Responsible Investment Policy

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V2.0	30 June 2023	Annual review of ESG Policy. A full revision of Policy.
V2.5	20 June 2024	Annual review of ESG Policy. Renaming to Responsible Investment Policy with removal of the Purpose, Mission and Vision. Insertion of Responsible Investment Principles and adjustment to the timing of the ESG Screening Tool completion in relation to the TPAF. Change the name of the ESG Team/Committee to the Sustainability Team/Committee.

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1. Introduction

1.1 Background

DIF Management B.V. ("DIF" or the **"**Manager") is an independent private markets fund manager currently controlling over €18 billion of investments through its investment funds (the "Funds"). DIF follows a unique set of private markets strategies in infrastructure equity, focusing on developing highly diversified portfolios across a broad spectrum of projects and companies in Europe, the Americas and Australasia.

This Responsible Investment Policy (the "Policy") applies to both DIF as a Manager, the Funds it manages (in general multi-year closed-end funds) and the financial investments in companies made by the Funds, i.e. 100% of the Assets Under Management ("AUM" or the **"**Funds' Investments"). This Policy, formerly called the ESG Policy, contains DIF's commitment to responsible investment through the integration of sustainability factors into all steps of the Funds' Investment Cycle ("Investment Cycle"), as well as aspects of DIF's approach as an asset manager. The updated name of the policy more accurately reflects the purpose of the policy, the term ESG referring to non-financial factors that investment may consider and "Responsible Investment" meaning the investment approach that considers such factors.

1.2 Objectives

DIF is committed to being a responsible investor and has been a signatory to the United Nations Principles of Responsible Investment ("UNPRI") since 2011. Responsible investment involves considering certain environmental, social and governance ("ESG") issues[1] when making investment decisions, to optimise risk-adjusted returns. It complements traditional financial analysis and portfolio construction techniques and is based on the belief that ESG issues can affect the risk and return of investments. Integrating consideration of ESG issues, or "factors", involves seeking out ESG information, assessing the materiality of that information, and integrating information judged to be material into investment analysis and decision-making. Responsible investment contributes to the ability of the manager to optimise risk-adjusted returns.

As part of being a responsible investor, DIF has committed to the goal of Net Zero greenhouse gas emissions by 2050, or sooner, in line with global efforts on climate change, and the Net Zero commitments of many of our LPs. DIF is a signatory to the Net Zero Asset Managers ("NZAM") initiative.

The objectives of this policy are to set out how we intend to implement our commitment to the United Nations Six Principles of Responsible Investment ("Principles") which are:

Principle 1:	We will incorporate ESG issues into investment analysis and decision-making processes.
Principle 2:	We will be active owners and incorporate ESG issues into our ownership policies and practices.
Principle 3:	We will seek appropriate disclosure on ESG issues by the entities in which we invest.
Principle 4:	We will promote acceptance and implementation of the Principles within the investment industry.
Principle 5:	We will work together to enhance our effectiveness in implementing the Principles.
Principle 6:	We will each report on our activities and progress towards implementing the Principles.

1.3 Legal/regulatory framework

In developing this policy, DIF has taken into account current international regulations, standards and guidelines and will take into account relevant future (international) regulations, standards and guidelines such as:

