

**Product name/legal identifier:**

Downing Renewables Infrastructure Trust plc/ 2138004JHBJ7RHDYDR62

## Sustainable investment objective

This product:

- Promotes environmental or social characteristics, but does not have as its objective a sustainable investment
  - It does not invest in sustainable investments
  - It invests partially in sustainable investments
    - In activities aligned with the EU Taxonomy
    - In activities not aligned with the EU Taxonomy
- Has sustainable investment as its objective. Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.
  - In activities aligned with the EU Taxonomy
  - In activities not aligned with the EU Taxonomy



### What is the sustainable investment objective of this financial product?

The core sustainable investment objective of the Company is to accelerate the transition to net zero through its investments, compiling and operating a diversified portfolio of renewable energy and infrastructure assets to help facilitate the transition to a more sustainable future. This directly contributes to climate change mitigation.



### What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?

The indicators used are:

1. Capital invested into renewable energy assets
2. GWh of renewable energy produced
3. Number of homes powered by clean energy
4. Number of renewable and infrastructure assets
5. Tonnes of Carbon avoided alongside carbon avoided equivalents

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

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### What investment strategy does this financial product follow?

The investment strategy of the Company is to make investments in renewable energy and infrastructure assets in the UK, Ireland and Northern Europe, comprising:

- (i) predominantly assets which generate electricity from renewable energy sources ("**Renewable Energy Assets**"), with a particular focus on solar photovoltaic parks, hydropower plants and geothermal; and
- (ii) non-generation renewable energy related assets and businesses ("**Other Infrastructure**") (together with the Renewable Energy Assets, "**Assets**").

The Company may invest in Assets that are operational, in construction or construction ready at the time of purchase. Construction ready Assets are assets that have in place the required grid access rights, land consents, planning, permitting and regulatory consents in order to commence construction.

The Company intends to invest in a portfolio of Assets that is diversified by: (i) the principal technology utilised to generate energy from renewable sources, for example solar photovoltaic, wind, hydro-electric or geothermal ("**Technology**"); (ii) geography; and (iii) the stage of development of a project, being one of operational, construction ready or in- construction (each a "**Project Stage**").

The Company ensures that social and environmental benefits are considered alongside financial returns, both at the time of initial investment and throughout the ongoing management of the portfolio.

### What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

The Company observes the following investment restrictions when making investments:

- the Company may only invest into Assets (as defined above);
- the Company will not acquire or fund Assets that are at an earlier stage of development than construction-ready;
- the Company may invest no more than 60% of Gross Asset Value in Assets located in the UK;
- the Company may invest no more than 60% of Gross Asset Value in Assets located in Ireland and Northern Europe combined;
- no more than 25% of Gross Asset Value will be invested in Assets in relation to which the Company does not have a controlling interest;
- no investments will be made in companies which generate electricity through the combustion of fossil fuels or derive a significant portion of their revenues from the use or sale of fossil fuels unless the purpose of the investment is to transition those companies away from the use of fossil fuels and toward sustainable sources; and
- the Company will not invest in other UK listed closed-ended investment companies.

Investment strategies guide investment decisions based on factors such as investment objectives and risk tolerance.

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The Company will observe the following investment restrictions when making investments, with the relevant limits being calculated on the assumed basis that the Company has gearing in place of 50% of Gross Asset Value:

- the Company may invest no more than 50% of Gross Asset Value in any single Technology;
- the Company may invest no more than 25% of Gross Asset Value in Other Infrastructure;
- the Company may invest no more than 35% of Gross Asset Value in Assets that are in construction or construction-ready;
- the Company may invest no more than 30% of Gross Asset Value in any one single Asset, and the Company's investment in any other single Asset shall not exceed 25% of Gross Asset Value; and
- at the time of an investment or entry into an agreement with an Offtaker, the aggregate value of the Company's investments in Assets under contract to any single Offtaker will not exceed 40% of Gross Asset Value.

Following full investment of the Net Proceeds and following the Company becoming substantially geared (meaning for this purpose by way of long-term debt of 50% of Gross Asset Value being put in place), the Company's portfolio will comprise no fewer than six Assets.

**How is the strategy implemented in the investment process on a continuous basis?**

Central to Downing LLP's (the "**Investment Manager**") ethos is a commitment to be a "Responsible Investor". The Investment Manager aims to protect and enhance returns for its investors and/or clients by placing environmental, social and governance ("**ESG**") criteria at the heart of its business and investment activities. The Investment Manager understands that ESG issues represent risks and opportunities; and that these issues are becoming an increasingly material factor when making investments. By taking a long-term, sustainable approach with its analysis, decision-making and active asset management, the Investment Manager strives to take such ESG issues into account, mitigate risks and maximise opportunities, while endeavouring to facilitate wider societal and environmental benefits, wherever possible.

