

Sustainable Development Capital LLP

Human Rights Policy

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1. Introduction

1.1 Scope and Glossary

The Human Rights Policy (“the Policy”), as set out within this document, is applicable to all individuals employed by Sustainable Development Capital LLP and its subsidiaries/group entities (“SDCL”, “the Firm”), as well as any contractors engaged directly or via an agency or personal service company. The Policy is also applicable to SDCL’s Funds under management.

For the purposes of the Policy:

- All individuals within scope are hereafter referred to as “Employees;”
- All potential investments that have not yet been acquired and are in due diligence are referred to as “Investment Opportunities;”
- All investments that have been made are referred to as “Assets and Asset Groups;”
- All third-parties contracted with SDCL at the entity-level are referred to as “Service Providers;”
- All third-parties contracted at the asset and asset group level are referred to as “Contractors.”
- All customers of energy-related services at the asset and asset group level are referred to as “offtakers;” and,
- All service providers, offtakers and contractors, as defined above, can be referred to as “Key Stakeholders”

For the purposes of the Policy, the “SDCL Sustainability Framework” (“the Framework”), refers to the five sustainability principles set out in the Firm’s Responsible Investment Policy, namely:

- Principle 1: Champion Energy Efficiency
- Principle 2: Deliver Net-Zero Energy
- Principle 3: Promote Sustainable Supply Chains
- Principle 4: Support Our Communities
- Principle 5: Match Best-Practice

1.2 Policy Objectives

SDCL invests in energy efficiency projects with the aim of providing low-carbon, reliable and efficient energy services. As part of its commitment to provide end-users with sustainable products, SDCL aims to ensure the supply chains related to its energy services have strong labour, environmental and human rights characteristics.

The Policy intends to outline SDCL’s approach to identifying, managing and mitigating key risks around human rights, workers’ rights, and responsible sourcing. SDCL has enshrined its commitments to human rights and fair labour standards in the SDCL Sustainability Framework, which highlights “promoting sustainable supply chains” as its 3rd Principle.

This Policy serves as a key element of the 3rd principle of the Framework and emphasises the Firm’s commitment to upholding human and labour rights throughout the operations of the Firm, its funds under management, and their assets and asset groups. SDCL’s Human Rights Policy encompasses SDCL’s following policies:

- Supplier Code of Conduct
- Modern Slavery Statement
- Workers' Rights Statement

SDCL places great importance on engaging with key third parties, including assets and asset groups, investment opportunities, suppliers at the Firm-level, and offtakers and contractors at the fund and asset level. SDCL expects the third parties involved with its investments to abide by the Policy, seeking to align its key stakeholders to both voluntary and mandatory human rights-related standards, thus forming its Supplier Code of Conduct.

As part of the implementation of the 3rd Principle of the Framework and of the Policy, SDCL will work to improve its monitoring and management of key stakeholders around the principles and standards set out in the Policy. This includes the holistic integration of the Policy into the due diligence process for investment opportunities as well as the assessment of contractor alignment during asset management. The creation of the Policy will facilitate the integration of SDCL's human rights commitments into its investment and asset management processes.

As one of the key principles of the Policy, SDCL pledges to align with the standards set out in the following guidelines:

- OECD Guidelines for Multinational Corporations
- UN Global Compact
- UN Guiding Principles for Business and Human Rights
- Conventions of the International Labour Organisation
- Minimum Social Safeguards in EU Taxonomy
- Do No Significant Harm principle in SFDR

The appendix of the document sets out each of the above in further detail.

In summary, this Policy sets out the SDCL's human rights standards relating to the Supplier Code of Conduct, Modern Slavery Statement and Workers' Rights Statement, and commits SDCL to do the following to the best of its abilities:

- Enhancing engagement with new and existing third parties around their adherence to these standards, specifically through third-party questionnaires that will be used during investment due diligence and asset management; and,
- Transparently communicating SDCL's human rights standards to the firm's assets investment opportunities, and third-parties.
- Reporting on alignment with the Policy through relevant KPIs as part of regular fund-level reporting.

In complying with the above, SDCL's Human Rights Policy is a testament to the Company's dedication to responsible and sustainable business practices, ensuring that human and labour rights are upheld and respected throughout its operations and investment portfolio.

1.3 Monitoring, Reporting & Governance

SDCL is committed to transparency in monitoring and reporting on its human rights efforts. This involves monitoring and disclosing relevant metrics that demonstrate the adherence of its funds and assets to the above standards.

As part of the implementation of the Policy and the 3rd Principle of the Sustainability Framework, SDCL will utilise its ESG due diligence and asset management processes to

monitor adherence to the above standards. SDCL will also determine specific KPIs to report against in order to demonstrate said adherence.