- Corporate Sustainability Reporting Directive ("CSRD")
- EU Taxonomy Regulation

[1] The UNPRI guidance states that environmental issues relate to the quality and functioning of the natural environment and natural systems. Social issues relate to the rights, well-being and interests of people and communities, such as human rights, labour standards in the supply chain, child, slave and bonded labour, workplace health and safety, freedom of association and freedom of expression, human capital management and employee relations, diversity, relations with local communities, activities in conflict zones, health and access to medicine, HIV/AIDS, consumer protection, and controversial weapons. Governance issues relate to the governance of companies and other investee entities. In the listed equity context these include: board structure, size, diversity, skills and independence, executive pay, shareholder rights, stakeholder interaction, disclosure of information, business ethics, bribery and corruption, internal controls and risk management, and, in general, issues dealing with the relationship between a company's management, its board, its shareholders and its other stakeholders. This category may also include matters of business strategy, encompassing both the implications of business strategy for environmental and social issues and how the strategy will be implemented. In the unlisted asset classes, governance issues also include matters of fund governance, such as the powers of Advisory Committees, valuation issues, fee structures, etc. (Source: maindefinitionstoprireportingframework_127272_949397.pdf through unpri.org). In addition, the CFA defines an "ESG factor" as "any qualitative or quantitative information pertaining to environmental, social, or governance topics." (Source: Definitions for Responsible Investment Approaches through gsi-alliance.org).

- Equator Principles
- Net Zero Asset Managers (“NZAM”) initiative
- Organisation for Economic Co-operation and Development (“OECD”) Guidelines for Multinational Enterprises on Responsible Business Conduct
- Principles for Responsible Investment (“PRI”)
- Sustainable Development Goals (“SDG”)
- Sustainable Finance Disclosure Regulation (“SFDR”)
- Task Force on Climate-Related Financial Disclosures (“TCFD”)
- UN Global Compact

Reference is also made to other DIF policies and manuals in which ESG elements are taken into account, such as its:

- Code of Conduct
- Risk Management Policy
- GDPR Privacy Policies
- IT and Information Security Policy
- Remuneration Policy
- Conflict of Interest and Allocation Policy

2. Overall approach to Responsible Investment

We believe that as a global fund manager, we have a responsibility to take into account material[2] sustainability factors[3] in our investment decisions. DIF actively manages the investments owned by the Funds, addressing sustainability factors by directly engaging with the investments. It also participates in industry-level sustainability policy and regulatory advocacy. This translates into transparency in our approach to managing sustainability factors, annual sustainability reporting, and contributing to internal and external sustainability initiatives and events.

By embracing responsibility as a core value, DIF goes beyond compliance and actively seeks to create positive and sustainable change. DIF recognises that addressing sustainability factors is a moral imperative and strategic business opportunity.

2.1 Responsibility at DIF

Responsibility is a core value for DIF, covering every aspect of its operations and influencing its approach to managing sustainability factors in DIF's and the DIF Funds' business operations. DIF understands that being responsible means taking ownership of the impact of DIF's business operations on the environment, society and stakeholders. As an infrastructure fund manager, the following Environmental, Social and Governance factors[4] have been identified as relevant to our investments.

Environmental factors

DIF is actively supporting renewable energy, energy efficiency, and pollution reduction while improving the resilience of the Funds' Investments to the risk of natural hazards. Consideration of the risk and impacts to and of the Funds' Investments' on biodiversity and natural ecosystems, whilst aiming to improve performance is an integral part of DIF's post-investment engagement with the Funds' Investments.

Recognising the urgency of addressing climate change, DIF has committed itself to be a Net Zero Asset Manager by 2050 or sooner and is a signatory to the Net Zero Asset Managers ("NZAM") initiative. As a signatory to the NZAM, DIF has adopted the Net Zero Investment Framework ("NZIF"), which provides a set of indicators that can be used to classify and track the level of alignment of investments to Net Zero. Following the NZIF, DIF set the following interim targets to becoming Net Zero:

- 70% of the DIF Funds' AUM aligning with Net Zero by 2030; and
- 100% of the DIF Funds' AUM aligned with Net Zero by 2040.

DIF's commitment drives our actions, compelling DIF to seek opportunities and collaborate with the Funds' Investments and stakeholders to achieve its goals.

Social factors

DIF aims to ensure that the Funds' Investments are safe and that employees of both DIF and the Funds' Investments go home safely. DIF engages proactively with the employees of both DIF and the Funds' Investments and local communities to ensure all will positively impact health, safety and wellness.