As a signatory to the PRI, the Investment Manager operates a responsible investment system (the "**Responsible Investment System**") which: (i) incorporates ESG issues into its investment analysis and decision-making processes; (ii) partakes in 'active' ownership policies and practices; (iii) seeks appropriate disclosures on ESG issues; (iv) works to promote the principles and enhance their implementation; and (v) monitors and reports on such activities and progress.

The Investment Manager's Responsible Investment System has been established and operated with due consideration of (amongst others) the PRI's six principles, the BVCA's Responsible Investment Framework, the Investment Association Guidelines on Responsible Investment Disclosure, GRESB criteria and the NPC's Impact Risk Classification.

Good governance practices include sound management structures, employee

Has a reference sustainable benchmark been designated for the purpose of meeting the sustainable investment objective?

- Yes  
 No

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Through over a decade of experience investing in renewable energy and supporting technologies and its adherence to the PRI, the Investment Manager seeks to support the UN's Sustainable Development Goals ("UN SDGs"), in particular:

- Goal 7: Affordable and Clean Energy;
- Goal 9: Industry, Innovation and Infrastructure;
- Goal 13: Climate Action

### ● **What is the policy to assess good governance practices of the investee companies?**

The Investment Manager will generally seek investment opportunities that allow the Company to acquire control or exercise influence over management and the strategic direction of the relevant Asset. In circumstances where the Company does not hold a controlling interest in the relevant investment, the Company will seek to secure its shareholder rights through contractual and other arrangements, inter alia, to ensure that the Asset is operated and managed in a manner that is consistent with the Company's investment policy and ESG strategy.

### ● **Where can I find further details on the investment strategy?**

Further information on the investment strategy can be found on the Company's website [www.doretrust.com](http://www.doretrust.com).



### **What is the asset allocation planned for this financial product?**

The Company is targeting investment in Renewable Energy Assets or Other Infrastructure and expects all investments to contribute to a reduction in carbon emissions.

Asset allocation describes the share of investments in specific assets.

### ● **How does the use of derivatives attain the sustainable investment objective?**

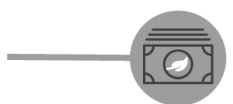
Derivatives, such as FX hedges, are only used for the purpose of efficient portfolio management, not specifically to attain the sustainable investment objective.

### ● **What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

None, not applicable.

### ● **How does the proportion and use of such investments not affect the delivery of the sustainable Investment objective?**

None, not applicable.



### **To which objectives do the sustainable investments contribute to and how do they not cause significant harm?**

Investments in solar photovoltaic plants, wind farms, hydropower plants and geothermal and other Renewable Energy Assets and Other Infrastructure are considered as substantially contributing to climate change mitigation under the EU Taxonomy Regulation 2020/852 ("**EU Taxonomy**"). All investments are screened as part of the Responsible Investment System applied by the Investment Manager against areas that could significantly harm the Company's sustainable investment objective. All proposed investments must meet the minimum sustainability criteria, as determined

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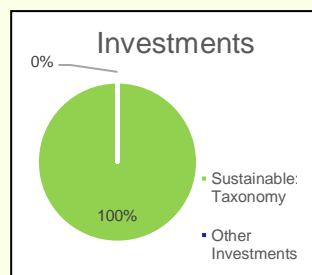
by the Responsible Investment System, completed during the investment process.



**What is the minimum share of investments aligned with the EU Taxonomy?**

The Company expects all its investments to align with the EU Taxonomy.


*The graph below shows in green the minimum percentage of investments that are aligned with the EU Taxonomy.*



*The minimum percentage of investments of the financial product that are aligned with the EU Taxonomy are made in environmentally sustainable economic activities.*

*Was this statement subject to an external review by a third party?*

- Yes: [include name of third party]
- No

  
 The symbol refers to investments that finance activities considered sustainable under the EU Taxonomy. The EU Taxonomy is a classification system, establishing a list of environmentally sustainable economic activities.

**What methodology is used for the calculation of the alignment with the EU Taxonomy and why?**

- (a) Renewable Energy Assets and Other Infrastructure will qualify under the EU Taxonomy as generating, transmitting, storing, distributing or using renewable energy has been classified as contributing substantially to climate change mitigation.
- (b) Evaluation of investments into Renewable Energy Assets and Other Infrastructure are assessed at investment through ESG screening to confirm that investment does not significantly harm any of the environmental objectives set out in the EU Taxonomy and compliance with the minimum safeguards are adhered to.
- (c) The Investment Manager will undertake a review of the specific Renewable Energy Asset and Other Infrastructure in relation to the EU Taxonomy technical screening criteria to confirm that it meets the qualification criteria.