This commitment encompasses various mechanisms:

- **ESG Investment Due Diligence:** As part of the ESG due diligence conducted for investment opportunities, SDCL conducts a review of the key stakeholders involved in that potential transaction. The review consists of an analysis of the Firm's exposure to reputational risk through association with that key stakeholder, in addition to the specific human and labour rights policies and due diligence processes that stakeholder has. In essence, the purpose of the ESG due diligence review of key stakeholders is to gain confidence that they will abide by the principles and standards set out in the Policy. In the instance that the review highlights any red flags relating to the ability of that supplier to comply with the principles and standards set out in the Policy, SDCL will seek to engage with that key stakeholder to remedy the issue or choose a different one.
- **ESG Asset Management:** SDCL currently monitors the ESG performance of assets and asset groups through regular ESG surveys. As part of implementing the Policy, SDCL will work to engage with its assets and asset managers to assess the compliance of their existing key stakeholders with the principles and standards set out in the Policy.
- **Enabling Transparent Reporting:** SDCL is dedicated to providing transparent and comprehensive reporting on responsible sourcing practices across its funds annually. This reporting will offer insight into the engagement undertaken during the period with regards to the policy and include any KPIs deemed relevant by SDCL. This commitment to transparency reinforces SDCL's accountability and fosters trust among stakeholders.

1.4 Policy Governance

SDCL maintains a structured governance framework for the review of this Policy, ensuring its periodicity and effectiveness. Specifically, SDCL reviews all policies on an annual basis to ensure compliance with relevant legislation. The Policy will be communicated to SDCL employees through regular ESG training and any material changes to the Policy will be immediately relayed to the relevant parties.

SDCL shall designate responsibilities for the review to the Sustainability Committee, comprising representatives from legal, compliance, sustainability, and business development departments.

Any concerns relating to compliance with the Policy from the perspective of the Firm, its assets and asset groups, or key stakeholders can be relayed directly to the Sustainability Committee or can be raised through SDCL's whistleblowing and grievance mechanisms.

This policy has been reviewed by the SDCL Sustainability Committee and approved by the Management Committee, which is responsible for overseeing its implementation and compliance with it on a regular basis, through review with the specific fund teams.

2. Supplier Code of Conduct

2.1 Introduction

SDCL's Supplier Code of Conduct aims to set clear standards for the third parties within its supply chain and the way the Firm will monitor and manage adherence to those expectations. The Supplier Code of Conduct encompasses three main parts: supply chain sustainability, due diligence processes for human rights and responsible sources and materials statement.

2.2 Supply Chain Sustainability

SDCL is committed to ensuring the sustainability of supply chains within its assets and investment opportunities. This involves three main elements: long-term relationships, clear expectations, and supplier engagement.

1. **Long-Term Relationships:** SDCL seeks to establish and maintain long-term relationships with suppliers, contractors, and partners. This fosters a deeper understanding of mutual expectations and allows for the alignment of sustainability goals.
2. **Clear Expectations:** SDCL will communicate its expectations regarding ethical and sustainable practices to all parties within the supply chain. This includes adherence to human rights standards, responsible sourcing, and environmental considerations.

Below is a list of the Firm's Supply Chain standards.

SDCL expects its assets and investment opportunities to adhere to the below standards and to have due diligence processes to ensure that their third-parties align with those expectations.

Responsible Business Conduct

1. To encourage responsible business conduct covering areas such as disclosure, human rights, environment, and corruption.
2. To promote transparency by providing clear and meaningful information to stakeholders about policies, activities, and performance.
3. To work against corruption in all its forms, including extortion and bribery.

Fair Working Standards

1. To pay wages which meet or exceed industry or legal national minimum (including any prevailing 'living wage' standards).
2. To treat employees fairly in terms of recruitment, progression, terms and conditions of work, and representation.
3. To encourage diversity, inclusion, and a positive environment in the workplace.

Human Rights Standards

1. Not to employ or make use of forced labour of any kind, including trafficking in persons.

2. Not to employ any person under the age of 15 for standard work and anyone under the age of 18 for any hazardous labour activities, and to eliminate the worst forms of child labour.
3. To support and respect the protection of internationally proclaimed human rights within their sphere of influence.
4. To respect human rights, avoid infringing on the rights of others, and address adverse human rights impacts with which they are involved.
5. To uphold labour standards in accordance with the laws of the country in which the relevant entity operates and as defined by the fundamental principles of the International Labour Organisation Declaration.

Environmental Standards

1. To support a precautionary approach to environmental challenges.
2. To undertake initiatives to promote environmental responsibility.