Other important social topics include human rights, forced child labour, bribery and corruption. DIF is committed to preventing modern slavery and human trafficking in its businesses and supply chains and publishes a Modern Slavery Statement. Additional consideration is given to potential human rights and child labour issues during the pre-investment due diligence process whenever the business is located in a country with poor human rights records. The performance of Funds' Investments on these topics is tracked by monitoring compliance with the internationally recognised UN Global Compact and OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

Governance factors

DIF aims to safeguard the Funds' Investments by ensuring they are well managed to benefit all stakeholders (investors, the Funds' Investments, employees, suppliers and communities). DIF expects all its Funds' Investments to maintain a governance framework that ensures sound management structures, employee relations, remuneration of staff and tax compliance, and compliance with laws, regulations, and industry best practices.

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[2] Materiality refers to whether a consideration is of real importance or great consequence. Industry states that "Materiality is contextual; that is, the materiality of ESG factors depends on the investor's objectives and time horizon and the specifics of the investment. Materiality is also dynamic: The materiality of a specific ESG factor may change over time." (Source: Definitions for Responsible Investment Approaches through gsi-alliance.org)

[3] Sustainability factors in the context of this policy do not mean the comprehensive list of the principal adverse impacts (PAIs) to sustainability factors. Rather, "sustainability factors" mean environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters, as per EU regulation (EU) 2019/2088.

[4] DIF uses "sustainability factor' and 'ESG factor' interchangeably.

In recognition of the increasing importance of cybersecurity in today's digital landscape, DIF has implemented an IT and Information Security policy within its operations, protecting sensitive data, safeguarding investors' privacy, and mitigating the risks associated with cyber threats. DIF has incorporated a cybersecurity questionnaire into the due diligence process for the Funds' Investments. Post-investment, the Value Creation teams use a detailed questionnaire within the DIF Cybersecurity Risk Framework to track and manage cyber risk across its Funds' Investments.

2.2 Responsible Investment Implementation Framework – Synchronised with Investment Cycle

Good management of sustainability-related risks and opportunities is vital in each stage of the Investment Cycle. The teams responsible for part of DIF's operations are supported by tools that provide specific guidance to address the defined sustainability factors.

2.2.1 ESG Integration in the Investment Cycle

Fundraising

DIF commits to act in accordance with, its Responsible Investment Policy and Fund-specific responsible investment requirements. The Manager identifies multiple relevant environmental and social characteristics that align with new Funds' objectives, that the funds will report on. This approach ensures that each Fund prioritises financial returns while contributing to sustainable development and positive societal impact, in line with the Fund's strategy.

The Funds are prohibited from investing in projects or companies whose business activity is included in the Exclusion List as specified in the respective Fund's members agreement (known as the "Fund Mandate"). For example, Fund Exclusion Lists may list sectors such as nuclear or coal.

Pre-investment

Sustainability factors are incorporated during the design stage for new fund strategies. For example, DIF Funds typically exclude investments in countries and regions with high bribery and corruption risks, thereby minimising the exposure of the Funds' investments to fraud and reputational risks. Our ongoing interactions with the investor community inform us about the relevance of certain sustainability preferences and priorities during the Fund design process.

As a diversified infrastructure fund manager, DIF looks for investment opportunities within infrastructure sectors and jurisdictions that match the risk-return profiles of the strategy of each fund. Once a target sector is identified, internal or industry experts will be assigned to undertake market analysis. The market analysis includes an assessment of the sustainability factors for the sector and may include sector scenario analysis under several climate or energy transition scenarios. This means consideration of sustainability factors are fundamentally embedded into the origination process, before the identification of a specific investment target.

Once specific investment opportunities are identified, sustainability factors are considered part of the origination process to identify both risks or opportunities for value creation through DIF's value creation process.

