



# RI TRANSPARENCY REPORT

2020

DIF Management Holding B.V.

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the reporting period specified above. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information.

## PRI disclaimer

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## Usage restrictions

Public Transparency Reports are the intellectual property of PRI. Under no circumstances, can this report or any of its contents be sold to third parties.

OO 01.1 Select the services and funds you offer

Select the services and funds you offer	% of asset under management (AUM) in ranges
Fund management	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
Fund of funds, manager of managers, sub-advised products	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Other	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Total 100%	

OO 02.1 Select the location of your organisation's headquarters.

Netherlands

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

135

OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 04.1 Indicate the year end date for your reporting year.

31/03/2020

OO 04.2 Indicate your total AUM at the end of your reporting year.

Total AUM  
 5,700,000,000 EUR  
 6283117394 USD

OO 04.4 Indicate the assets which are subject to an execution and/or advisory approach. Provide this figure based on the end of your reporting year

Not applicable as we do not have any assets under execution and/or advisory approach

OO 05.1 Provide an approximate percentage breakdown of your AUM at the end of your reporting year using the following asset classes and investment strategies:

	Internally managed (%)	Externally managed (%)
Listed equity	0	0

Fixed income	0	0
Private equity	0	0
Property	0	0
Infrastructure	100	0
Commodities	0	0
Hedge funds	0	0
Fund of hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Money market instruments	0	0
Other (1), specify	0	0
Other (2), specify	0	0

00 06	Mandatory	Descriptive	General
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00 06.1	Select how you would like to disclose your asset class mix.
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- as percentage breakdown
- as broad ranges

00 06.3	Indicate whether your organisation has any off-balance sheet assets [Optional].
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- Yes
- No

00 06.5	Indicate whether your organisation uses fiduciary managers.
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- Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.
- No, we do not use fiduciary managers.

00 09	Mandatory	Peering	General
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00 09.1	Indicate the breakdown of your organisation's AUM by market.
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97

3	Developed Markets
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3

0	Emerging Markets
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0

0	Frontier Markets
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0

	Other Markets
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00 09.2	Additional information. [Optional]
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~3% of AUM in Poland, Chile, Uruguay

00 11	Mandatory	Gateway	General
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00 11.1	Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).
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	Infrastructure
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- We address ESG incorporation.
- We do not do ESG incorporation.

00 12	Mandatory	Gateway	General
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OO 12.1 Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

Core modules	
<input checked="" type="checkbox"/>	Organisational Overview
<input checked="" type="checkbox"/>	Strategy and Governance
RI implementation directly or via service providers	
Direct - Other asset classes with dedicated modules	
<input checked="" type="checkbox"/>	Infrastructure
Closing module	
<input checked="" type="checkbox"/>	Closing module

OO INF 01	Mandatory to Report, Voluntary to Disclose	Descriptive	General
Private			

OO INF 02	Mandatory to Report, Voluntary to Disclose	Gateway/Peering	General
Private			

OO INF 03	Mandatory to Report, Voluntary to Disclose	Descriptive	General
Private			

OO Checks			Checks
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If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.

**SG 01.1** Indicate if you have an investment policy that covers your responsible investment approach.

✓ Yes

**SG 01.2** Indicate the components/types and coverage of your policy.

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Fiduciary (or equivalent) duties <input type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="checkbox"/> Applicable policies cover all AUM <input type="checkbox"/> Applicable policies cover a majority of AUM <input type="checkbox"/> Applicable policies cover a minority of AUM

**SG 01.3** Indicate if the investment policy covers any of the following

- Your organisation’s definition of ESG and/or responsible investment and it’s relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

**SG 01.4** Describe your organisation’s investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

**Investment Principles**

DIF firmly believes that:

- Strong ESG management is important to our employees, our clients and the wider stakeholders in the assets we invest in;
- Pro-active management of ESG factors is synonymous with well managed businesses which enhance the long-term returns from these investments;
- Good ESG performance will not only protect value but also enhance the value of our assets.

To support this approach, DIF has implemented strong governance oversight to ESG issues throughout all aspects of the investment cycle from initial screening until exits overseen by DIF’s ESG Committee and DIF’s dedicated Head of ESG. (ESG Committee Charter <https://s3-eu-west-2.amazonaws.com/dif.dusted/wp-content/uploads/2019/07/25174352/DIF-ESG-committee-charter-new-format-v1.pdf>).

**Investment Strategy**

ESG factors and the impact of the real economy form a fundamental building block in setting DIF’s investment strategy. They influence and drive the need as well as further growth of infrastructure. DIF identifies four fundamental trends driving the need and further growth of infrastructure investments:

1. Continuing globalisation;
2. The growing population and accelerating urbanisation;
3. Technological change, energy transition and digitization; and
4. The aging of the global population.

**SG 01.5** Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

DIF believes that responsible investing requires recognizing certain principles associated with ESG issues. In our view, these principles are embodied in the UNPRI, to which DIF has become a signatory in 2011. Our approach is expressed in our ESG policy which is available on our website (<https://s3-eu-west-2.amazonaws.com/dif.dusted/wp-content/uploads/2019/09/27093113/DIF-ESG-policy-2019.pdf>).

DIF believes that these principles will ultimately benefit our investors through investments in ways that minimize environmental impact, the promotion of reasonable treatment for all stakeholders, and ensuring appropriate governance.

**Managing the assets**

DIF also believes that embracing ESG matters enhances the reputation of asset management, which will benefit the industry and our investors. We also recognise ESG issues vary considerably within the sectors, the culture and the jurisdictions that we operate in. The key to our approach is pragmatic engagement to work with each asset to enhance its approach to ESG over time. It is through the process of engaging constructively and positively on ESG topics with, over time, each of our 140+ investee companies that we firmly believe that we can work with them to actively promote the principles of responsible investment.

DIF uses the rights and obligations it has through governance positions (such as board/director position in investee companies) to ensure ESG matters are being addressed, and is continually engaging with stakeholders, management teams and subcontractors to improve performance. Post investment, our asset managers are required to flag and report serious ESG issues as soon as they are aware of it and clear guidance is given to our investee companies in the form of a protocol if such incidences occur. ESG issues are also reported by the invested companies through the monthly or quarterly reporting/ board meetings. In turn, DIF reports to its investors on ESG issues as a fixed part of the quarterly investor report.

An increasing selection of assets is also invited to participate in an annual DIF ESG Path (consisting of a baseline ESG Survey and subsequent ESG Enhancement Plan) orGRESB Infrastructure Assessment to monitor and improve ESG performance through constructive engagement and with an individual ESG Enhancement Plan containing measurable actions and KPIs. The DIF ESG survey was developed based on a methodology that is pragmatic and can be applied to a wide variety of assets in many sectors and jurisdictions. It covers five ESG areas including safety, environment, human capital & community, climate change resilience and governance. It was developed and carried out together with an external party and through a set of standard questions which required evidence and a scoring methodology was applied. For further details please see our ESG Report on our website - <https://s3-eu-west-2.amazonaws.com/dif.dusted/wp-content/uploads/2019/09/10162355/DIF-ESG-Report-2019-Final-1.pdf>

We believe that ourselves and our portfolio of infrastructure assets can have a positive impact on reducing our collective carbon footprint over time. Therefore, DIF commits to measuring and offsetting its own carbon footprint and reducing its our per capita carbon footprint over time. Also we encourage our investee companies to measure their carbon footprint and work towards reducing and/or offset their carbon footprint over time.