SDCL recognises that specific sectors face particular challenges around minimising exposure to and mitigating the adverse impacts of human rights violations in their supply chains. SDCL will work with those assets and asset groups to ensure they have holistic processes and standards in order to minimise the risk of human rights violations in the supply chains. At a minimum, in addition to any fund-specific obligations, SDCL expects these assets and asset groups to use reasonable efforts to do the following:

1. Select only Tier 1 suppliers based on the BNEF list and check their proof of status;
 2. Request documentation (including certification statement) to confirm UFPLA (Uyghur Forced Labor Prevention Act) concerns.
 3. Request documentation for traceability of material utilized in the manufacturing process.
 4. Select suppliers that participate in the SEIA's industry-wide pledge regarding Forced Labour Prevention and request proof of pledge.
 5. Request documentation of supplier's Code of Conduct regarding requirements for suppliers to comply upholding these human rights.
3. **Supplier Engagement:** SDCL is in the processes of engaging with suppliers and partners to encourage the adoption of sustainable practices. This may involve providing guidance, sharing best practices, and collaborating on initiatives that promote sustainability.

In the instance that an asset, asset group or key stakeholder do not have policies and processes to abide by the above standards, SDCL will engage with them to promote awareness and implement the correct procedures to limit the Firm's exposure to potential human rights violations. As mentioned above, SDCL will also monitor the alignment of suppliers during asset management. If SDCL has operational control of the entity and its supplier does not adhere to the above standards or is not engaging on remedying that alignment, therefore the supplier does not align with the minimum social safeguard guidelines under both SFDR and the EU Taxonomy, SDCL will seek to change suppliers on a realistic timeline based on the contract with that supplier.

If SDCL does not have complete operational control of the fund or asset, SDCL will raise the potential risks associated with the lack of compliance to the other companies involved in the transaction. SDCL will seek to engage with those other companies to reach a resolution, seeking the highest degree of contractor compliance possible.

2.2 Due Diligence Procedures for Human Rights Practices

As outlined above, SDCL employs robust due diligence procedures to assess the human rights practices of Third Parties, including suppliers, contractors, and partners. This process includes:

- **Policy Alignment:** Ensuring that Third Parties align with SDCL's Human Rights Policy and Supplier Code of Conduct, which reflects a commitment to ethical and responsible business conduct. Alternatively, a Third Party's own Policy / Code of Conduct may suffice as long as it sets equivalent standards (subject to SDCL's review).
- **Documented Standards:** Requesting Third Parties to provide documented evidence of their human rights policies, practices, and compliance with relevant international standards.
- **Continuous Monitoring:** Establishing mechanisms for continuous monitoring of Third Parties' human rights practices throughout the duration of the business relationship.

2.3 Responsible Sourcing and Materials Statement

SDCL's requirements regarding responsible sourcing and materials encompass:

- **Material Usage:** Prioritizing the use of sustainable and eco-friendly materials in projects.
- **Land of Origin:** Ensuring that materials are sourced responsibly, avoiding regions associated with human rights violations or environmental degradation.
- **Sourcing of Raw Materials:** Promoting responsible sourcing practices that comply with ethical and legal standards.
- **Farming/Production Standards:** Encouraging suppliers and partners to adhere to high farming and production standards, respecting human rights and environmental sustainability.

These responsible sourcing and material considerations are taken into account as part of due diligence processes for investment opportunities located in high-risk geographies or in high-risk sectors. Should concerns arise during due diligence regarding the above responsible sourcing requirements, SDCL will engage with that investment opportunity to assess its risk exposure and determine remedying actions. If no remedying actions are identified to reduce the risk of the investment opportunity, the investment opportunity will not be recommended to proceed.

3. Modern Slavery Statement

3.1 Slavery, Human Trafficking and Fair Employment

SDCL maintains a zero-tolerance stance towards slavery, human trafficking and unfair labour practices, and is committed to eradicating modern slavery and human trafficking from its supply chains and business operations.

SDCL's Human Rights Policy reflects its dedication to ethical conduct, integrity, and the establishment of effective systems and controls to prevent slavery, human trafficking and unfair employment. SDCL also reflects these policies in its own employment practices and expects them to be reflected within those of its assets and asset groups.

3.2 Supply Chains

SDCL's supply chains are intricately linked to the sourcing of raw materials necessary for energy efficiency infrastructure projects. These materials encompass a diverse range, including but not limited to, components for renewable energy technologies, decentralised energy technologies, construction materials.

As part of this policy, exposure to modern slavery in the Firm's supply chains will be assessed through investment due diligence and as part of ongoing asset management.