DIF applies its ESG Screening Tool for each potential investment during origination. The ESG Screening Tool aims to identify material sustainability-related risks and opportunities and confirm that potential investments comply with the Fund's exclusion policy. For all funds classified from a regulatory perspective as Article 8 Funds, an analysis of "Intrinsic Benefits"[5] is performed via the DIF Intrinsic Benefits Tool ("IBT"). The IBT assesses to what extent Fund-selected SDGs are promoted. Once an opportunity passes the Transaction Pre-Approval Form ("TPAF") stage, the investment team allocates resources to perform due diligence on material topics and presents the due diligence results in the investment proposal, which is prepared for the Investment Committee.

The ESG Screening Tool requires identifying potential climate-related risks and opportunities. For this purpose, DIF has developed a Climate Risk Tool ("CRT"). The CRT is an interactive tool in which climate-related risks (physical and transition) are identified based on inputs provided by investment teams. This determines an overall risk classification and flags specific climate-related risks for which additional due diligence must be performed, if applicable.

Investment teams may rely on the Sustainability Team's expertise and external support to identify sustainability risks and value creation opportunities during the due diligence stage where needed. The Sustainability Committee must discuss investment

[5] Intrinsic Benefits are a summation of both the positive and negative impacts on the impact radar of the United Nations Environment Program Finance Initiative holistic impact analysis tool

opportunities that have low Intrinsic Benefits according to the IBT, and their decision on whether to proceed with the investment is binding.

In addition to identifying sustainability-related risks, identifying sustainability-related value creation levers is a crucial step of the 100-day value creation plan as part of DIF's general value creation process. The scope of due diligence is defined to encompass an assessment of these identified levers. The due diligence process focuses on aligning the value creation levers, ensuring that the evaluation covers the quantification, prioritisation and sequencing of these levers. This approach enables a comprehensive understanding of the potential ESG value creation opportunities associated with the investment, facilitating informed decision-making and the integration of sustainability considerations into the investment strategy.

Post-investment

If material sustainability factors are identified during the due diligence part of the investment cycle, they are incorporated into the 100-day and value creation plans. Depending on their relevance, DIF can typically ensure these material sustainability factors are integrated into strategic initiatives and operational goals. This approach enables a comprehensive understanding of the potential impact and risks associated with sustainability factors. This then facilitates the development of targeted actions and value creation strategies that align with sustainability objectives.

DIF integrates ESG considerations within the period of ownership for each Fund's investment through:

1. ESG Path: a programme that annually evaluates the current ESG performance of each Funds' Investments of and engages with them on a plan to improve ESG performance over time.
2. Sustainability integration into Value Creation Plans
3. Addressing identified sustainability factors in 100-day plans
4. Engagement on specific topics, for example, Net Zero
5. Board oversight of sustainability performance via the DIF representatives on the boards of the investee companies

ESG Path includes a comprehensive survey of qualitative and quantitative key performance indicators ("KPIs") for the investments, such as greenhouse gas ("GHG") emissions, energy consumption and Health & Safety statistics. Additionally, as part of DIF's ESG Path, the Funds' Investments define action plans for improving their ESG performance. The DIF representatives that sit on the boards of the Funds' Investments have a responsibility to raise sustainability topics on the board agendas, including the actions defined in the action plan, and play a direct role in influencing the sustainability trajectory of that investment.

Through DIF's ESG Path, DIF supports the integration of ESG within each Fund's Investment. Specific examples include:

1. Measurement of GHG emissions: DIF provides investments with tooling and templates
2. Best practice sharing: DIF collects best practices identified during the ESG Path and shares them with DIF Asset Managers and investments
3. Cyber Security: DIF offers support for developing the topic of cybersecurity into a policy

Divestments

DIF believes strong sustainability performance contributes to the Funds' Investments' overall (financial) performance. In addition to reducing the risk of stranded investments (risk that an investment may not achieve its expected value due to the progression of the energy transition), we believe that our active engagement with the Funds' Investments in areas such as safety, environment and local communities are also factors that contribute to long-term (financial) performance as well.