#### Actively promoting ESG - DIF Climate Change Conference

DIF believes that actively promoting ESG is beneficial for the understanding and incorporation of ESG for all stakeholders in our business. Given the long-term nature of our assets and the changing environment, we believe that climate change is one of the key risks that our sector needs to address while it also offers the sector opportunities. As such we planned a Climate Change Conference to share our approach and discuss risks and opportunities for the sector. Over 85 stakeholders from the industry, including DIF's investee companies, peers and investors registered for the conference that was scheduled to take place on the 11th of March. Unfortunately, due to the consequences of the outbreak of the Corona virus, we have postponed the conference, most likely to September 2020.

Furthermore DIF actively participated in a number of external conferences as speakers on ESG, including the Women in Infrastructure Forum (<https://www.peievents.com/en/event/women-infrastructure-forum/2019-speakers>) and Sustainability Reporting and Communications Europe (<https://events.ethicalcorp.com/reporting/conference-speakers>).

#### Exits

We always consider the time horizon of an investment in the context of the term of our funds, typically 10-12 years. Before the end of the fund life the underlying investments need to be divested. DIF believes that exits represent a real opportunity to demonstrate where ESG management has added value and we are committed to instilling confidence to potential buyers by showing them the steps that have been taken to enhance or mitigate ESG aspects.

#### Team training

During our annual offsite the entire fund management team received training about what DIF as a GP does on ESG including the allowance (time/money) for the team to support charity schemes and feedback from employees participating in the different schemes. During the Asset Management meeting the entire AM team, and a number of other colleagues attending, received training on our approach to Safety and Climate Change.

All new joiners receive a full 2-day induction training, ESG is one of the topics on the training agenda.

Furthermore we are developing a regular ESG online training/newsletter to update the entire team on the latest ESG developments.

#### Actions as a General Partner

We want a deep understanding of ESG issues to also be embedded at the DIF corporate level. As such, after consultation with our employees we have identified a number of charities which we are working with. The charities have been identified as being where we can best use our staff's professional skills to support the provision of sustainable infrastructure in the developing world or to help disadvantaged young people gain access to employment or education. Support for these charities will involve our staff using their skills in a meaningful and structured way. To assist this, we have allowed employees up to three volunteering days per annum and the manager has committed to allocate up to EUR 300k to charitable donation.

Furthermore we have measured and offset our CO2 footprint by planting trees. For further details see our ESG Report <https://s3-eu-west-2.amazonaws.com/dif.dusted/wp-content/uploads/2019/09/10162355/DIF-ESG-Report-2019-Final-1.pdf>.

No

SG 01 CC	Mandatory to Report, Voluntary to Disclose	Descriptive	General
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Private

SG 02	Mandatory	Core Assessed	PRI 6
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SG 02.1 Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

Policy setting out your overall approach

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://s3-eu-west-2.amazonaws.com/dif.dusted/wp-content/uploads/2020/03/16104230/DIF-ESG-policy-2020-revision-20200313.docx.pdf">https://s3-eu-west-2.amazonaws.com/dif.dusted/wp-content/uploads/2020/03/16104230/DIF-ESG-policy-2020-revision-20200313.docx.pdf</a>
<input checked="" type="checkbox"/> Attachment (will be made public) Files: <a href="#">link</a>

Formalised guidelines on environmental factors

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://s3-eu-west-2.amazonaws.com/dif.dusted/wp-content/uploads/2020/03/16104746/ESG-screening-tool-2020.pdf">https://s3-eu-west-2.amazonaws.com/dif.dusted/wp-content/uploads/2020/03/16104746/ESG-screening-tool-2020.pdf</a>
<input checked="" type="checkbox"/> Attachment (will be made public) Files: <a href="#">link</a>

- Formalised guidelines on social factors

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://s3-eu-west-2.amazonaws.com/dif.dusted/wp-content/uploads/2020/03/16104746/ESG-screening-tool-2020.pdf">https://s3-eu-west-2.amazonaws.com/dif.dusted/wp-content/uploads/2020/03/16104746/ESG-screening-tool-2020.pdf</a>
<input checked="" type="checkbox"/> Attachment (will be made public) Files: link

- Formalised guidelines on corporate governance factors

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://s3-eu-west-2.amazonaws.com/dif.dusted/wp-content/uploads/2020/03/16104746/ESG-screening-tool-2020.pdf">https://s3-eu-west-2.amazonaws.com/dif.dusted/wp-content/uploads/2020/03/16104746/ESG-screening-tool-2020.pdf</a>
<input checked="" type="checkbox"/> Attachment (will be made public) Files: link

- Fiduciary (or equivalent) duties

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://s3-eu-west-2.amazonaws.com/dif.dusted/wp-content/uploads/2020/03/16104230/DIF-ESG-policy-2020-revision-20200313.docx.pdf">https://s3-eu-west-2.amazonaws.com/dif.dusted/wp-content/uploads/2020/03/16104230/DIF-ESG-policy-2020-revision-20200313.docx.pdf</a>
<input checked="" type="checkbox"/> Attachment (will be made public) Files: link

- Screening / exclusions policy

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://s3-eu-west-2.amazonaws.com/dif.dusted/wp-content/uploads/2020/03/16104746/ESG-screening-tool-2020.pdf">https://s3-eu-west-2.amazonaws.com/dif.dusted/wp-content/uploads/2020/03/16104746/ESG-screening-tool-2020.pdf</a>
<input checked="" type="checkbox"/> Attachment (will be made public) Files: link

- We do not publicly disclose our investment policy documents

**SG 02.2** Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://s3-eu-west-2.amazonaws.com/dif.dusted/wp-content/uploads/2020/03/16104230/DIF-ESG-policy-2020-revision-20200313.docx.pdf">https://s3-eu-west-2.amazonaws.com/dif.dusted/wp-content/uploads/2020/03/16104230/DIF-ESG-policy-2020-revision-20200313.docx.pdf</a>
<input checked="" type="checkbox"/> Attachment DIF - ESG policy 2020 revision (20200313).docx.pdf

- Your investment objectives that take ESG factors/real economy influence into account

- Time horizon of your investment

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://s3-eu-west-2.amazonaws.com/dif.dusted/wp-content/uploads/2020/03/16104230/DIF-ESG-policy-2020-revision-20200313.docx.pdf">https://s3-eu-west-2.amazonaws.com/dif.dusted/wp-content/uploads/2020/03/16104230/DIF-ESG-policy-2020-revision-20200313.docx.pdf</a>
<input checked="" type="checkbox"/> Attachment DIF - ESG policy 2020 revision (20200313).docx.pdf

- Governance structure of organisational ESG responsibilities

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://s3-eu-west-2.amazonaws.com/dif.dusted/wp-content/uploads/2020/03/16104230/DIF-ESG-policy-2020-revision-20200313.docx.pdf">https://s3-eu-west-2.amazonaws.com/dif.dusted/wp-content/uploads/2020/03/16104230/DIF-ESG-policy-2020-revision-20200313.docx.pdf</a>
<input checked="" type="checkbox"/> Attachment DIF - ESG policy 2020 revision (20200313).docx.pdf

- ESG incorporation approaches

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://s3-eu-west-2.amazonaws.com/dif.dusted/wp-content/uploads/2020/03/16104230/DIF-ESG-policy-2020-revision-20200313.docx.pdf">https://s3-eu-west-2.amazonaws.com/dif.dusted/wp-content/uploads/2020/03/16104230/DIF-ESG-policy-2020-revision-20200313.docx.pdf</a>
<input checked="" type="checkbox"/> Attachment DIF - ESG policy 2020 revision (20200313).docx.pdf

