



B R A W N
CAPITAL

SUSTAINABILITY REPORT 2022



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I. ORGANIZATION OVERVIEW

Our Story

Brawn Capital Management (Singapore) Pte. Ltd. and its affiliates (“**Brawn Capital**”) is a private equity firm dedicated to funding renewable energy projects throughout Asia with a focus on Japan. We seek to accelerate the clean energy transformation by creating transparent and compliant investment vehicles with robust risk management practices and operational controls. Our commitment to our core values is evident in our Risk Down approach.

Our investments are exclusively in climate solutions. We currently manage portfolios of solar, biomass and grid scale battery energy storage systems (BESS) assets across Japan, Taiwan, and Vietnam. These investments in renewable assets can offer investors opportunities with a low correlation to volatile equity and bond markets.

We were founded to further accelerate the adoption of renewables by combining asset management expertise with a singular focus on de-risking the asset class. We believe that climate change must be approached in a responsible manner and in collaboration with multiple stakeholders in society, including governments, local communities, businesses, and investors. Our team works continuously to catalyze CO2 reduction through our business model with the goal of creating sustainable investment opportunities.

Brawn Capital and partners are spread out across Asia. We are headquartered in Singapore and are active in Hong Kong and Japan as well. Our Partner organizations have reach in other countries as shown below.



To drive collective change, we prioritize collaboration with diverse industry stakeholders as a key component of our sustainability approach. Healthy long-term relationships with investors, local communities, development and



construction partners and local government enable us to create value in different types of geographies. More information can be found in the “Engagement with Key Stakeholders on Identified Risks” section.

Other stakeholders we consider important to our ability to create an impact are organizations, to which we are signatories, such as PRI, NZAM, AIGCC, and PCAF. These organizations help us stay informed of industry trends, learn from industry leaders, and allow us to work on high quality targets for net zero. More information can be found in the “Memberships” section.

Since many of our projects are located in rural areas, we ensure that the needs of local communities and local governments are met through our projects. We maintain regular communication with the local municipal offices directly or through our developer partners. For projects located near residential areas or farms, we are committed to building a relationship with the local community. More information can be found in the “Social” section.

This is Brawn Capital’s inaugural Environmental, Social, and Governance (ESG) report, as well as our first time implementing TCFD reporting. We are excited to use this opportunity to visualize our current progress and plan for the future. Going forward, Brawn Capital will continue to drive progress in expanding our reporting capabilities as well as furthering our decarbonization plans. The reporting process has helped us analyze the physical and transition risks associated with our assets and create a greenhouse gas (GHG) inventory at the company and portfolio level.



United Nations Sustainable Development Goals

The need for collective action comes from the goals we have set for ourselves. We continue to support the United Nations Sustainable Development Goals (UNSDGs) 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.

Memberships

Our approach to sustainability is to collaborate with various stakeholders in the industry to drive collective change. We embody this by being signatories to PRI, NZAM, AIGCC, and PCAF, as well as being public supporters of TCFD and other organizations.



The Principles of Responsible Investment (PRI) is the world’s leading proponent of responsible investment. They have developed six Principles for Responsible Investment for incorporating ESG issues into investment practice. Brawn Capital has been a Signatory of PRI since 2016 and has incorporated these principles into our decision making. The six principles have been embedded in our organization’s business model since inception.



The Task Force on Climate-Related Financial Disclosures (TCFD) was created to provide a set of recommendations to help financial institutions disclose and keep track of risks associated with climate change. This TCFD aligned report has been created to help us and our stakeholders understand the key risks and opportunities related to climate change.



The Partnership for Carbon Accounting Financials (PCAF) works to facilitate financial industry alignment with the Paris Climate Agreement by providing transparent GHG accounting methodologies and data sources. This is for Financial Institutions to track and reduce emissions associated with their investment activities. Brawn Capital is a member of PCAF and has utilized the PCAF database for our Scope 3 Category 15 Financed Emissions.



The Asia Investor Group on Climate Change (AIGCC) is an initiative to create awareness and encourage action among Asia’s asset owners and financial institutions about the risks and opportunities associated with climate change and low carbon investing. As a signatory of AIGCC Brawn Capital works towards climate action while enjoying the resources provided to help sustainability capacity building within the organization.

The Net Zero Asset Managers initiative

The Net Zero Asset Managers initiative (NZAM) is an international group of asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5 degrees Celsius; and to supporting investing aligned with net zero emissions by 2050 or sooner. Brawn Capital is aligned to the Paris Aligned Investment Initiative (PAII) and the Net Zero Investment Framework (NZIF), which we use in the process of setting net zero targets in line with NZAM.

Our Target Assets

Brawn Capital focuses on renewable energy infrastructure assets mainly of solar, biomass and batteries. Our projects are in line with the Paris Agreement’s 1.5 degrees pathway and are recognized in the decarbonization plans of the respective countries in which they are located. Assets in Japan are in line with the Ministry of Economy, Trade, and Industry (METI) Outline of Strategic Energy Plan in 2021 that includes solar, biomass and BESS. The projects based in Vietnam and Taiwan are in line with the latest 2022 Nationally Determined Contributions submitted to the United Nations Framework Convention on Climate Change (UNFCCC). In both cases, they have plans to continue the acceleration of solar and other renewable energies in the near-term.

Solar

The largest asset type in our portfolio is solar projects and consists of a mix of rooftop solar in industrial zones and solar farms located in rural areas. Our expertise lies in both Feed in Tariff and corporate PPA projects. Where possible, we work with local developers and contractors who understand the needs of the community and upskill them in the process.