The Divestment Team provides potential buyers with relevant information on an asset's ESG performance by including results from DIF's ESG Path and Net Zero Programmes in the data room. This includes providing a dedicated ESG section in the Investment Memorandum and covering ESG as part of the vendor due diligence performed.

Reporting

DIF communicates ESG-related information through its website, in Fund reports and during formal meetings and events. ESG reporting consists of an annual sustainability report, fund-level annual ESG reporting and an ESG section in the fund-level quarterly report. Additionally, DIF provides reporting according to relevant standards that support investors in meeting their regulatory requirements.

DIF aims to disclose the activities and analysis it undertakes about climate-related risks and opportunities in line with TCFD recommendations for disclosure of climate-related risks and opportunities.

DIF will publish this Policy on its website and report annually to UNPRI, reflecting its commitment to the six principles of UNPRI.

2.2.2 DIF ESG Integration Tools

DIF has developed an extensive range of proprietary tools for ESG integration throughout the Investment Cycle. More information is covered below:

Intrinsic Benefits Tool

Currently, the IBT applies to DIF's Article 8 (SFDR) Funds. This tool captures the needs that underpin SDGs selected by the individual Funds while offering a basis against which indicators can be used to frame and measure financial contributions to sustainable development. This allows DIF to measure the holistic or intrinsic contribution of potential infrastructure investments of the Funds.

DIF's IBT identifies impacts mapped against the SDGs and applies an impact analysis across different sectors using the IFC's EHS Guidelines & UNEP FI's Risk Briefings. The 22 impact areas considered cover three types of benefits: Economic (prosperity), Social (people) and Environment (planet) and link impact areas back to the selected SDGs. The IBT results in a score per potential investment, which determines specific Key Performance Indicators (KPI)s related to that SDG that will be tracked during the lifetime of the investment (see DIF's ESG Path below). All low-scoring investment opportunities are referred to the ESG Committee to weigh the opportunity's overall net economic, societal and environmental benefit. The IBT identifies mandatory reporting requirements during the investment period.

Climate Risk Tools

DIF adopted the CRT to assess the Funds' Investments' climate risk exposure. The CRT is built on the ClimateWise framework, released in 2019. The CRT was based on the latest available scenarios and data on Transition and Physical risk. The respective methodology for both climate-related risk categories is discussed below. We may update or change our climate risk tooling over time, to keep current with industry best practices.

Physical Risk: The DIF CRT measures physical risk by analysing climate change-induced natural hazards in the sectors within DIF's Funds' investable universe. This analysis combines the location-based hazard exposure from climate change scenarios over time with sectors' specific vulnerability or sensitivity to these hazards. Hazard exposure data covers acute (floods, storms) and chronic risks (drought, erosion). The CRT uses a severe warming scenario (RCP 8.5[6]), and data available at various geographic levels. DIF developed Sector sensitivity data. Based on exposure and sensitivity, risk levels are determined for each investment, resulting in High, Medium, Low, or minimal physical risk classifications.

Transition Risk: Transition risk is assessed in the CRT by analysing the impact of low-carbon transition scenarios on the financial drivers of the sectors within DIF's Funds' investable universe. The CRT uses scenarios (the Nationally Determined Contribution scenario; a 2-degree scenario from the IEA's World Energy Outlook; the UNPRI's Inevitable Policy Response 1.5˚C Required Policy scenario) that provide a challenging stress test of how transition risks impact the financial value drivers of investments in specific sectors and regions. In the analysis, revenue is impacted by Market and Technology risks, and CapEx and OpEx by Policy and Legal risks[7]. These risks are measured on a 2030 and 2040 timescale. The CRT covers all sectors and regions in DIF's Funds' Investments. The transition risk assessment classifies investments as High transition risk, Medium transition risk, Low transition risk, Minimal transition risk, or a Transition Opportunity.

ESG Screening Tool

The objective of the ESG Screening Tool is to guide the investment team through formalised consideration of sustainability factors on new investment opportunities during the pre-investment phase.