3.3 Reporting Instances or Suspicions of Modern Slavery

Employees have a duty to report any instances or suspicions of modern slavery within SDCL or its supply chain and may do so without fear of reprisal. In the first instance, SDCL Employees are encouraged to advise either their immediate manager, Human Resources representative or Compliance Officer. Employees of SDCL's assets or contractors involved in the operations of SDCL's assets or asset groups are encouraged to reach out to SDCL directly or to the following helplines:

- The UK Modern Slavery Helpline, which can be contacted at (0044) (0) 8000 121 700 or via their website at <https://www.modernslaveryhelpline.org/>.
- In the Republic of Ireland, if you are a victim of modern slavery or human trafficking, or you spot a suspected case, you can contact the *Migrant Rights Centre Ireland* at (00353) (0) 1 889 7570, or email info@mrci.ie.
- In the US, please utilize the National Human Trafficking Hotline, which can be contacted at 1-888-373-7888 or by emailing help@humantraffickinghotline.org

SDCL Employees are also advised to familiarise themselves with the reporting avenues also available via SDCL's Whistleblowing Policy and Anti-Money Laundering and Counter Terrorism Financing Policy.

4. Workers' Rights Statement

SDCL is committed to upholding the rights of workers as defined by relevant international labour standards listed in the appendix. This commitment is rooted in the recognition of the fundamental importance of promoting fair and ethical labour practices across all aspects of the Firm's operations, its Funds under management and their assets and investment opportunities.

4.1 SDCL's Internal Policies

SDCL complies with all national laws and standards and has comprehensive policies and procedures framed within the "Employee Handbook" and "Compliance Manual," covering areas including:

- Non-discrimination and promotion of diversity and inclusion in the workplace;
- Workplace health and safety;
- Guidelines for fair compensation and benefits, considering local laws and industry standards;
- Business Code of Conduct policies including: Anti-Bribery, Anti-Corruption, Anti-Money Laundering, Counter-Terrorist Financing, and Anti-Bullying;
- Workplace whistleblowing and grievances / complaints policies and mechanisms for reporting violations and ensuring confidentiality and protection against retaliation.

Appendix 1.0 – Alignment with Regulations and Voluntary Frameworks

As part of the Policy, SDCL pledges to align with key regulatory compliance requirements set out by the Sustainable Finance Disclosures Regulation (SFDR) and the EU Taxonomy Regulation. Specifically, given the fact that SDCL manages multiple funds which make sustainable investments under SFDR, SDCL strives to ensure that all of its investments do no significant harm to sustainability objectives and meet the minimum social safeguards set out in the EU Taxonomy, in addition to any further fund-specific obligations. The Policy is also issued in compliance with Section 54(1) of the Modern Slavery Act 2015.

In doing so, SDCL commits the operations of the Firm, its funds under management, their portfolio companies and the key stakeholders involved to adhering to internationally recognized standards, including the OECD Guidelines for Multinational Corporations, UN Global Compact, UN Guiding Principles for Business and Human Rights, and the conventions of the International Labour Organisation. Set out below are the key elements related to each standard that this policy seeks to align to:

Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Corporations:

- General Policies: Encourage responsible business conduct by enterprises, covering areas such as disclosure, human rights, environment, and corruption.
- Disclosure: Promote transparency by providing clear and meaningful information to stakeholders about policies, activities, and performance.
- Human Rights: Acknowledge and address the human rights impacts of a company's activities and business relationships.
- Employment and Industrial Relations: Uphold fair and non-discriminatory employment practices, including the freedom of association and collective bargaining.

UN Global Compact:

- Human Rights (Principle 1): Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence.
- Labour (Principle 2): Uphold the freedom of association and the effective recognition of the right to collective bargaining, elimination of forced or compulsory labour, abolition of child labour, and elimination of discrimination in respect of employment and occupation.
- Environment (Principle 3): Support a precautionary approach to environmental challenges, undertake initiatives to promote environmental responsibility, and encourage the development and diffusion of environmentally friendly technologies.
- Anti-Corruption (Principle 10): Businesses should work against corruption in all its forms, including extortion and bribery.

UN Guiding Principles for Business and Human Rights:

- State Duty to Protect (Principle 1): States must protect against human rights abuses within their territory and/or jurisdiction by third parties, including businesses.
- Corporate Responsibility to Respect (Principle 11): Businesses should respect human rights, avoid infringing on the rights of others, and address adverse human rights impacts with which they are involved.
- Access to Remedy (Principle 22): Ensure that victims of business-related human rights abuses have access to effective remedy, both judicial and non-judicial.

Conventions of the International Labour Organisation (ILO):

- Freedom of Association and Protection of the Right to Organise (Convention No. 87): Workers and employers have the right to establish and join organizations of their own choosing without prior authorization.
- Right to Organise and Collective Bargaining (Convention No. 98): Workers should enjoy adequate protection against acts of anti-union discrimination in their employment.
- Minimum Age (Convention No. 138) and Worst Forms of Child Labour (Convention No. 182): No person under the age of 15 should be employed in any work, and the worst forms of child labour should be eliminated.
- Forced Labour (Convention No. 29 and No. 105): Eliminate forced or compulsory labour, including trafficking in persons.