Source: Shire Oak International
Description: Rooftop solar PV project in Vietnam

Batteries

We have recently entered the grid energy storage market with an understanding of the limitations of renewable energy. Solar and wind energy projects are impacted by weather and diurnal changes. Hence, the development of such projects needs to be accompanied by grid level storage to meet the demands of local population throughout the day. With this in mind, we are currently piloting BESS projects.

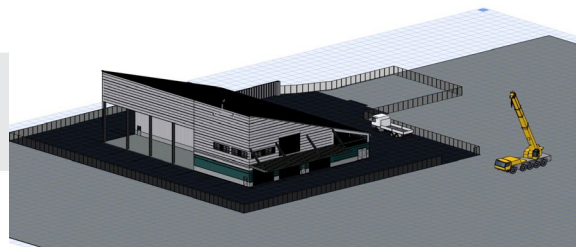


Source: Tesla
Description: Tesla grid scale battery pack

Biomass

Our biomass projects will utilize thinned wood for gasification. These projects are currently under development or construction.

Thinned wood is a form of waste generated through forest thinning, an important activity in maintaining the health of forests. Trees that are unhealthy or have stunted growth are removed to improve resource availability and the overall health of the forest. This practice increases the carbon intake capacity of the forest, reduces the risk of wildfires, and provides a source of income in rural areas. It further enables the sustainable management of forests by the local forestry firms.



Source: Shift Energy Japan
Description: Biomass project in Japan

II. MESSAGE FROM THE BOARD

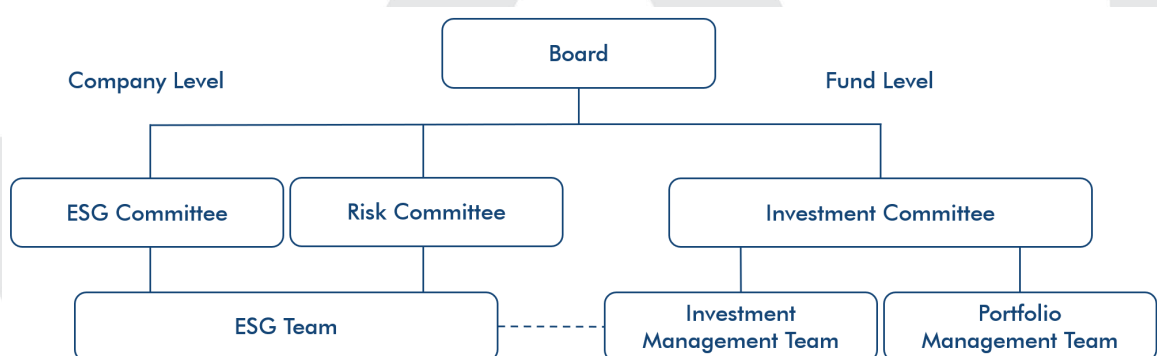
We are an asset management company focused solely on investing in renewable projects across Asia. Our strength lies in focusing on small scale assets (sub-2MW) and having on-the-ground teams sourcing assets directly from partners in rural Asia. This allows us to reduce regional dependency on fossil fuels while also benefiting local communities.

In 2022, despite the hurdles faced due to COVID-19, we were able to successfully increase our investments in solar PV, while also entering new markets in Japan for biomass and BESS.

Since this is Brawn Capital’s first year of ESG reporting, we have been able to visualize our governance structure, review current strategies in place, evaluate our risk identification and management processes, and develop metrics and targets to continue to align our business to the global fight for net zero. We are proud to release this report to showcase our ongoing efforts and increase transparency. We are thrilled to have set our targets for net zero and look forward to reviewing our progress on a semi-annual basis.

III. GOVERNANCE

ESG Governance Structure



Board of Directors

The Board of Directors (“Board”) oversees Brawn Capital’s governance and assets. The Board consists of individuals experienced in asset management, financial services, and renewable infrastructure. Their expertise allows assets to be examined from various angles to reduce risk and heighten the quality of the decision-making.

Overview of the Board’s duties:

- Oversight on risk and opportunities
- Policies and risk management
- Providing strategic direction for the organization
- Board monitoring progress against goals and targets

Company-level ESG strategy and goals are discussed on a semi-annual basis and includes major business plans of action, changes to the ESG landscape, internal plans, and updating internal processes.

Management

Risk Committee

Our risk committee team is led by our Managing Director and Group Financial Controller. They meet on a quarterly basis to discuss the following:

- Provide oversight and guidance
- To manage risks in the portfolio and escalate when necessary: operational, construction, financial, counterparty, climate risks, among others
- Appoint specific team member to take control over mitigation of risk
- Ongoing monitoring of risk at the company and portfolio level

Details of portfolio-level climate risk are shared with members of the risk committee team during meetings when a significant risk is identified, and company-level risks are reviewed and discussed on a regular basis. The ESG committee and risk committee report directly to the Managing Director.

ESG Committee

The ESG Committee consists of our Managing Director, Chief Compliance Officer and ESG Team. They meet on a quarterly basis to oversee the progress of the ESG team and discuss the following:

- Climate-related risks, mitigation plans, and opportunities
- Progress towards decarbonization strategies and implementation of new strategies
- Overseeing aspects mentioned below for the ESG team
- Oversight on the social aspects, as we focus on creating jobs in rural areas

ESG Team

Our current ESG team is under the Investment Management team, we have individuals in both teams working together on ESG matters allowing greater visibility on these issues at the company and fund level. The team works on several different tasks throughout the year, involving:

- Monitoring and reporting of climate-related risks and opportunities
- Planning and implementation of net zero decarbonization plan
- GHG emissions accounting
- Working with organizations we publicly support/are a signatory to
- Updating internal functions, policies, and processes according to latest sustainability requirements
- Monitoring companywide engagements with local communities and social impact of operations

Investment Committee

The Investment Committee is a key player in Brawn Capital's governance at a fund level, as they have asset-level oversight. The members of the Investment Committee may vary for each fund managed by Brawn Capital, depending on the needs of the fund. Varying the Investment Committee ensures proper oversight by individuals with sufficient understanding of each fund and its assets. In terms of ESG oversight, the Investment Committee is kept updated about current and emerging issues about assets on a regular basis, through Investment Committee papers. This covers the short term and medium-term asset-level risks, including environmental aspects and climate risks.