DIF uses a three-step process to integrate ESG within pre-investment:

1. Potential investments are screened against pre-determined criteria: Fund-level exclusions, DIF's Net Zero goals, and an assessment of intrinsic benefits. Investment opportunities that may not comply with the Fund-level exclusions are referred to the Product Head for clarification. Investment opportunities that do not meet DIF's criteria for the potential to decarbonise in line with Net Zero by 2050 or our minimum threshold for intrinsic benefits are referred to the ESG Committee for discussion. The decision of the Sustainability Committee on whether to proceed is binding.

[6] RCP 8.5 or the Representative Concentration Pathway, is one of the climate scenarios and refers to the concentration of carbon that delivers global warming at an average of 8.5 watts per square meter across the planet, or 4.3 degrees Celsius by 2100.

[7] Note that Reputation risk is not explicitly covered in the transition risk approach, this is mainly due to a lack of distinct value drivers in low carbon transition scenarios which are not otherwise covered by Market risk

2. The investment team determines the scope for due diligence to be carried out between Transaction Pre-Approval and the discussion in the Investment Committee (“IC”). This is carried out using the DIF “ESG Screening Checklist”, which involves looking at a wide range of ESG topics at a high level to identify non-financial factors that have the potential to become financially material to the asset over the investment holding period.
3. Additional due diligence on medium to highly material ESG topics, as determined by the investment teams, is conducted for the opportunity. The due diligence results are presented in the investment proposal, which forms the basis for an investment recommendation made by the Fund’s IC. Any risk mitigations or value creation activities identified in the ESG due diligence are inserted into the asset’s 100-day and long-term Value Creation plans.

Topics within the ESG Screening Checklist include GHG emissions, biodiversity, water and waste management and exposure to land occupied by indigenous people. Additionally, for greenfield projects (i.e. with construction), the ESG Screening Checklist requires further insights into the risk of not obtaining construction permits due to ESG reasons or the performance of an Environmental and Social impact assessment. Specific sector or geographic sustainability factors are also highlighted in the ESG Screening Checklist.

Sustainability within the DIF Value Creation Toolkit

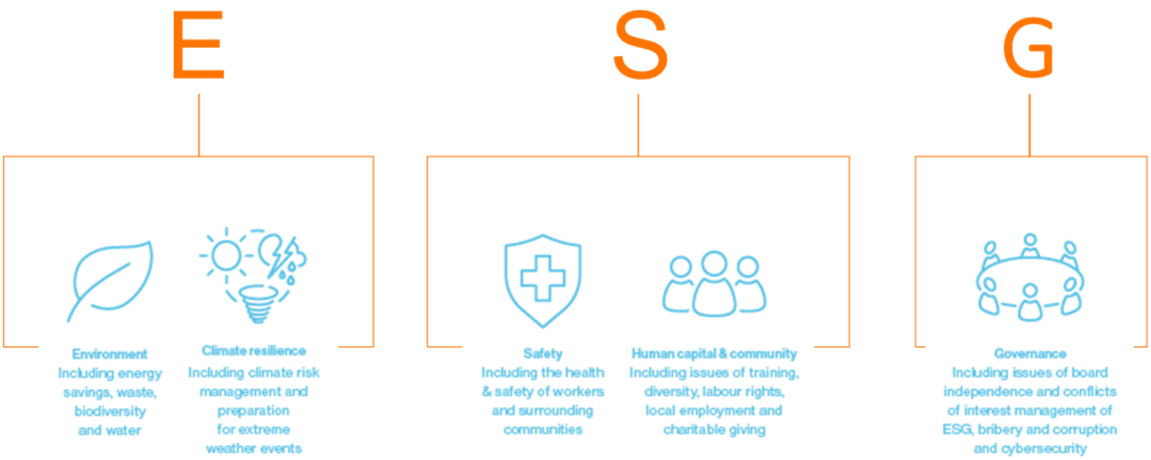
DIF’s Value Creation Toolkit (the “Toolkit”) provides a framework and common language to embed value creation into the DIF investment process across the lifecycle. In the Toolkit, sustainability is considered a universal lever to create value, and the investment team identifies how sustainability can drive value and mitigate risk.