This enables the Investment Manager to determine the alignment to the EU Taxonomy.

**What is the minimum share of transitional and enabling activities?**

None, not applicable



**What is the minimum share of sustainable investments that are not aligned with the EU Taxonomy?**

None, not applicable.

**Why does the financial product invest in economic activities that are not environmentally sustainable?**

Not applicable.

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### ● How will sustainable investments contribute to a sustainable investment objective and not significantly harm any sustainable investment objective?

All investments are screened as part of the ESG assessment against areas that could significantly harm the Company's sustainable investment objective. All proposed investments will need to meet minimum sustainability criteria, as determined by the ESG Responsible Investment System, completed during the investment process.

### How have the indicators for adverse impacts on sustainability factors been taken into account?

During the acquisition process and over the life of an investment, adverse impacts on sustainability factors are assessed. During the investment cycle, the ESG Responsible Investment System assesses indicators that would indicate presence or absence of a principal adverse impact. These indicators include those relating to environmental damage (environmental impact assessment, habitat management plans, resource minimisation strategies), carbon reduction and measuring, policies (anti-bribery, corruption, human slavery, equality, diversity and opportunity), unfair advantage and community relations (engagement and community benefit initiatives). As an example of the Investment Manager's commitment to the UN SDGs, the Investment Manager has developed a carbon lifecycle assessment methodology to provide a detailed understanding of the CO2eq emissions of different types of investments.

### Are sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Yes. The renewables sector (like every other sector) could be subject to human rights abuse that needs to be mitigated and the Investment Manager ensures appropriate due diligence is performed, and that human rights, equality and anti-bribery and corruption policies are in place for service providers alongside the Investment Manager's own policies.



### Does this product take into account principal adverse impacts on sustainability factors?

- Yes  
 No

Principal adverse impacts are the most significant negative impact of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The following principal adverse impacts on sustainability factors are taken into account, with respect to the Company's asset class:

#### Environmental damage

- Biodiversity Cost: The impact on biodiversity is considered in the construction and operation of Renewable Energy Assets and Other Infrastructure. The Investment Manager monitors and adheres to any restrictions specified by environmental permits and planning conditions and actively engages with the terms laid out to ensure a minimal adverse impact associated with any asset.
- Carbon Emissions: The Company has incorporated adaptations to its working practices to factor in climate change considerations, potential carbon savings, and mitigating the impact on the

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surrounding environment by working smarter and using innovative schemes.

- **Pollution:** Many assets in the Company's portfolio have long term land, habitat and drainage management plans which are managed by the Investment Manager. These ensure actions are tailored to support the local environment most effectively. The Investment Manager recognises the need to be conscious of the waste that may be associated with a Renewable Energy Asset or Other Infrastructure. As such the Investment Manager considers risks that may impact the surrounding environment including in day to day waste management.

**Social and employee matters, respect for human rights**

- **Health and Safety of Workforce:** The health and safety of contractors and the public is a key concern of the Investment Manager. A lack of effective management systems presents an increased risk of on-site incidents, which in turn could increase associated running costs of an asset and reduce the total time it is operational.
- **Community Relations:** Significant opposition from surrounding communities to the development of an asset could affect the timeline for a project's completion or license to operate. Active engagement to alleviate local concerns reduces the chance of local opposition.
- **Human Rights in Supply Chain:** Human rights abuses have been documented within the supply chains of manufacturers in the renewables sector. The Investment Manager, in order to mitigate this risk, has incorporated policy requirements and evidence of independent certification as part of its due diligence.

**Governance, anti-corruption and anti-bribery matters**

- **Anti-Bribery and Corruption:** Due diligence is conducted on any target investment to ascertain previous compliance with anti-bribery and anti-money laundering regulations, with a mandatory requirement that ongoing compliance is required as a minimum standard following investment. The Investment Manager also requires investee companies to implement an anti-bribery and corruption policy.
- **Conflict of interest risk:** The Company understands conflicts of interest could occur. To ensure conflicts are identified, managed and disclosed, as appropriate, at all stages of the investment process, it has in place a robust Conflicts of Interest Policy. In addition, the Investment Manager has a dedicated Conflicts Committee, which has an independent Chair.

**Does the financial product have the objective of a reduction in carbon emissions?**

Yes, investments in renewable assets promote the transition to a clean energy future avoiding carbon emissions in alignment with achieving the objectives of the Paris Agreement. A key performance indicator for the Company is tonnes of CO<sub>2</sub>e avoided.

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An EU Climate Transition Benchmark or EU Paris aligned Benchmark in accordance with Regulation (EU) 2016/1011 is not available.



**Can I find I find more product specific information online?**

More product-specific information can be found on the website:  
<https://www.doretrust.com/sustainability>