ESG-Related Policies

The following ESG related policies are available publicly available on our website.

- ESG Policy
- Exclusion Policy for Fossil Fuels and Controversial Weapons
- Modern Slavery and Human Trafficking Policy

IV. ENVIRONMENT

Climate-Related Strategy and Risk Management

As a private equity company specializing in Asian renewable energy investments, we recognize the global risks and opportunities related to climate change and the transition to a low carbon economy. Our strategy considers regional regulatory, operational, environmental, social, and economic factors influencing our current and future assets. We seek to acquire and develop quality renewable energy and related infrastructure assets that will reduce greenhouse gas emissions in the long run. Through this approach, we plan to capitalize on opportunities arising from the global energy transition to a low carbon economy whilst monitoring and managing our exposure to climate risks.

While Brawn Capital's business primarily focuses on seizing transition opportunities and alleviating climate change impact, our long-term resilience relies on our ability to effectively address the risks and opportunities posed by climate change. As such, we've partnered with consultants to conduct comprehensive climate risk assessments, covering physical and transition risks in line with TCFD recommendations. These assessments, a core component of TCFD reporting, have helped us to identify risks, understand their potential business and financial impacts, and inform high-level strategic decisions and risk management approaches.

To guarantee the robustness of our risk-management and mitigation measures, we will continue to track our evolving operational landscape for emerging climate risks and opportunities. As novel risks and opportunities emerge, we will update our internal risk reports, future disclosures, and stakeholder communications to reflect these changes where necessary.

In addition to the climate risk assessments conducted as part of this TCFD aligned report, Brawn Capital already has several risk management systems in place to identify and manage all risks including climate-related risks during the investment process. This risk management system starts at the initial deal filtering stage, after which a more in-depth analysis is done as part of the due diligence. We have developed a systematic process to screen potential investments on a range of criteria including climate-related risks. The risks identified at the due diligence stage are then presented to the relevant Investment Committee before a decision is made to invest in an asset. This robust system ensures that climate risks are appropriately integrated into our investment decision making process.

In Tables 1 and 2 below, we identify the most material physical and transition climate risks facing Brawn Capital as we understand them.

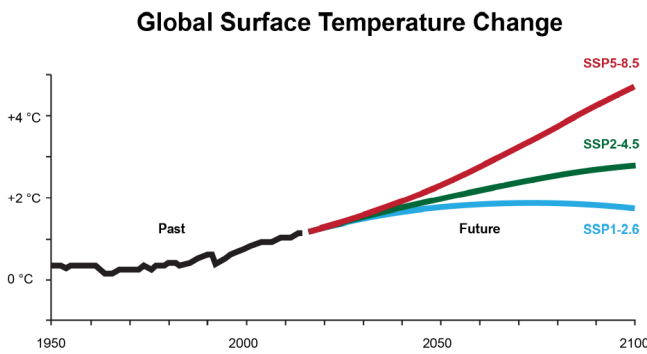
Physical Risks and Opportunities

Physical risks are climate-related risks that result in the disruption of operations or damage to assets. These risks can be further divided into acute risks (i.e. extreme weather events) and chronic risks (i.e. changing climate trends). To better understand our exposure, we conducted a physical-risk assessment on six asset locations that are a representative sample of our portfolio of assets across geographies and technologies. In this sample, four assets are in Japan, one in Taiwan and one in Vietnam. The technologies included in this assessment are rooftop solar PV, ground mount solar PV, gasification biomass and BESS.

The physical risk assessments conducted evaluated the potential financial impact of ten different climate hazards in terms of Value at Risk under different climate scenarios and over different time horizons, as recommended by TCFD. The time horizons applied to assess the impact of physical climate risks were a medium term (2030) and long term (2050) time horizon. The climate scenarios used were taken from the Intergovernmental Panel on Climate Change (IPCC)'s new 6th Assessment Report (AR6) climate scenarios known as Shared Socioeconomic

Pathways (SSPs). The projected financial impact of the analysis under each of the three climate scenarios were compared to current climate conditions. The climate scenarios used in the physical risk assessment and what they represent are shown in Image 1 and described below:

Image 1: Temperature Outcomes for Different SSPs



Source: Climate Data Canada, Understanding Shared Socio-economic Pathways (SSPs)

SSP 8.5 – A scenario in which GHG emissions continue to increase resulting in global temperature rise of more than 4°C by 2100.

SSP 4.5 – An intermediate scenario in which GHG emissions remain at current levels resulting in global temperature increase of more than 2°C by 2100.

SSP 2.6 – A scenario in which GHG emissions are drastically reduced, limiting global temperature rise to below 2°C by 2100.

Despite completing a quantitative analysis of physical risks under three climate scenarios, we plan our risk management strategies for the worst physical effects of climate change. As such, for the purposes of this report we will be focusing on the physical impact occurring under the SSP8.5 climate scenario as this is where the worst physical effects of climate change will occur and therefore physical climate risks will be most material.