The Toolkit describes three sustainability value creation levers:

1. Sustainability risk mitigation
2. Sustainability value drivers
3. Decarbonisation plan

DIF's ESG Path

DIF actively engages with the Funds' Investments post-investment to measure and drive improvement in their ESG performance. Although DIF recognises that different ESG Issues[8] may be material to different infrastructure investments, DIF has chosen to harmonise its approach into the five ESG Focus Areas. Within each ESG Focus Area, DIF has set topics it will address and uses KPIs to demonstrate progress in these areas. The ESG Focus Areas are defined at both the level of the Manager and the level of the Funds' Investments.



As part of the ESG Path, DIF engages with all the Funds' Investments to participate in an annual ESG survey to baseline their performance in these five focus areas. Based on the outcome of the baseline and the size and maturity of a Fund's Investment, a set of practical ESG-related actions or goals is defined. The implementation of these actions is monitored through an annual survey update.

In addition, the promotion of environmental and social characteristics will be assessed through pre-defined indicators during the holding period of a Fund's Investment to allow DIF to collect and report all relevant information. DIF will use its governance rights for these reporting requirements to enforce such reporting if needed. The indicators depend on the SDG(s) to which a Fund's Investment contributes. Examples of metrics and topics tracked through ESG Path include:

Environment
- Energy consumption
- Water consumption
- Waste management
- Biodiversity & habitat

Climate resilience
- Net Zero targets
- GHG emissions (incl. maintenance/ refurbishments)
- Climate related risk-assessment

Safety
- H&S accidents
- Work related injuries
- Safety initiatives

Human capital & community
- Satisfaction survey
- Complaint monitoring
- Positive impact initiatives
- Minimum wage

Governance
- Compliance with UN Global Compact
- ESG criteria contractors/suppliers
- Whistle-blower policy

[8] As per the UNPRI glossary ESG Issues have the same meaning as ESG Factors.

3. Governance

3.1 Roles and responsibilities

Good internal governance is critical to implementing our Responsible Investment Policy. Therefore, DIF has set up the following governance structure for Responsible Investment:

Sustainability Team

The Sustainability Team is primarily responsible for the implementation of the Responsible Investment Policy. This includes working together and assisting other teams, like Investor Relations, Investments, Value Creation, Exits, Risk and Reporting, to develop processes, procedures and templates to support the implementation. In addition, the Sustainability Team monitors and reports the sustainability performance of the Funds' Investments to internal and external stakeholders.

Sustainability Committee

DIF's Executive Committee ("ExCo") is integral to the Sustainability Committee. The Sustainability Committee conducts the following key roles and responsibilities:

- review and develop the sustainability strategy of the Manager and the Funds;
- review the Responsible Investment Policy;
- advise on sustainability-related matters in each of DIF's business areas, including investor relations, finance, and investment management;
- develop, review and monitor the implementation of the sustainability strategy and Responsible Investment Policy;
- discuss investment opportunities of a Fund with significant sustainability risks;
- decide on / provide a binding opinion on investment opportunities of a Fund that score in the lowest quarter of the applied IBT;
- pursue initiatives to promote sustainability internally and externally;
- set DIF's sustainability objectives, targets and KPIs for DIF Staff;
- review and approve the annual Sustainability Report; and
- review and monitor sustainability training for DIF staff.

3.2 Training employees on Responsible Investment

DIF believes all employees should be educated on sustainability factors and how to incorporate consideration of these factors into investment decision-making. This is why new joiners receive sustainability induction training. Moreover, all DIF employees receive annual training on various aspects of sustainability.

The Sustainability Team should possess sufficient knowledge, skills and experience about responsible investment and the relevant processes and procedures. The Sustainability Team, therefore, has access to regular training.