Active ownership approaches

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://s3-eu-west-2.amazonaws.com/dif.dusted/wp-content/uploads/2020/03/16104230/DIF-ESG-policy-2020-revision-20200313.docx.pdf">https://s3-eu-west-2.amazonaws.com/dif.dusted/wp-content/uploads/2020/03/16104230/DIF-ESG-policy-2020-revision-20200313.docx.pdf</a>
<input checked="" type="checkbox"/> Attachment DIF - ESG policy 2020 revision (20200313).docx.pdf

Reporting

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://s3-eu-west-2.amazonaws.com/dif.dusted/wp-content/uploads/2019/09/10162355/DIF-ESG-Report-2019-Final-1.pdf">https://s3-eu-west-2.amazonaws.com/dif.dusted/wp-content/uploads/2019/09/10162355/DIF-ESG-Report-2019-Final-1.pdf</a>
<input checked="" type="checkbox"/> Attachment DIF-ESG-Report-2019-Final-1.pdf

Climate change

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://s3-eu-west-2.amazonaws.com/dif.dusted/wp-content/uploads/2020/03/16104230/DIF-ESG-policy-2020-revision-20200313.docx.pdf">https://s3-eu-west-2.amazonaws.com/dif.dusted/wp-content/uploads/2020/03/16104230/DIF-ESG-policy-2020-revision-20200313.docx.pdf</a>
<input checked="" type="checkbox"/> Attachment DIF-ESG-Report-2019-Final-1.pdf

We do not publicly disclose any investment policy components

SG 03	Mandatory	Core Assessed	General
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SG 03.1 Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

SG 03.2 Describe your policy on managing potential conflicts of interest in the investment process.

DIF and its employees are fully committed to complying with applicable laws and regulations, demonstrating good judgement and acting ethically at all times. To help DIF staff with putting this into practice, DIF has launched a compliance platform which brings together all our critical policies, e-learnings and compliance tools including Standards of Business Conduct, Conflict of Interest, Whistle-blower, Gifts and Entertainment, GDPR and KYC/AML.

Annual compliance training is compulsory for 100% of staff.

DIF has a full suite of policies and internal controls in place to deal with potential conflicts of interest. Ultimately, the DIF compliance officer decides if there is a conflict of interest, which can be escalated to the advisory committee of each DIF fund if needed.

No

SG 04	Voluntary	Descriptive	General
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Private

SG 05	Mandatory	Gateway/Core Assessed	General
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SG 05.1 Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

SG 05.2 Additional information. [Optional]

**Overall ESG objectives and DIF employees**

Annual ESG objectives are discussed and agreed by the Head of Asset Management with the Executive Committee and the Head of ESG. These objectives are reviewed and agreed by the CEO & Executive Committee. The objectives cover the entire organisation and set specific objectives for each business line. Progress against these objectives is monitored on a quarterly basis by the ESG committee.

Individual ESG objectives are set for each asset manager and the Head of ESG and monitored every 6 months as part of the performance review cycle. Each asset manager will be set ESG objectives in relation to the portfolio of assets that they oversee.

Originators are required to comply with the investment process including use of the screening tool, inclusion in due diligence and at the investment committee papers. The fulfilment of annual objectives influences the variable pay of employees.

**Investee Companies**

At acquisition, if ESG risks are identified, a mitigation plan may be agreed with the investee company and will be monitored. In addition, the performance of assets is monitored via the ESG survey. DIF has issued individual ESG Enhancement Plans to assets and these will be followed up with during the year. Where possible and appropriate, DIF engages with management to ensure that their objectives include a consideration of ESG objectives. In some cases remuneration plans of senior management includes ESG related objectives.

SG 06	Voluntary	Descriptive	General
Private			
SG 07	Mandatory	Core Assessed	General
SG 07.1	Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.		
Roles			
<input checked="" type="checkbox"/> Board members or trustees <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Oversight/accountability for responsible investment</li> <li><input checked="" type="checkbox"/> Implementation of responsible investment</li> <li><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</li> </ul> <input checked="" type="checkbox"/> Internal Roles (triggers other options)			
Select from the below internal roles			
<input checked="" type="checkbox"/> Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Oversight/accountability for responsible investment</li> <li><input checked="" type="checkbox"/> Implementation of responsible investment</li> <li><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</li> </ul> <input type="checkbox"/> Other Chief-level staff or head of department, specify <input checked="" type="checkbox"/> Portfolio managers <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Oversight/accountability for responsible investment</li> <li><input checked="" type="checkbox"/> Implementation of responsible investment</li> <li><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</li> </ul> <input checked="" type="checkbox"/> Investment analysts <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Oversight/accountability for responsible investment</li> <li><input checked="" type="checkbox"/> Implementation of responsible investment</li> <li><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</li> </ul> <input checked="" type="checkbox"/> Dedicated responsible investment staff <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Oversight/accountability for responsible investment</li> <li><input checked="" type="checkbox"/> Implementation of responsible investment</li> <li><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</li> </ul> <input type="checkbox"/> Investor relations <input type="checkbox"/> Other role, specify (1) <input type="checkbox"/> Other role, specify (2)			
<input checked="" type="checkbox"/> External managers or service providers <ul style="list-style-type: none"> <li><input type="checkbox"/> Oversight/accountability for responsible investment</li> <li><input checked="" type="checkbox"/> Implementation of responsible investment</li> <li><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</li> </ul>			
SG 07.2	For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.		
<p>The DIF ESG Committee, including the CEO, has responsibility for the ESG strategy and the direction of the RI policies in the firm. The ESG Committee comprises of the following members:</p> <ul style="list-style-type: none"> <li>• CEO - member of Executive Committee</li> <li>• Head of investor relations - member of Executive Committee</li> <li>• Head of renewable energy</li> <li>• Head of asset management - member of Executive Committee</li> <li>• Head of finance - member of Executive Committee</li> <li>• Head of ESG</li> </ul> <p>The terms of reference are found on our website <a href="https://s3-eu-west-2.amazonaws.com/dif.dusted/wp-content/uploads/2019/07/25174352/DIF-ESG-committee-charter-new-format-v1.pdf">https://s3-eu-west-2.amazonaws.com/dif.dusted/wp-content/uploads/2019/07/25174352/DIF-ESG-committee-charter-new-format-v1.pdf</a> and is approved by the Executive Committee (two tier board of Executive Committee and Supervisory Board).</p> <p>For each different business area (investor relations, origination, asset management and finance), the member of the ESG Committee is responsible for the implementation of the ESG strategy.</p>			
SG 07.3	Indicate the number of dedicated responsible investment staff your organisation has.		
1			
SG 07.4	Additional information. [Optional]		
We are currently hiring additional capacity to support the head of ESG.			

