

Brawn recognizes and values the significance of preserving sites with indigenous importance and cultural heritage, including those that may contain artifacts. Our commitment to honoring and respecting these sites is an integral part of our approach to maintaining relationships with the local community.

A recent example of this is that during a site visit for discussions on earthworks at one of our potential grid-scale BESS assets, tombs and related artifacts were discovered in a specific section of the site located away from the site access road. This discovery has informed our decision-making process, leading us to

meticulously plan the site design while ensuring the preservation of this significant land. As a result, that particular portion of the land will be left untouched as part of our commitment to safeguarding indigenous and cultural heritage. The land area requirements for the 2MW grid scale BESS project are less than the current area of the land plot, allowing for such accommodations in design and planning.

We recognize that encounters like this may arise from time to time, especially as our projects are primarily situated in rural areas. In such instances, Brawn and our development partners proactively seek solutions that accommodate or, when necessary, make the difficult decision to forego potential projects if they would have a detrimental impact on the land and its cultural significance.

By prioritizing the respect and preservation of indigenous and cultural heritage, we aim to uphold the rich history and traditions associated with these sites. Our commitment extends beyond compliance, as we actively engage with local communities and indigenous groups to ensure their voices are heard and their concerns are addressed. Through meaningful collaboration and responsible project development, we strive to create a lasting positive impact while honoring the land's unique heritage.