3.3 Sustainability-related remuneration

DIF's remuneration policy reflects its objectives for good corporate governance as well as sustained and long-term value creation for the investors in its Funds. Performance-based remuneration is awarded in a manner which is consistent with and promotes sound and effective risk management and does not encourage excessive risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the DIF Funds. Non-financial targets in support of performance-based remuneration include KPI's in relation to the use of the "ESG Screening Tool" and contributions to the DIF "ESG Path", which integrates sustainability risk in remuneration.

4. Commitments & Memberships

DIF is a member of multiple industry bodies through which we have a significant role in adopting responsible investment practices across the industry. By actively engaging in these partnerships, we strive to drive positive change and set an example within the industry. DIF itself does not undertake political engagement. Political engagement only occurs through commitments, memberships or partnerships. These must be approved by the ExCo or a relevant committee with delegated authority per the DIF Governance Regulations. Where political engagement is part of the industry body's mandate, the ExCo or appropriate committee should ensure that the scope of the mandate aligns with DIF's commitments to the principles of PRI. Below are listed the most relevant industry groups through which DIF collaborates with industry peers on advancing ESG stewardship.

UNPRI

DIF has an ongoing commitment to being a responsible manager of investment funds, being a signatory to the UN-supported Principles of Responsible Investment ("UNPRI"). We will work to continually enhance our effectiveness of incorporating ESG issues into investment analysis and decision-making processes.

IIGCC

DIF is a member of the Institutional Investors Group on Climate Change ("IIGCC") as part of its advocacy on climate change. With this initiative, DIF works towards Net Zero solutions for the infrastructure investment market. Additionally, DIF works with the IIGCC to contribute to developing infrastructure sector-specific guidance in Net Zero implementation and share best practices with industry peers as part of a working group.

NZAM

DIF has committed itself to be a net zero investor by 2050 or sooner as part of the Net Zero Asset Manager ("NZAM") Initiative. NZAM is a commitment made by a group of leading asset management firms to support the goal of achieving net zero GHG emissions by 2050 or sooner. The IIGCC and the PRI lead this initiative. DIF's interim Net Zero targets are to have 70% of our AUM aligning with Net Zero by 2030 and 100% of our AUM aligned with Net Zero by 2040.

Net Zero commitment

DIF is committed to supporting the Paris Agreement's objectives, in line with the global effort to achieve net zero GHG emissions by 2050 or sooner. As a fund manager, we have quantified and offset our carbon footprint since 2019. We are now taking steps to reduce our per capita footprint and will continue to offset any remaining footprint annually. We also commit to aligning our investment and asset management activities with the Paris Agreement by taking the following steps:

- Working with our DIF's Fund' Investments to assess GHG emissions and identify pathways to reduce emissions with a Paris-aligned goal of Net Zero target by 2050 or sooner
- Continuing our investment programme into renewable energy and related infrastructure to support the global energy transition to decarbonised sources of energy
- Reporting in line with the TCFD recommendations
- Reporting on our progress annually

Global Infrastructure Investor Association ("GIIA")

DIF is a member of the GIIA. GIIA is a global non-profit association that brings together private sector investors, fund managers and service providers to promote sustainable infrastructure investment and development. As a member, DIF demonstrates its commitment to promoting the highest standards of governance, transparency and sustainability in infrastructure investment. We do this by adhering to the principles of responsible investment and ESG considerations and working to foster collaboration and knowledge-sharing among industry stakeholders. Within reason, DIF's Sustainability Team will actively participate in the ESG working group, share insights by presenting the DIF approach on specific ESG topics, and provide inputs on policy consultations drafted by the GIIA.

5. Review, update and approval of Responsible Investment Policy

The Sustainability Team will review this Responsible Investment Policy annually and in the event of material changes in laws, regulations, objectives or strategy. This Policy is prepared by the Sustainability Team, reviewed by the Sustainability Committee and approved by the ExCo.