SG 07 CC	Mandatory to Report, Voluntary to Disclose	Descriptive	General
Private			
SG 08	Voluntary	Additional Assessed	General
Private			
SG 09	Mandatory	Core Assessed	PRI 4,5
SG 09.1	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.		
<input checked="" type="checkbox"/> Principles for Responsible Investment			
		Your organisation's role in the initiative during the reporting period (see definitions)	
		Moderate	
		Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]	
		DIF participated in SDG roundtable discussion to debate how the SDGs can be best integrated in the infrastructure sector.	
<input type="checkbox"/> Asian Corporate Governance Association <input type="checkbox"/> Australian Council of Superannuation Investors <input type="checkbox"/> AVCA: Sustainability Committee <input type="checkbox"/> France Invest – La Commission ESG <input type="checkbox"/> BVCA – Responsible Investment Advisory Board <input type="checkbox"/> CDP Climate Change <input type="checkbox"/> CDP Forests <input type="checkbox"/> CDP Water <input type="checkbox"/> CFA Institute Centre for Financial Market Integrity <input type="checkbox"/> Climate Action 100+ <input type="checkbox"/> Code for Responsible Investment in SA (CRISA) <input type="checkbox"/> Council of Institutional Investors (CII) <input type="checkbox"/> Eumedion <input type="checkbox"/> Extractive Industries Transparency Initiative (EITI) <input type="checkbox"/> ESG Research Australia <input type="checkbox"/> Invest Europe Responsible Investment Roundtable <input type="checkbox"/> Global Investors Governance Network (GIGN) <input type="checkbox"/> Global Impact Investing Network (GIIN) <input checked="" type="checkbox"/> Global Real Estate Sustainability Benchmark (GRESB)			
		Your organisation's role in the initiative during the reporting period (see definitions)	
		Advanced	
		Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]	
		<p>In addition to being a member of GRESB, DIF is in regular contact with GRESB with a joint ambition to improve the GRESB Infrastructure Assessment output as guidance for practical improvement for the assets participating. For the 20 assets managed by DIF and participating in GRESB we are developing a mapping that allows the assets to have clear objectives towards improving the ESG (GRESB) performance. This would ultimately benefit all assets participating in the GRESB infrastructure assessment.</p>	
<input checked="" type="checkbox"/> Green Bond Principles			
		Your organisation's role in the initiative during the reporting period (see definitions)	
		Basic	
		Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]	
		<p>DIF is a large investor in The Thames Tideway Tunnel, a 25km sewer tunnel that will help tackle sewage pollution in the River Thames and is one of the largest corporate issuer of sterling green bonds.</p> <p>The proceeds from the issuance of the Tideway Green Bonds will be used to finance the construction of the Thames Tideway Tunnel. By aligning themselves with the ICMA Green Bond Principles and giving transparency, disclosure and reporting on use of proceeds and an insight into their estimated environmental impact, it promotes the Tideway Tunnel's sustainability legacy. The S&amp;P Green Evaluation score of 95/100 for Tideway's funding platform was the highest global score to date. The Green Evaluation is provided for Tideway's bond programme and expected to cover all bonds issued under the programme. The Green Bond Framework and the Green Evaluation have been published on Tideway's website.</p>	
<input type="checkbox"/> HKVCA: ESG Committee <input type="checkbox"/> Institutional Investors Group on Climate Change (IIGCC) <input type="checkbox"/> Interfaith Center on Corporate Responsibility (ICCR) <input type="checkbox"/> International Corporate Governance Network (ICGN) <input type="checkbox"/> Investor Group on Climate Change, Australia/New Zealand (IGCC) <input type="checkbox"/> International Integrated Reporting Council (IIRC) <input type="checkbox"/> Investor Network on Climate Risk (INCR)/CERES			

- Local Authority Pension Fund Forum
- Principles for Financial Action in the 21st Century
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify

GIIA

Your organisation's role in the initiative during the reporting year (see definitions)
Moderate

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
--

DIF has been working with the GIIA promoting the benefits to society of private investment in infrastructure by developing case studies that will help to demonstrate the contribution GIIA members are making to addressing the UN Sustainable Development Goals. DIF is one of the case studies that GIIA has retained to be developed for publication.

Furthermore, DIF participates in a GIIA working group to consult with the public sector on realising the European Green Deal and the InvestEU program and Sustainable Europe Investment Plan from the infrastructure sector.

- Other collaborative organisation/initiative, specify

Ethical Corporation - Reuters

Your organisation's role in the initiative during the reporting year (see definitions)
Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
--

DIF has participated in a number of events as speaker / panelist on ESG, with the aim of sharing knowledge and best practices:

<https://events.ethicalcorp.com/reporting/conference-agenda.php>

<https://register.gotowebinar.com/register/244233822439227660?source=Dominics+LinkedIn+Post>

- Other collaborative organisation/initiative, specify

PEI Infrastructure Investor

Your organisation's role in the initiative during the reporting year (see definitions)
Moderate

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
--

DIF has participated as speaker / panelist on an ESG session (Why ESG & infrastructure are such natural bedfellows), with the aim of sharing knowledge and best practices:

<https://www.peievents.com/en/event/women-infrastructure-forum/2019-speakers/>

- Other collaborative organisation/initiative, specify

SG 10	Mandatory	Core Assessed	PRI 4
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SG 10.1	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.
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- Yes

SG 10.2	Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.
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- Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)

Description
-------------

Quarterly Reviews Every quarter, DIF reports and reviews any ESG incident that has occurred in its portfolio of investee companies. We set up quarterly health and safety review calls on health and safety incidents and external parties are invited to participate, explain the incident and to share lessons learnt. This is an opportunity for individuals and organisations to learn from incidents across our portfolio in a peer-to-peer setting. Actively promoting ESG - DIF Climate Change Conference DIF believes that actively promoting ESG is beneficial for the understanding and incorporation of ESG for all stakeholders in our business. Given the long-term nature of our assets and the changing environment, we believe that climate change is one of the key risks that our sector needs to address while it also offers the sector opportunities. As such we planned a Climate Change Conference to share our approach and discuss risks and opportunities for the sector. Over 85 stakeholders from the industry, including DIF's investee companies, peers and investors registered for the conference that was scheduled to take place on the 11th of March. Unfortunately, due to the consequences of the outbreak of the Corona virus, we have postponed the conference, most likely to September 2020. Article DIF, together with ERM wrote an article for the Infrastructure Investor magazine. In this article we explained our approach to ESG allowing our peers to benefit from our experiences. Website On our website site we publicly share a number of ESG related tools like the ESG Screening Tool, the methodology behind our ESG Path for our peers and

stakeholders to improve their understanding.

**Frequency of contribution**

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

- Provided financial support for academic or industry research on responsible investment
- Provided input and/or collaborated with academia on RI related work
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry

**Description**

In addition to our annual ESG report, shared on our website and presented to our investment community we encourage our assets and investors to engage on ESG. Our assets report on a quarterly basis on ESG factors. These are subsequently reported to our investors in our quarterly report. We also publish our ESG policy and investment screening guidelines to the benefit of the infrastructure investment community.

**Frequency of contribution**

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

- Spoke publicly at events and conferences to promote responsible investment

**Description**

- Organisation of Climate Change Conference for stakeholders in our industry to stress the importance of climate change & increased advocacy of ESG (speaking at conferences) & participating in industry initiatives (Chapter Zero, GIIA)

**Frequency of contribution**

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)
- Wrote and published articles on responsible investment in the media
- A member of PRI advisory committees/ working groups, specify
- On the Board of, or officially advising, other RI organisations (e.g. local SIFs)
- Other, specify

No

SG 11	Voluntary	Additional Assessed	PRI 4,5,6
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Private

SG 12	Mandatory	Core Assessed	PRI 4
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SG 12.1 Indicate whether your organisation uses investment consultants.

- Yes, we use investment consultants
- No, we do not use investment consultants.

SG 13	Mandatory	Descriptive	PRI 1
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SG 13.1 Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, in order to assess future ESG factors

Describe

DIF funds invest in, amongst others, renewable energy, roads and utility businesses. When considering investments in these sectors we run scenarios on different ESG related parameters to determine the investment decision. These mainly relate to energy mix, technological, demographic, economic and climate change.