The physical climate risk assessment identified seven climate hazards that had the potential of impacting Brawn Capital’s six representative assets. These climate hazards include:

Acute Risks

- River Flood
- Typhoon
- Wildfire
- Landslide
- Rainfall Flood

Chronic Risks

- Extreme Heat
- Drought

It is important to note that these seven climate hazards do not impact each representative asset assessed (or in the same way), but that the portfolio of representative assets as a whole are exposed to these climate hazards. From this list, we have identified three to be most material to Brawn Capital based on the severity of their impact and the number of representative assets impacted. These climate hazards are typhoon, rainfall flood and extreme heat. The physical risks posed by these hazards, their potential financial impact towards Brawn Capital, and mitigation strategies, are expanded upon in Table 1 below.

River flood, drought, wildfire, and landslide climate hazards are still being monitored and managed by our team; however the physical risk assessment conducted indicates that the impact of such climate hazards on the portfolio of representative assets is likely to be lower than the aforementioned material climate hazards. It should be considered that although landslide risk may be negligible for five out of six of the representative sample assets assessed, it is a material risk for one of representative sample assets in Japan. The tectonically active nature of Japan and the risk of earthquakes can further heighten landslide risk for select assets in Brawn Capital’s portfolio.

Level of Potential Financial Impact: Low Medium High

Time Horizon: Medium Term: 2030
 Long Term: 2050

Table 1: Physical Risks and Opportunities

Risk Type	Risk/Opportunity Description	Potential Impact	Financial		Mitigation/Realisation Strategy
			MT	LT	
Acute	Increased severity of typhoons	<p>Damage to assets from powerful typhoons can lead to lower asset value and reduced revenue for the time that the asset is not operational.</p> <p>The unforeseen costs and time associated with repairing or rebuilding the asset may put additional strain on projected budgets and financials.</p>			<p>Ensuring assets have comprehensive insurance coverage for extreme weather events.</p> <p>Develop an emergency response plan that outlines the procedure for securing equipment and ensuring staff safety before a typhoon event.</p>
	Increased severity of rainfall flooding	<p>Rainfall flooding can cause extreme damage to infrastructure resulting in depreciation of asset value, reduced revenue during the period when the asset is not productive and increased costs to repair the asset.</p>			<p>Ensuring assets have comprehensive insurance coverage for extreme weather events.</p> <p>Ensure system design can adequately deal with expected rainfall.</p> <p>Ensure assets are designed such that electrical components conform to the relevant Ingress Protection standards.</p>
Chronic	Increasing mean temperatures leading to more frequent and severe extreme heat days	<p>Higher number of extreme heat days may be a health hazard for employees working at the site, causing operational disruptions resulting in reduced revenue.</p> <p>Extreme heat can also reduce the efficiency of renewable assets, also leading to reduced revenue.</p>			<p>Ensure employee safety by following local labour laws.</p> <p>Develop plans to improve cooling at sites particularly affected, such as:</p> <ul style="list-style-type: none"> • Use advanced insulation materials to protect batteries from external heat sources and maintain a stable operating temperature. • Use active solar tracking to optimize panel orientation and prevent heat build-up.

Transition Risks and Opportunities

Transition risks are climate-related business risks and costs associated with the global transition towards a low-carbon economy. These risks are typically broken down into the following categories: policy and legal, market, technology, and reputation. Together with a third-party consultant, we conducted a transition risk survey, asking our team members for their thoughts on the financial impact of different identified transition risks relevant to us, and when they thought the financial impact of these risks would be most significant based on their current understanding of the business. This qualitative analysis of transition risks was completed using three-time horizons and two consolidated emissions scenarios as described below:

- 1) **Net zero emissions** – a scenario of high decarbonization effort with strict climate policies and technological advancements, limiting global temperature rise to 1.5°C by 2050.
- 2) **Business as usual** – a scenario of low decarbonization effort with little change in current climate policy resulting in a temperature increase of more than 4°C by 2100.

The transition risks and opportunities are most significant under the net zero emissions scenario. As such, for the purposes of this report we are exploring the potential financial impact of transition risks and opportunities assuming this net zero scenario. The key transition risks and opportunities identified from the transition risk survey; the time horizon on which their impact is expected to be most significant as well as mitigation/realization strategies, are summarized in Table 2.

Expected Level of Potential Financial Impact:



Time Horizon: Short Term: 0 – 3 years
 Medium Term: 4 – 10 years
 Long Term: 11 – 25 years

Table 2: Transition Risks and Opportunities

Risk Type	Risk/Opportunity Description	Potential Financial Impact	Time Horizon	Mitigation/Realisation Strategy
Policy and Legal	Introduction of new regulations that impact the profitability of renewable energy projects such as increases in permitting scrutiny or changes to feed-in-tariffs (FIT) and power purchase agreements (PPA).	<p>Changes in FIT or PPAs may reduce revenue and affect project profitability. This would result in lower ROI, making future projects less appealing and potentially increasing financing challenges.</p> <p>Greater scrutiny in the permitting process may cause project delays, additional costs, and the need for more comprehensive assessments. This increased scrutiny could lead to permit denials or required design modifications, potentially impacting the project's feasibility and financial viability.</p> <p>Stricter regulation may result in higher asset development costs, longer project timelines, and compliance delays. Failure to comply with new regulation could lead to fines, penalties, or project cancellations, significantly affecting Brawn Capital's reputation and its assets' financial performance.</p>	ST/MT	<p>Establish a robust compliance management system to ensure that all relevant regulations are adhered to.</p> <p>Actively monitor regulatory developments, assess potential impact through existing risk management processes, and engage with relevant stakeholders to stay informed on potential policy changes.</p> <p>Continue to engage with local authorities and local communities early in the project development process to understand permitting requirements and community member needs.</p> <p>Diversify portfolios across geographies and technologies to reduce concentration risk.</p>
	A disorderly transition to a low carbon economy may cause governments to adopt increasingly strict climate regulation.	This may result in the need to spend more capital and time to understand and be compliant with new policies.	MT/LT	Periodically review the regulatory landscape surrounding the power sector as well as shifts in supply chains to quickly adapt to changes.

