

Carbon Reduction Plan

Supplier name: Sustainable Development Capital LLP (“SDCL” or “the Investment Manager”)

Date: 24 June 2021

Commitment to achieving Net Zero

SDCL is committed to achieving Net Zero emissions by 2050.

Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

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| Baseline Year: 2020 April 1 – 2021 March 31 | |
| Additional Details relating to the Baseline Emissions calculations. | |
| 2020/2021 is the baseline for SDCL’s reporting of its own emissions. This Carbon Reduction Plan specifically applies to SDCL’s Scope 1 and 2 emissions, in addition to the defined subset of the Investment Manager’s Scope 3 emissions as set by the CRP’s Technical Standard and Guidance. SDCL itself has publicly committed to reach net-zero through the Glasgow Financial Alliance for Net-Zero, the Net Zero Asset Managers Initiative, and through its Carbon Reduction Plan outlined below. | |
| Baseline year emissions: | |
| EMISSIONS | TOTAL (tCO₂e) 14.85 tCO₂e |
| Scope 1 | Negligible |

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| | <p>Explanation: SDCL does not own any facilities or vehicles itself and has no direct GHG emissions.</p> |
| <p>Scope 2</p> | <p>14 tCO₂e</p> <p><i>Explanation:</i></p> <ul style="list-style-type: none"> - SDCL's London office is predominantly run off renewable energy. - SDCL's NYC office has zero associated emissions as it runs 100% off renewable wind energy. - SDCL's Dublin office procures green electricity and consumes a small amount of natural gas for space heating. - SDCL's Singapore and Hong Kong offices are very small (one person) and generates negligible Scope 2 emissions. - Due to COVID-19 lockdowns, significant portions of the staff worked from home using desktops and laptops.¹ SDCL calculated the associated emissions (above) from working from home using a laptop.² |
| <p>Scope 3 (Included Sources)</p> | <p>.85 tCO₂e</p> <p>Category 4: N/A</p> <p>Category 5: N/A</p> <p>Category 6: .85 tCO₂e</p> <p><i>Explanation:</i></p> <ul style="list-style-type: none"> - This number is relatively low due to the COVID-19 pandemic. SDCL expects a significantly higher number in the current reporting period due to resumed travel. <p>Category 7: Negligible</p> <p><i>Explanation:</i></p> |

¹ The emissions above are based on the electricity usage of a laptop for a full year and then calculated using the average emissions per kWh of electricity in the countries of which those employees were working. (source: <https://escholarship.org/uc/item/5k12d7q0>)

² The calculation conservatively assumes that the employee worked from home the entire year and that all the electricity in a country has the same carbon intensity, thus these emissions are probably an overestimation.

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| | <ul style="list-style-type: none"> - For much of COVID-19, despite a limited amount of business travel, employees worked from home. - Further, considering the majority of SDCL’s employees work out of the London office and use public transportation, the associated emissions are relatively low. - For example, if every employee that works in the London office used the tube 250 days to go to work and go home, the associated carbon emissions would be about .66 tCO₂e.³ <p>Category 9: N/A</p> |
| Total Emissions | 14.85 tCO₂e |

Current Emissions Reporting

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|--|---|
| Reporting Year: 2020 April 1 – 2021 March 31 | |
| EMISSIONS | TOTAL (tCO₂e) 14.85 tCO₂e |
| Scope 1 | Negligible Explanation: SDCL does not own any facilities or vehicles itself and has no direct GHG emissions. |
| Scope 2 | 14 tCO₂e <i>Explanation:</i> <ul style="list-style-type: none"> - SDCL’s London office is predominantly run off renewable energy - SDCL’s NYC office gets 100% of its energy from renewable wind (note: Empire State Reality Trust, building owner, buys wind energy through a PPA) - SDCL’s Dublin office procures green electricity and consumes a small amount of natural gas for space heating. |

³ Source: <https://tfl.gov.uk/corporate/transparency/freedom-of-information/foi-request-detail?referenceId=FOI-0354-2021>

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| | <ul style="list-style-type: none"> - SDCL’s Singapore and Hong Kong offices are very small (one person) and generates negligible Scope 2 emissions - Due to COVID-19 lockdowns, significant portions of the staff worked from home using desktops and laptops.⁴ SDCL calculated the associated emissions (above) from working from home using a laptop.⁵ |
| <p>Scope 3 (Included Sources)</p> | <p>.85 tCO2e</p> <p>Category 4: N/A</p> <p>Category 5: N/A</p> <p>Category 6: .85 tCO2e</p> <p><i>Explanation:</i></p> <ul style="list-style-type: none"> - This number is relatively low due to the COVID-19 pandemic. We expect a significantly higher number in the current reporting period due to resumed travel. <p>Category 7: Negligible</p> <p><i>Explanation:</i></p> <ul style="list-style-type: none"> - For much of COVID-19, despite a limited amount of business travel, employees worked from home. - Further, considering the majority of our employees work out of the London office and use public transportation, the associated emissions are relatively low. - For example, if every employee that works in our London office used the tube 250 days to go to work and go home, the associated carbon emissions would be about .66 TCO2e.⁶ <p>Category 9: N/A</p> |

⁴ The emissions above are based on the electricity usage of a laptop for a full year and then calculated using the average emissions per kWh of electricity in the countries of which those employees were working. (source: <https://escholarship.org/uc/item/5k12d7q0>)

⁵ The calculation conservatively assumes that the employee worked from home the entire year and that all the electricity in a country has the same carbon intensity, thus these emissions are probably an overestimation.