Yes, in order to assess future climate-related risks and opportunities

Describe
The Climate Change Heat Map assesses the transitional climate-related risks and opportunities against a 2020, 2030 and 2040 timeline, based on the comparison of a business-as-usual trajectory (3.7oC) versus the Paris Agreement and 2C scenarios. For physical risks, it evaluates the RCP 8.5 2030 projected hazards change.

No, our organisation does not currently carry out scenario analysis and/or modelling

**SG 13.2** Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

We do the following
<input checked="" type="checkbox"/> Allocation between asset classes <input type="checkbox"/> Determining fixed income duration <input checked="" type="checkbox"/> Allocation of assets between geographic markets <input checked="" type="checkbox"/> Sector weightings <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not consider ESG issues in strategic asset allocation

<b>SG 13 CC</b>	Mandatory to Report, Voluntary to Disclose	Descriptive	General
Private			

<b>SG 14</b>	Mandatory to Report, Voluntary to Disclose	Additional Assessed	PRI 1
Private			

<b>SG 14 CC</b>	Voluntary		General
Private			

<b>SG 15</b>	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 1
Private			

<b>SG 18</b>	Voluntary	Descriptive	General
Private			

<b>SG 19</b>	Mandatory	Core Assessed	PRI 2, 6
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**SG 19.1** Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.

Infrastructure
<p><b>Do you disclose?</b></p> <p><input type="radio"/> We do not disclose to either clients/beneficiaries or the public.</p> <p><input type="radio"/> We disclose to clients/beneficiaries only.</p> <p><input checked="" type="radio"/> We disclose to the public</p> <p><b>The information disclosed to clients/beneficiaries is the same</b></p> <p><input type="radio"/> Yes</p> <p><input checked="" type="radio"/> No</p>

Disclosure to public and URL	Disclosure to clients/beneficiaries				
<table border="1"> <thead> <tr> <th>Disclosure to public and URL</th> </tr> </thead> <tbody> <tr> <td> <input checked="" type="checkbox"/> ESG information on how you select infrastructure investments  <input checked="" type="checkbox"/> ESG information on how you monitor and manage infrastructure investments  <input checked="" type="checkbox"/> Information on your infrastructure investments' ESG performance                             </td> </tr> </tbody> </table>	Disclosure to public and URL	<input checked="" type="checkbox"/> ESG information on how you select infrastructure investments <input checked="" type="checkbox"/> ESG information on how you monitor and manage infrastructure investments <input checked="" type="checkbox"/> Information on your infrastructure investments' ESG performance	<table border="1"> <thead> <tr> <th>Disclosure to clients/beneficiaries</th> </tr> </thead> <tbody> <tr> <td> <input checked="" type="checkbox"/> ESG information on how you select infrastructure investments  <input checked="" type="checkbox"/> ESG information on how you monitor and manage infrastructure investments  <input checked="" type="checkbox"/> Information on your infrastructure investments' ESG performance                             </td> </tr> </tbody> </table>	Disclosure to clients/beneficiaries	<input checked="" type="checkbox"/> ESG information on how you select infrastructure investments <input checked="" type="checkbox"/> ESG information on how you monitor and manage infrastructure investments <input checked="" type="checkbox"/> Information on your infrastructure investments' ESG performance
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<input checked="" type="checkbox"/> ESG information on how you select infrastructure investments <input checked="" type="checkbox"/> ESG information on how you monitor and manage infrastructure investments <input checked="" type="checkbox"/> Information on your infrastructure investments' ESG performance					
Annually	Quarterly or more frequently				
<a href="https://s3-eu-west-2.amazonaws.com/dif.dusted/wp-content/uploads/2019/09/10162355/DIF-ESG-Report-2019-Final-1.pdf">https://s3-eu-west-2.amazonaws.com/dif.dusted/wp-content/uploads/2019/09/10162355/DIF-ESG-Report-2019-Final-1.pdf</a>					

**SG 19.2** Additional information [Optional]

For our investors we report quarterly, including ESG performance.

SG Checks

Checks

If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.

INF 01	Voluntary	Descriptive	PRI 1-6
Private			
INF 02	Mandatory	Core Assessed	PRI 1-6
INF 02.1	Indicate if your organisation has a responsible investment policy for infrastructure.		
<input checked="" type="checkbox"/> Yes			
INF 02.2	Provide a URL if your policy is publicly available.		
<a href="https://s3-eu-west-2.amazonaws.com/dif.dusted/wp-content/uploads/2020/03/16104230/DIF-ESG-policy-2020-revision-20200313.docx.pdf">https://s3-eu-west-2.amazonaws.com/dif.dusted/wp-content/uploads/2020/03/16104230/DIF-ESG-policy-2020-revision-20200313.docx.pdf</a>			
<input type="checkbox"/> No			
INF 03	Mandatory	Core Assessed	PRI 1,4,6
INF 03.1	Indicate if your most recent fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.		
<input checked="" type="checkbox"/> Yes			
INF 03.2	Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:		
<input checked="" type="checkbox"/> Policy and commitment to responsible investment <input checked="" type="checkbox"/> Approach to ESG issues in pre-investment processes <input checked="" type="checkbox"/> Approach to ESG issues in post-investment processes			
INF 03.3	Describe how your organisation refers to responsible investment for infrastructure funds in fund placement documents (PPMs or similar). [Optional]		
<p>We are currently fundraising the DIF VI fund. The PPM contains the following wording on ESG:</p> <p><b>ESG - Delivering Returns Responsibly</b></p> <p>DIF understands that the infrastructure assets it invests in are important to society and will be in operation for decades. Understanding the connection between the investments made by the DIF funds and the end users of the infrastructure assets creates a sense of social and environmental responsibility that is an essential part of DIF's culture.</p> <p>This long-term nature of infrastructure assets makes it essential that DIF takes into account a broad range of environmental, social and governance ("ESG") factors as part of its investment decision-making and risk management. From worker safety to stakeholder engagement, biodiversity to board diversity, DIF understands that managing these factors is part of delivering sound financial returns for the pensioners, insurance firms and investors who participate in the DIF funds.</p> <p>In DIF's view, these factors are embodied in the United Nations Principles for Responsible Investing ("UNPRI"); to which DIF became a signatory in 2011. DIF's ESG policy explicitly refers to the UNPRI principles in order to apply these to its own investment practices, and DIF will encourage those with whom it invests to adopt them as well. In 2019 DIF obtained an A for the strategy and governance module and an A+ for the infrastructure module as part of the UNPRI's yearly transparency report.</p> <p>DIF considers ESG factors throughout its investment process. DIF has developed an ESG screening tool for new investments to ensure ESG aspects are fully addressed and taken into account when considering an investment. The ESG screening tool is used by the deal team during the initial screening phase to identify ESG topics that require further due diligence and to confirm that the investment complies with DIF's ESG exclusion policy. The output of the ESG screening tool and ESG due diligence findings are disclosed in the investment proposal and, as required, ESG matters are captured in contracts with business partners. Finally, any ESG risks and opportunities are flagged for management and monitoring during the hold period. In addition, DIF conducts an annual ESG survey of a large portion of investments in its portfolio, both to monitor ESG performance as well as to identify ESG enhancement opportunities. This ESG survey is published on DIF's website and is accessible to all stakeholders. In terms of reporting to investors, each quarterly report includes an update on ESG initiatives and incidents. In case of major ESG incidents, DIF will immediately and openly report to investors.</p> <p>DIF has implemented the following committees, controls and reporting tools to ensure ESG factors are appropriately addressed with all documents available on DIF's website<sup>14</sup> including DIF's: ESG Committee including ESG Committee charter; ESG policy; Code of conduct; ESG screening Tool for new investments; ESG report 2019, updated annually; and UNPRI report 2019, updated annually.</p>			
<input type="checkbox"/> No <input type="checkbox"/> Not applicable as our organisation does not fundraise			
INF 04	Voluntary	Additional Assessed	PRI 4
Private			
INF 05	Mandatory	Gateway	PRI 1
INF 05.1	Indicate if your organisation typically incorporates ESG issues when selecting infrastructure investments.		
<input checked="" type="checkbox"/> Yes			
INF 05.2	Describe your organisation's approach to incorporating ESG issues in infrastructure investment selection.		
<p>ESG is an integrated element of our approach to investing in infrastructure. To that purpose, DIF has developed an ESG screening tool to determine ESG due diligence needs to be performed (<a href="https://s3-eu-west-2.amazonaws.com/dif.dusted/wp-content/uploads/2019/07/25174352/DIF-ESG-screening-checklist-new-format-v1.pdf">https://s3-eu-west-2.amazonaws.com/dif.dusted/wp-content/uploads/2019/07/25174352/DIF-ESG-screening-checklist-new-format-v1.pdf</a>). At the point at which time or money is spent on evaluation or a transaction, an ESG Screening Tool is completed. This allows the transaction team, together with Head of ESG / ESG Committee, to assess whether there are risks that make the transaction unviable or whether there are some areas of ESG risk. This is then covered using the due diligence process or in the transaction documents. On that basis we decided not to pursue a number of investments in 2019. This relates to opportunities in assets related to fossil fuels and in countries with serious issues around human rights or with counterparties involved in fraud.</p> <p>The implementation of the tool gives DIF a structural basis to discuss ESG topics, set specific ESG due diligence objectives if needed and ensure</p>			