Risk Type	Risk/Opportunity Description	Potential Financial Impact	Time Horizon	Mitigation/Realisation Strategy
Market	Potential disruptions to global supply chains due to physical climate hazards, which could impact the availability and price of renewable assets and related components.	Disruptions to global supply chains may result in higher costs for renewable asset components due to limited availability, increased transportation expenses and longer delivery times. This could cause project construction delays, missed revenue opportunities, and increased operational downtime for existing assets in need of maintenance or repair.	MT/LT	<p>Diversify Brawn Capital’s supply chain by building relationships with multiple suppliers to reduce dependence on a single supplier.</p> <p>Where feasible, source components and materials locally to reduce risks associated with global supply chains.</p>
	Reduced demand for renewable energy in certain regions due to changes in economic or political conditions.	This may lead to lower expected revenues for the asset, affecting financial performance and profitability. Meanwhile, reduced demand could result in underutilized or stranded assets in affected regions, potentially requiring write-downs or impairments.	ST/MT	Maintain a geographically diversified renewable energy asset portfolio across multiple regions to reduce exposure to risks associated with the specific economic or political conditions of a single region.
	Increased competition in the renewable energy sector due to capital reallocation towards clean energy, combined with a rapid demand surge for renewable technologies, may lead to supply shortages.	<p>Greater competition may cause margins to be compressed as asset owners compete on price, leading to reduced profit margins for renewable energy projects.</p> <p>Additionally, supply shortages may lead to an increase in price for technologies and materials required, resulting in higher project construction costs, further compressing margins and reducing the financial viability of investments.</p>	ST/MT	<p>Form and foster positive dialogue with technology providers and component suppliers to ensure a stable supply of materials and access to new technologies when they become available.</p> <p>Increase Brawn Capital and our partners’ ability in managing different types of assets for long-term flexibility.</p>

Risk Type	Risk/Opportunity Description	Potential Financial Impact	Time Horizon	Mitigation/Realisation Strategy
Technology	Rapid technological advances in renewable technologies that result in current technologies becoming obsolete or less efficient compared to new technologies.	<p>Emerging efficient renewable technologies may cause the value of existing assets to depreciate due to reduced competitiveness in the market.</p> <p>Maintaining and upgrading older, less efficient technologies may result in higher operational and maintenance costs.</p> <p>Brawn Capital may miss out on potential market opportunities if they are unable to quickly adopt and deploy new, more efficient technologies.</p>	ST/MT/LT	Closely monitor industry trends and technological developments in the renewable energy verticals invested in to identify opportunities and risks early and adjust Brawn Capital's strategy accordingly.
	Technological breakthroughs in other renewable energy technologies that reduce the demand for Brawn Capital's renewable technology investments.	Such breakthroughs in alternative renewable energy technologies could reduce the demand for Brawn Capital's existing technology investments, leading to lower revenues and profitability.	MT/LT	Diversify investment portfolio across a range of different renewable energy technology verticals to reduce concentration risk and the risk associated with specific technology breakthroughs.
	Carbon capture storage technology becomes commercially viable, giving high carbon emitting entities a low-cost option to offset emissions.	This could lead to decreased demand for renewable energy and thus reduced revenues.	MT/LT	Monitor advancements in carbon capture storage technology and consider the possibility of implementing such projects in the future for portfolio diversification.

Risk Type	Risk/Opportunity Description	Potential Financial Impact	Time Horizon	Mitigation/Realisation Strategy
Reputation	Litigation or legal action against the company related to its environmental practices or renewable energy projects.	<p>Increased costs associated with defending against legal action may impact Brawn Capital's profitability and financial performance. If legal action is taken due to policy violations, there may be extra costs from penalties, fines or even project closure.</p> <p>Litigation even if not found in violation, can reduce investor confidence and stakeholder trust, potentially leading to a loss of funding sources and social licence to operate respectively.</p>	MT	<p>Develop and maintain strong environmental, social and regulatory compliance systems.</p> <p>Conduct regular climate-related legal risk assessments to identify potential regions of vulnerability.</p>
	Failure to meet environmental or social performance standards or compliance requirements, leading to damage to the company's reputation.	<p>A damaged reputation may lead to a lower market valuation as investors price in higher risk.</p> <p>A tarnished reputation may also lead to a loss of business opportunities, customers, partners, employees, or investors, as stakeholders may avoid engaging with a company perceived to have poor environmental or social practices. This could impact Brawn Capital's ability to remain competitive with peers.</p>	ST	<p>Implement robust ESG management systems to ensure adherence to performance standards and compliance requirements.</p>

Strategy Resilience

Considering our business's nature and focus on accelerating the shift towards clean energy, we are confident that our strategy is resilient across the spectrum of climate change scenarios assessed. Our proactive approach to addressing climate-related risks and capitalizing on opportunities in the renewable energy sector allows us to adapt and thrive in changing climate outcomes.

From a transition point of view, the combination of market trends, such as the growing demand for clean energy, supported by the increasing number of GHG reduction goals of major stakeholders, and the attractive economics of clean energy, generates a number of opportunities for our business.

On the physical risk side, the assessments conducted give us confidence that if managed correctly, the physical risks identified can be mitigated such that they do not have significant financial impact on our assets and business.