⁶ Source: <https://tfl.gov.uk/corporate/transparency/freedom-of-information/foi-request-detail?referenceId=FOI-0354-2021>

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| Total Emissions | 14.85 tCO2e |
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Emissions reduction targets

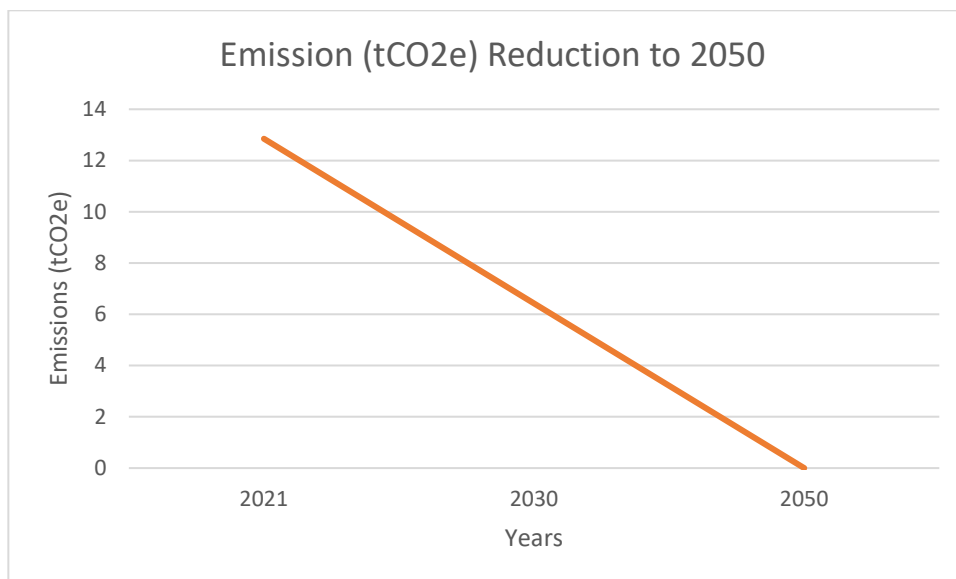
In order to continue our progress to achieving Net Zero, we have adopted the following carbon reduction targets.

We project that SDCL’s carbon emissions will decrease over the next five years to 8 tCO2e by 2026. This is a reduction of 46%.

***Note: We expect increases in carbon emissions for the current period due to resumed travel post Covid.**

Progress against these targets can be seen in the graph below:

***Note: As this is the first period for which we have a CRP, the below graph demonstrates our estimated reduction and not progress against our targets.**



Carbon Reduction Projects

Completed Carbon Reduction Initiatives

All of SDCL’s operations serve as carbon reduction projects due to the SDCL’s overall focus on energy efficient investments in accordance with its primary investment objective of

substantially contributing to climate change mitigation. Some of the key carbon reduction initiatives implemented by SDCL include:

- Implementing and operating energy saving projects owned and operated by the funds SDCL manages which together deliver GHG reductions in excess of 650,000 tCO₂e per annum.
- Signing onto the Glasgow Financial Alliance for Net Zero and the Net Zero Asset Managers Initiative including a commitment to net zero by 2050
- Becoming a signatory to UNPRI
- Development of bespoke ESG monitoring systems to assess environmental impact across all SDCL's portfolio companies under management
- Adopting the TCFD guidelines on climate-related reporting including climate-related risk analysis under a range of IPCC scenarios
- Implementing a monitoring process for business-related travel across all Group offices

Other climate mitigation initiatives currently under development include:

- Introducing specific measurements to abate business-related travel
- Aligning SDCL's business operations with the IEA's Net-Zero Scenario
- Gaining SBTi validation of SDCL's funds' Net Zero strategies

Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard⁷ and uses the appropriate Government emission conversion factors for greenhouse gas company reporting⁸.

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard⁹.

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

⁷<https://ghgprotocol.org/corporate-standard>

⁸<https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

⁹<https://ghgprotocol.org/standards/scope-3-standard>



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Signed on behalf of the Supplier:

A handwritten signature in black ink, appearing to be "J. Smith", is written above a horizontal dotted line.

Date: 16 May 2022