these topics are being reported in the Investment Committee paper.

The tool was developed in conjunction with an external party and works like a decision tree. The tool has improved over time (for example for labour rights when we started our investment activities in Latin America (Chile, Uruguay) or the inclusion of a question related to the Climate Change Heat Map). Training has been provided to the Origination team to ensure the screening is being used in a consistent manner. This was provided by an external party, ERM.

The Investment Committee paper includes the ESG elements of each investment, including any measures that should be taken to mitigate ESG risks. The due diligence and Investment Committee paper is also independently reviewed by DIF's compliance officer to highlight any areas of attention to the Investment Committee. After discussion in the Investment Committee, the topics raised can be followed up / monitored during the investment period by the Asset Management team. Progress is being monitored as part of the ESG survey conducted annually on selected projects.

No

INF 06	Voluntary	Descriptive	PRI 1,4
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Private

INF 07	Mandatory	Core Assessed	PRI 1,3
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INF 07.1	Indicate which E, S and/or G issues are typically considered by your organisation in the investment selection process and list up to three typical examples per issue.
----------	--

Environmental

- transport of hazardous materials/waste
- large volumes of wastewater/ water use
- air pollution, significant emissions of greenhouse gases

Social

- poor health and safety records, accidents or incidents
- review of employment conditions, use of child labour, relationships with unions
- communities living near the asset, polluting/dangerous/noisy activities in residential areas

Governance

- we aim to acquire majority (or large minority) stakes such that we can use the governance to protect shareholder and stakeholder interest
- ensure proper SPV board functioning
- review of corruption, cyber security, tax avoidance, code of conduct issues and conflict of interest risk

INF 08	Voluntary	Additional Assessed	PRI 1,3
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Private

INF 09	Voluntary	Additional Assessed	PRI 1
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Private

INF 11	Mandatory	Gateway	PRI 2
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INF 11.1	Indicate whether your organisation and/or operators consider ESG issues in post-investment activities relating to your infrastructure assets.
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Yes

INF 11.2	Indicate how your organisation, and/or operators, considers ESG issues in the following post-investment activities relating to your infrastructure assets.
----------	--

- We consider ESG issues in the monitoring and operation of infrastructure
- We consider ESG issues in infrastructure maintenance
- We consider ESG issues in stakeholder engagements related to our infrastructure
- We consider ESG issues in other post-investment activities, specify

INF 11.3	Describe how your organisation, and/or operators, considers ESG issues in post-investment activities related to your infrastructure investments. [Optional]
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The key to our approach is pragmatic engagement, working with each asset, to enhance its approach to ESG over time. It is this, through the process of engaging constructively and positively on ESG topics with each of our 140+ investee companies.

Post investment, our asset managers are required to flag and report serious ESG issues as soon as they are aware of it and clear guidance is given to our investee companies of the communication protocol if such incidences occur. ESG issues are also reported by the investee companies through the monthly or quarterly reporting/ Board meetings. DIF asset managers report on ESG initiatives and issues in a detailed quarterly asset report. In turn, DIF reports to its investors on ESG issues as part of the quarterly investor report.

The assets are invited to participate in an annual DIF ESG survey (GRESB for one fund) to monitor, improve ESG issues. An individual ESG enhancement plan is then developed and shared with each investee company.

**Incident Reporting**

DIF has specific guidance around incidents, dividing these into two categories: emergency/ serious and other ESG incidents.

**Emergency/ Serious incidents**

In addition to prevailing legal requirements, DIF has developed an Emergency Protocol that, in the unfortunate event that there is a serious accident or a fatality, ensures the following steps are taken:

- Notification to inform the Head of Asset Management and the Head of ESG as soon as possible.
- The Head of Asset Management will, in turn, inform the ESG Committee and DIF's Board (Executive Committee);

- Investors will be informed (where appropriate).

The protocol also gives guidance on seeking:

- Clarity on What Has Happened
- Involvement of Specialist H&S Advice
- Relevant Notification
- Investigation and Legal Privilege
- Contact with Insurers
- Informing Investors
- Support with Interviews with Police, HSE and other Enforcing Authorities

**Other ESG Incidents**

Our asset managers are required to flag and report serious ESG issues as soon as they are aware of it and clear guidance is given to our investee companies if such incidents occur. ESG incidents are also reported by the investee companies through the monthly or quarterly reporting/ board meetings. These are tracked by our quarterly ESG reporting on each asset, reported to our investors in the quarterly reporting.

Safety incidents are monitored particularly closely by DIF. All asset managers are required, as part of their performance objectives, to carry health and safety director tours on their assets. Sector and location specific guidance is provided for the asset management team. In addition, specific health and safety training is regularly provided to the assets mangers covering both technical and behavioural content. 100% of the asset managers received safety training during the year. In addition, where possible, we encourage the assets to have independent health and safety audits.

**Quarterly Reviews**

Through our regular quarterly reporting we track ESG (in particular HSE) incidents in our portfolio. Once a quarter DIF organises an health and safety call for the entire Asset Management team during which the key incidents are reviewed. Representatives from the relevant investee companies are invited to explain what happened and what measures are being implemented to avoid similar accidents happening in the future.

**Annual ESG Survey**

An increasingly large selection of assets are also invited to participate in an annual DIF ESG survey (or GRESB for one fund). This is to monitor and improve general ESG issues as well as improve ESG issues at each individual asset through construction engagement and with an individual ESG enhancement plan. Over 40 assets participated in 2019 and this will increase to 50 in 2020. As such nearly 50% of our assets participate in the ESG Path in 2020. The DIF ESG survey was developed with methodology that is repeatable and scalable for a large portfolio and that can be applied to a wide variety of assets in many sectors and jurisdictions. It is designed to focus on actions and to cover all aspects of ESG including safety, environment, human capital and community and governance. It was carried out by an external party and through a set of standard questions which required evidence and a standard scoring methodology was applied. The scoring was shared with each asset and an individual ESG enhancement plan was developed to allow each asset to focus on particular areas during 2020. The ESG survey will be repeated annually. For further details please see our ESG Report on our website - <https://s3-eu-west-2.amazonaws.com/dif.dusted/wp-content/uploads/2019/09/10162355/DIF-ESG-Report-2019-Final-1.pdf>

**Annual ESG Conference**

As highlighted above, we plan an annual conference focusing on ESG topics for our portfolio companies to share ideas on ESG initiatives. In September 2020 we will hold a conference on climate change and infrastructure investment.