Engagement with Key Stakeholders on Identified Risks

Investors

Our assets are managed in a way that creates a risk-down approach for our investors. We consider risks at multiple stages of the asset's lifetime and ensure that the assets are relatively de-risked. Working with investors to accelerate decarbonization means that it is crucial for us to consider ESG within our organization and the assets themselves. Hence, we are expanding on our ESG measures by developing this TCFD report and related initiatives.

Local Communities

Plans for new development with local communities are communicated via town hall meetings and any difference in opinion is discussed to address their concerns. We ensure that our assets become a part of the community they are in by various means, including but not limited to, ensuring that the assets are easy on the eyes and are creating local employment opportunities. Many of our assets are in remote areas, we make sure that our operations and maintenance contractors can assist the community readily.

Development and Construction Partners

We partner with developers skilled in renewable energy projects; building this relationship and working together is the key to successful projects. There is frequent communication and teamwork between Brawn Capital and our Partners, making sure that issues are flagged and resolved in a timely manner.

Government

Regular monitoring of the latest updates regarding renewable energy and related infrastructure allows for timely adjustment according to national or regional regulatory or policy changes, including decarbonization strategies. Our policies and processes ensure that we are compliant with the legal requirements throughout the lifetime of the assets under our management. We maintain regular communication with the local municipal offices for mutual benefits that directly impact the local community.

Employees

Our employees have a strong understanding of the renewable energy market, allowing us to adapt to different risks. We make all major decisions with the goal of expanding on renewable energy and providing potentially attractive returns.

Other Environmental Aspects

Beyond climate change, our approach to sustainability includes the consideration of environmental management, land use, resource efficiency, pollution prevention and biodiversity conservation. By working closely with developers and local contractors, we are able to have sufficient oversight on various aspects of our projects.

Environmental Management System (EMS)

We follow all local regulations necessary for the development and maintenance of our projects, which varies between countries. Japan, as a developed country, has more stringent regulations in this area, including the requirement of an Environmental Impact Assessment (EIA) for large-scale projects. Japan also requires the possession of a Forestry Development Permit (FDP) for projects greater than one hectare. Most of our projects are on a smaller scale, which we ensure through supervision of the impact of these projects.

As mentioned in the “Strategy” section, we conduct in-depth due diligence prior to purchasing project rights. In addition to climate risks, the due diligence process covers documenting risk variables related to nature, land, and surrounding community for the consideration of the Investment Committee. Projects not meeting our standards or that have high levels of risk are rejected, and evidence is documented in our internal data management system.

Land Acquisition and Land Use

Land, particularly in rural areas, is a main focus of our environmental considerations. Risks screened for include the possibility that the land title is not valid, the landowner cannot be identified, the land may not be suitable for construction or operation of the desired project type, and potential ethical issues regarding land acquisition.

Land for the projects is acquired through leasing or purchasing with full consent from and proper compensation to the landowner. In many cases, landowners are the elderly, we maintain relationships with them and provide a



steady source of income through land acquisition. One of our advantages is our specialization in smaller projects. The processes are generally straightforward and do not require resettlements. Our solar rooftop projects through PPAs have very little risk associated to this due to the direct interaction between the buyer and seller where the projects are onsite.

Resource Efficiency and Pollution Prevention

Our business, by its nature, incorporates an efficient use of resources and pollution prevention. Energy generation from renewable and green sources have significantly smaller footprints compared to their fossil fuel competitors. Our assets are a combination of solar and biomass and we are aware of the difference in footprint between the two. Hence, our focus is solar while we also utilize biomass in areas where it can generally benefit the local economy.

For the selection of land, we prefer precleared land and focus on revitalizing the unused plot. This aids in the creation of economic value along with the generation of renewable energy. This goes hand in hand with local community and landowner engagement.

Due to the nature of our projects, applicable laws and regulations help us and our contractors to prevent pollution. Applicable laws and regulations generally cover wastewater, air pollution, industrial health and safety, hazardous substances, and noise, among others. For the lifecycle stages for solar and biomass within our control, we have contracts in place with developers highlighting the pollution prevention measures in place throughout project development and operation.

Biodiversity Conservation and Ecosystem Services

Our ongoing projects currently comprise rooftop solar, ground mounted solar and biomass. Biodiversity considerations are important for the ground mounted solar and biomass portion of our projects. Our small-scale projects are generally on precleared land which already is determined to have a low ecological value. Some of our assets may have a negative impact on biodiversity: solar projects located near forests, and all our development stage biomass plants. Our biodiversity and ecological considerations are not as advanced as our climate-related considerations, as we continue to grow, we hope to develop this further.

In Japan, an Environment Impact Analysis (EIA) is required for sizeable projects. An EIA includes the consideration of biodiversity and conservation. The construction for our projects is done carefully to minimize the loss of ecosystems, and in areas prone to landslides, the construction and maintenance of landslide prevention benefits local area.

Wherever possible, we partner with locals to assist with ecological benefits. The image on the left is from one of our assets in Japan where grass has been planted to reduce landslide risk. As shown in the image on the right, our developers periodically clear the drainage channel in areas surrounding an asset to avoid runoff of soil and other pollutants into a nearby fishery.



METRICS AND TARGETS

Sustainability Targets

In line with our ambition for decarbonization, we have set company- and portfolio-level net zero targets. Achieving net zero well before 2050 would be the most suitable, which requires collective action on a global level. With the current extent of sustainability measures being implemented and the global push for a low carbon economy, we are excited to collaborate with stakeholders and reduce our emissions.

Company Level:

- Reach 100% net zero emissions for Scope 2 by 2025 as compared to 2022 baseline.
- Reach 100% net zero emissions for Scope 3 by 2050 as compared to 2022 baseline.

Portfolio Level

- Continue to maintain 100% net zero aligned AUM in our portfolio.
- Continue to maintain 100% of AUM allocation to climate solutions.

GHG Emissions Data and Methodology

It is imperative that we monitor changes to the below metrics and improve our emissions to reach the targets shown above. As such, we will be monitoring our company-level Scope 1, 2, and material Scope 3 emissions, along with portfolio Scope 1, 2, and 3 emissions.

On a company-level, our Scope 1 and 2 emissions are limited to the office spaces we operate from. Our material Scope 3 emissions consist of Purchased Goods and Services, Business Travel, Employee Commute, and Financed Emissions. We have followed the Greenhouse Gas Protocol's methodologies under the financial control approach for the data provided in this report.

As for our portfolio emissions data, we have expanded on our company-level Scope 3 Investments category by asset type. The majority of our assets are solar PV, and we have some biomass assets under development and BESS assets in the early stages. As such, our data covers solar PV and biomass where we have reported Scope 1, 2, and 3 (where possible).

With the anticipation of better data quality in the future, we hope to reassess emissions annually and reset our base year, when necessary.

Company-Level Emissions in 2022

GHG EMISSION SOURCES	EMISSIONS
SCOPE 1¹	-
SCOPE 2²	7.28 tCO ₂ e
PURCHASED ELECTRICITY²	7.28 tCO ₂ e
MATERIAL SCOPE 3	103.10 tCO ₂ e
PURCHASED GOODS AND SERVICES³	33.87 tCO ₂ e
FUEL- AND ENERGY-RELATED ACTIVITIES⁴	1.46 tCO ₂ e
BUSINESS TRAVEL⁵	58.47 tCO ₂ e
EMPLOYEE COMMUTE⁶	2.80 tCO ₂ e
FINANCED EMISSIONS – ABSOLUTE⁷	3.21 tCO ₂ e
TOTAL EMISSIONS	110.38 tCO ₂ e
FINANCED EMISSIONS – INTENSITY⁷	0.50 tCO ₂ e/\$M revenue

Notes:

1 Brawn Capital does not have material Scope 1 emissions for the year 2022.

2 Our Scope 2 emissions consist purely of the office spaces utilized by the Brawn Capital team; the emissions are location-based and are calculated using data from utility bills and emission factors sourced from the utility provider or national grid emission factors from government sources. Our market-based emissions are the same as location-based emissions as we currently do not have contractual instruments and are facing a lack of data availability for residual energy mix.

3 Our current estimations for Purchased Goods and Services emissions are from post and telecommunications, food and beverages, electrical and optical equipment. Emissions were derived from Quantis using a spent-based method.

4 Fuel- and Energy-Related Activities have been derived from Quantis by inputting our Scope 2 emissions.

5 Business Travel includes Flights, Taxi, Hotels, and Trains. Flight and Train emissions are calculated with a distance-based approach, incorporating a spent-based approach where origin and destination are unknown. Flight emissions also account for radiative forcing. Hotel and Taxi emissions are derived from Quantis using a spent-based approach.

6 Employee Commute is derived from a distance-based approach via survey of current employees. Averages are used where survey is not applicable.

7 Financed Emissions for Asset Managers (managed investments and client services) is optional for reporting under the GHG Protocol's guidance. Our reported emissions comprise Scope 1 and 2 emissions from our operational solar assets in the year 2022. Emissions have been provided only for assets which are operational due to lack of methodology and data availability for pre-operational stage assets. Our biomass assets are currently under development.

Exclusions:

The total emissions from Purchased Goods and Services have not been provided. Waste generated in operations has been excluded due to lack of data availability. We hope to improve on these areas in the coming years.

All other Scope 3 categories are not applicable to Brawn Capital.

Portfolio Emissions in 2022

ASSET TYPE	STAGE	CAPACITY	EMISSIONS (tCO ₂ e)			
			SCOPE 1	SCOPE 2	SCOPE 3	TOTAL
SOLAR PV	Operational	43 MW	3.21	0	20779.21	20782.42
	Development	135 MW	0	0	-	0
BIOMASS	Development	34 MW	0	0	-	0

Notes:

All emissions are in tCO₂e and were calculated using PCAF emission factors and the Project Finance methodology since it is the most applicable to infrastructure private equity with known use of proceeds. This data would fall under data score of 4.

Our development stage assets do not have material Scope 1 and 2 emissions in 2022.

Scope 3 Emissions have been provided only for assets which are operational due to lack of methodology and data availability for pre-operational assets. Our biomass assets are currently under development.

Portfolio Avoided Emissions

ASSET TYPE	CAPACITY	AVOIDED EMISSIONS (tCO ₂ e)
SOLAR PV	43 MW	24,417.74

Notes:

The above avoided emissions for 2022 have been calculated using grid emission factors of the respective countries each of our assets are located in.

Financial Metrics for Scope 3

Our focus as an asset manager is to increase investments in renewable energy projects, hence we see the importance in tracking financial data related to AUM in the long run to monitor our progress towards our portfolio targets. As per our use of the Paris Aligned Investors Initiative (PAII)'s Net Zero Investment Framework and the Net Zero Asset Managers Initiative, tracking our financial metrics that represent the increased development into renewables is important. Our 2022 baseline data is available below:

PORTFOLIO METRICS	
CURRENT AUM	USD 146m+
2030 PROJECTED AUM	USD 3bn+
CAPITAL DEPLOYMENT TO DATE	USD 180 million +

Notes:

The above metrics represent Brawn Capital as a whole and do not represent any specific fund or portfolio managed by Brawn Capital. The above metrics are round numbers and represent an overview as of the date of this report. These metrics are provided solely to monitor our portfolios' progress with respect to the PAII initiative and are not intended to form an offer to buy or sell or to be a solicitation of any offer to buy or sell any security or to enter into any transaction.