No

INF 12	Mandatory	Core Assessed	PRI 2
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**INF 12.1** Indicate the proportion of infrastructure assets for which your organisation and/or operators included ESG performance in investment monitoring during the reporting year.

- >90% of infrastructure assets
- 51-90% of infrastructure assets
- 10-50% of infrastructure assets
- <10% of infrastructure assets

**INF 12.2** Indicate ESG issues for which your organisation, and/or operators, typically sets and monitors targets (KPIs or similar) and provide examples per issue.

- Environmental
  - Tracking of energy consumption and monitoring
  - Tracking of waste, energy saving initiatives
  - Renewable energy electricity purchased (if possible), waste recycling schemes
- Social
  - HS policy
  - incident monitoring and reporting
  - directors HS review
- Governance
  - Regular well attended Board meetings, HS on agenda
  - Wider ESG issues on agenda, ABC, conflict of interest and GDPR policy
  - ESG management system
- We do not set and/or monitor against targets

**INF 12.3** Additional information. [Optional]

After a baseline score set after the initial assessment, projects that participate in the ESG survey are being provided with individual objectives per ESG Focus Area. Movement over time with progress towards bespoke KPIs allows assets to improve their scoring. The purpose of the ESG enhancement plan is threefold:

Improve your ESG performances, reduce risks and seize ESG opportunities;

Define a structured action plan focusing on material ESG issues and specific targets to track your performances;  
 Improve your scoring at DIF ESG questionnaire over time.

Based on the previous ESG survey, DIF identified ESG objectives at the following levels:

DIF - level: objectives that apply to DIF including DIF asset managers to visit each asset at least once a year and develop a structured format for ESG reporting;

Cross-asset level: objectives that apply to all assets as they are linked to DIFs core ESG priorities;

Asset/sector-specific level: objectives defined ad-hoc for each asset, based on last year ESG survey and on the sector to which it belongs. For 2020 we've refined the approach identifying 'minimum requirements' that we expect from all assets and once KPIs are achieved, new objectives are defined using 'additional requirements' from 3 levels of maturity.

INF 13	Mandatory	Additional Assessed	PRI 2
INF 13.1	Indicate whether you track the proportion of your infrastructure investees that have an ESG/sustainability-related policy (or similar guidelines).		
<input checked="" type="checkbox"/> Yes			
INF 13.2	Indicate the proportion of your infrastructure investees that have an ESG/sustainability-related policy (or similar guidelines).		
<input checked="" type="radio"/> >90% of infrastructure investees <input type="radio"/> 51-90% of infrastructure investees <input type="radio"/> 10-50% of infrastructure investees <input type="radio"/> >0% and <10% of infrastructure investees <input type="radio"/> 0% of infrastructure investees			
INF 13.3	Describe how your organisation, and/or your operators, contribute to the infrastructure investees' management of ESG issues. [Optional]		
<p>The key to our approach is pragmatic engagement, working with each asset, to enhance its approach to ESG over time. It is this, through the process of engaging constructively and positively on ESG topics with each of our 140+ investee companies.</p> <p>Post investment, our asset managers are required to flag and report serious ESG issues as soon as they are aware of it and clear guidance is given to our investee companies of the communication protocol if such incidences occur. ESG issues are also reported by the investee companies through the monthly or quarterly reporting/ Board meetings. DIF asset managers report on ESG initiatives and issues in a detailed quarterly asset report. In turn, DIF reports to its investors on ESG issues as part of the quarterly investor report.</p> <p>The assets are invited to participate in an annual DIF ESG survey (GRESB for one fund) to monitor, improve ESG issues. An individual ESG enhancement plan is then developed and share with each investee company.</p> <p><b>Incident Reporting</b></p> <p>DIF has specific guidance around incidents, dividing these into two categories: emergency/ serious and other ESG incidents.</p> <p><b>Emergency/ Serious incidents</b></p> <p>In addition to prevailing legal requirements, DIF has developed an Emergency Protocol that, in the unfortunate event that there is a serious accident or a fatality, ensures the following steps are taken:</p> <p>Notification to inform the Head of Asset Management and the Head of ESG as soon as possible.          The Head of Asset Management will, in turn, inform the ESG Committee and DIF's Board (Executive Committee);          Investors will be informed (where appropriate).</p> <p>The protocol also gives guidance on seeking:</p> <ul style="list-style-type: none"> <li>• Clarity on What Has Happened</li> <li>• Involvement of Specialist H&amp;S Advice</li> <li>• Relevant Notification</li> <li>• Investigation and Legal Privilege</li> <li>• Contact with Insurers</li> <li>• Informing Investors</li> <li>• Support with Interviews with Police, HSE and other Enforcing Authorities</li> </ul> <p><b>Other ESG Incidents</b></p> <p>Our asset managers are required to flag and report serious ESG issues as soon as they are aware of it and clear guidance is given to our investee companies if such incidents occur. ESG incidents are also reported by the investee companies through the monthly or quarterly reporting/ board meetings. These are tracked by our quarterly ESG reporting on each asset, reported to our investors in the quarterly reporting.</p> <p>Safety incidents are monitored particularly closely by DIF. All asset managers are required, as part of their performance objectives, to carry health and safety director tours on their assets. Sector and location specific guidance is provided for the asset management team. In addition, specific health and safety training is regularly provided to the assets mangers covering both technical and behavioural content. 100% of the asset managers received safety training during the year. In addition, where possible, we encourage the assets to have independent health and safety audits.</p> <p><b>Quarterly Reviews</b></p> <p>Through our regular quarterly reporting we track ESG (in particular HSE) incidents in our portfolio. Once a quarter DIF organises an health and safety call for the entire Asset Management team during which the key incidents are reviewed. Representatives from the relevant investee companies are invited to explain what happened and what measures are being implemented to avoid similar accidents happening in the future.</p> <p><b>Annual ESG Survey</b></p> <p>An increasingly large selection of assets are also invited to participate in an annual DIF ESG survey (or GRESB for one fund). This is to monitor and improve general ESG issues as well as improve ESG issues at each individual asset through construction engagement and with an individual ESG enhancement plan. Over 40 assets participated in 2019 and this will increase to 50 in 2020. As such nearly 50% of our assets participate in the ESG Path in 2020. The DIF ESG survey was developed with methodology that is repeatable and scalable for a large portfolio and that can be applied to a wide variety of assets in many sectors and jurisdictions. It is designed to focus on actions and to cover all aspects of ESG including safety, environment, human capital and community and governance. It was carried out by an external party and through a set of standard questions which required evidence and a standard scoring methodology was applied. The scoring was shared with each asset and an individual ESG enhancement plan was developed to allow each asset to focus on particular areas during 2020. The ESG survey will be repeated annually. For further details please see our ESG Report on our website - <a href="https://s3-eu-west-2.amazonaws.com/dif.dusted/wp-content/uploads/2019/09/10162355/DIF-ESG-">https://s3-eu-west-2.amazonaws.com/dif.dusted/wp-content/uploads/2019/09/10162355/DIF-ESG-</a></p>			

**Annual ESG Conference**

As highlighted above, we organise an annual conference focusing on ESG topics for our portfolio companies to share ideas on ESG initiatives. In September 2020 we will hold a conference on climate change and infrastructure investment.