V. SOCIAL

As the majority of our assets are smaller projects within rural communities, we consider the social impact of our activities seriously. We work with our developers and contractors to ensure that our assets do not impose or negatively affect the communities and nearby facilities. Overall, small scale renewable energy projects are beneficial to rural areas as they provide clean energy to the area along with stable source of income for locals. The construction and operation of these projects must be done in a manner that is safe and beneficial for all parties involved. Refer to our ESG Policy on our website for more information on this matter.

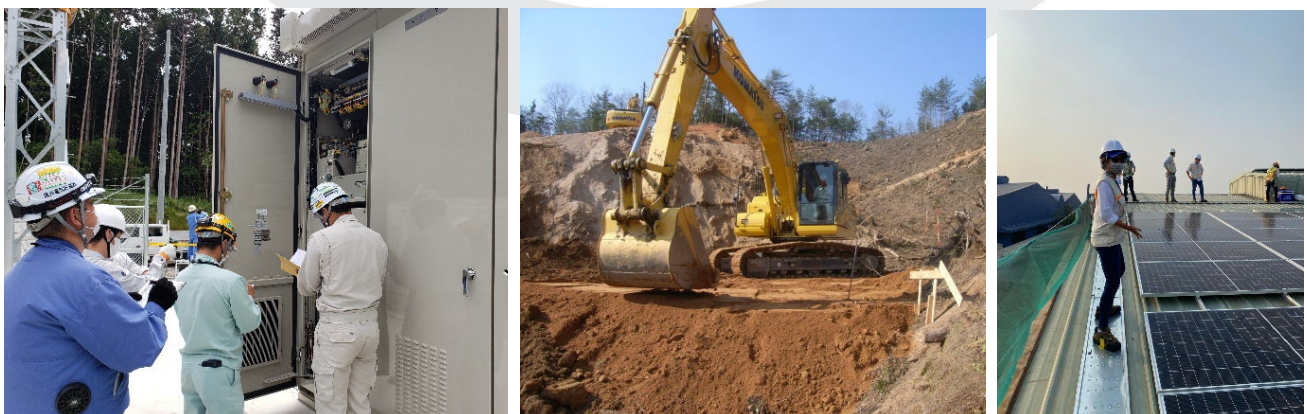
External Stakeholder Engagement

One of our competitive advantages is that we are able to focus our projects in rural communities where our projects generate a more positive social impact. Operating on smaller projects in these remote areas allows for the creation of jobs where opportunities are generally limited. Brawn Capital and our developers and contractors are experienced in building strong relationships with the community. We emphasize engagement as a key area of training for all staff. We focus on ongoing dialogue with the local communities and educating them about the project early on in the process to address any concerns in town hall meetings or other engagement formats in line with local regulations. In the event of continuous opposition, the project will be considered not feasible. Our care for the community and its opinion is one way for us to mitigate reputational risk, as the goal of every project should be a win-win situation for us, our Investors, and the community.

Labor and Working Conditions

Brawn Capital and our affiliates adhere to labor and employment laws in the countries in which we and our assets are located. Worker safety and the provision of decent and non-discriminatory working conditions are requirements that we consider non-negotiable. Safety in particular is during our thorough due-diligence processes prior to project approval. We strive to adhere to best practices with respect to working conditions. Refer to our policy on human rights and modern slavery on our website for more information.

Japan, where many our assets are located, has strict employment laws and rules. Our development partner in Japan has been certified by Perry Johnson Registrars to meet the ISO 9001 quality management system standard. As our main counterparty currently, they consistently apply risk-based management for all their related stakeholders as well. Risk-based management includes the meeting of regulatory and customer requirements by their construction workers and ensuring resource efficiency in the construction process. We have processes in place to make certain that all employees have an awareness of our objectives, policies, and procedures via documentation and training.



Community Health, Safety, and Security

Community health, safety, and security are important standards that we want and need to uphold to the fullest extent. Upholding these standards allows us to maintain our social license to operate. Occupational health and safety (OHS) guidelines are used by ourselves and our partners to ensure worker and community safety throughout a project's lifetime. There are various safety issues that must be considered in the development, construction, and operation stages of our projects; hence, employees are provided mandatory safety gear on site and have compulsory training. We follow local safety guidelines in operations as well as waste handling. Our assets are managed in cooperation with authorized entities capable of providing technical guidance for questions related to construction planning, allowing us to develop trust and transparency with the local community. Consequently, we are able to continuously acquire and work on these rare investment opportunities, which are the local-oriented hidden assets with limited access.

Indigenous People and Cultural Heritage

As part of our due diligence process for approval, development permits and site conditions are crucial elements. Investment decisions are made only after confirmation of local government licenses for the plot and energy infrastructure. Confirmations on the use of the land includes the protection of cultural heritage. During the permitting stage, we ensure that the site is checked for artifacts and if a cultural artifact is discovered after the commencement of construction, the project is paused for an archeological study of the artifact. The project only resumes after approval from the local authorities. As part of the consideration of our project sites, we assess any risks related to indigenous communities. If we foresee conflicts that may arise and/or long-term negative impact on these unique communities, we avoid utilizing the site.

Supporting and Upskilling Local Communities

For a portion of our assets in Japan, we work with local communities and upskill the workers to manage the daily operations. As our assets are in relatively rural areas, recruiting and upskilling individuals from the local community is crucial. This synergy allows us to bring greater value to different stakeholders, through potential returns for investors and job opportunity generation for the community. The development of local renewable energy and its associated low ecological footprint allows us to maintain a pollution-free environment while also providing a reliable power supply. In the case of our biomass assets, this creates circular economy opportunities for the local community to maintain the health of their forests in a profitable way.