No

INF 14	Voluntary	Descriptive	PRI 2,3
Private			
INF 15	Mandatory	Core Assessed	PRI 2
INF 15.1	Indicate the proportion of active infrastructure maintenance projects where ESG issues have been considered.		
<p><input checked="" type="checkbox"/> &gt;90% of active maintenance projects</p> <p><input type="checkbox"/> 51-90% of active maintenance projects</p> <p><input type="checkbox"/> 10-50% of active maintenance projects</p> <p><input type="checkbox"/> &lt;10% of active maintenance projects</p> <p><input type="checkbox"/> N/A, no maintenance projects of infrastructure assets are active</p>			
INF 15.2	Describe your approach to ESG considerations for infrastructure maintenance projects. [Optional]		
<p>On most of our projects, maintenance is part of the contractual scope. As such DIF asset management team is closely involved in the organisation, tendering and execution of maintenance.</p> <p>We require our contractors performing the maintenance to ensure the relevant ESG policies in place at the project to cover the maintenance works. Our quarterly ESG reporting (and emergency protocol) also covers the maintenance works.</p> <p>In particular, the KPIs for our assets include the ambition to make sure any (sub)contractor also adheres to the policies that the project has put in place to ensure governance and behaviour flows down the chain. We are in the process of developing a sustainable procurement policy to ensure that sub-contractors also actively confirm working in line with these policies.</p>			
INF 16	Voluntary	Additional Assessed	PRI 2
Private			
INF 17	Voluntary	Additional Assessed	PRI 1,2
Private			
INF 19	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 6
Private			

CM1 01	Mandatory	Additional Assessed	General
CM1 01.1	Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:		
<input type="checkbox"/> Third party assurance over selected responses from this year's PRI Transparency Report <input type="checkbox"/> Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year <input checked="" type="checkbox"/> Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year) <input type="checkbox"/> Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year) <input checked="" type="checkbox"/> Internal verification of responses before submission to the PRI (e.g. by the CEO or the board) <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Whole PRI Transparency Report has been internally verified</li> <li><input type="checkbox"/> Selected data has been internally verified</li> </ul> <input checked="" type="checkbox"/> Other, specify Review of the PRI report by ERM <input type="checkbox"/> None of the above			
CM1 02	Mandatory	Descriptive	General
CM1 02.1	We undertook third party assurance on last year's PRI Transparency Report		
<input checked="" type="checkbox"/> Whole PRI Transparency Report was assured last year <input type="checkbox"/> Selected data was assured in last year's PRI Transparency Report <input type="checkbox"/> We did not assure last year's PRI Transparency report <input type="checkbox"/> None of the above, we were in our preparation year and did not report last year.			
CM1 02.2	Whole report was assured in last year's PRI Transparency Report		
Who has conducted the assurance			
ERM			
Assurance standard used			
<input checked="" type="checkbox"/> ISAE/ ASEA 3000 <input type="checkbox"/> ISAE 3402 <input type="checkbox"/> ISO standard <input type="checkbox"/> AAF01/06 <input type="checkbox"/> AA1000AS <input type="checkbox"/> IFC performance standards <input type="checkbox"/> ASAE 3410 Assurance Engagements on Greenhouse Gas Statements. <input type="checkbox"/> National standard <input type="checkbox"/> Other			
Level of assurance sought			
<input checked="" type="checkbox"/> Limited or equivalent <input type="checkbox"/> Reasonable or equivalent			
Link to external assurance provider's report			
<a href="http://www.dif.eu">http://www.dif.eu</a>			
CM1 03	Mandatory	Descriptive	General
CM1 03.1	We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:		
<input type="checkbox"/> We adhere to an RI certification or labelling scheme <input type="checkbox"/> We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report <input type="checkbox"/> ESG audit of holdings <input checked="" type="checkbox"/> Other, specify We have asked ERM to help us to assist/develop on a number of ESG topics, in particular the Climate Change Heat Map / ESG Path <input type="checkbox"/> None of the above			
CM1 04	Mandatory	Descriptive	General
CM1 04.1	Do you plan to conduct third party assurance of this year's PRI Transparency report?		
<input checked="" type="checkbox"/> Whole PRI Transparency Report will be assured <input type="checkbox"/> Selected data will be assured <input type="checkbox"/> We do not plan to assure this year's PRI Transparency report			

CM1 04.2a	Provide details related to the assurance that will be conducted
15/03/2020	
Who will conduct the assurance	
ERM	
Assurance standard to be used	
<input checked="" type="checkbox"/> ISAE/ ASEA 3000 <input type="checkbox"/> ISAE 3402 <input type="checkbox"/> ISO standard <input type="checkbox"/> AAF01/06 <input type="checkbox"/> AA1000AS <input type="checkbox"/> IFC performance standards <input type="checkbox"/> ASAE 3410 Assurance Engagements on Greenhouse Gas Statements. <input type="checkbox"/> National standard <input type="checkbox"/> Other	
Level of assurance sought	
<input checked="" type="checkbox"/> Limited or equivalent <input type="checkbox"/> Reasonable or equivalent	

CM1 04.3	Additional information [OPTIONAL]
copy of assurance letter available, upload option was not available	

CM1 06	Mandatory	Descriptive	General
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CM1 06.1	Provide details of the third party assurance of RI related processes, and/or details of the internal audit conducted by internal auditors of RI related processes (that have been reported to the PRI this year)		
What RI processes have been assured			
<input checked="" type="checkbox"/> RI policies <table border="1"> <tr> <td>Specify</td> </tr> <tr> <td>ESG Policy</td> </tr> </table> <input checked="" type="checkbox"/> RI related governance <input checked="" type="checkbox"/> Investment selection process in non-listed assets <input checked="" type="checkbox"/> Post-investment ESG activities for infrastructure and/or property assets <input type="checkbox"/> Other		Specify	ESG Policy
Specify			
ESG Policy			
Who has conducted the assurance			
ERM			
When was the process assurance completed(dd/ mm/yy)			
06/03/2020			
Assurance standard used			
<input type="checkbox"/> ISAE 3402 <input type="checkbox"/> ISO standard <input type="checkbox"/> AAF 01/06 <input type="checkbox"/> SSE18 <input type="checkbox"/> AT 101 (excluding financial data) <input checked="" type="checkbox"/> Other <table border="1"> <tr> <td>Specify</td> </tr> <tr> <td>As part of the assurance process, ERM reviewed the ESG policy, the RI-related governance, the investment selection process and the post-investment ESG activities. The assurance was performed using the IASE 3000 standard.</td> </tr> </table>		Specify	As part of the assurance process, ERM reviewed the ESG policy, the RI-related governance, the investment selection process and the post-investment ESG activities. The assurance was performed using the IASE 3000 standard.
Specify			
As part of the assurance process, ERM reviewed the ESG policy, the RI-related governance, the investment selection process and the post-investment ESG activities. The assurance was performed using the IASE 3000 standard.			
Level of assurance sought			
<input checked="" type="checkbox"/> Limited or equivalent <input type="checkbox"/> Reasonable or equivalent			

CM1 06.2	Additional information [OPTIONAL]
Assurance letter available upon request, upload option not available	

CM1 07	Mandatory	Descriptive	General
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CM1 07.1 Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed

CEO or other Chief-Level staff

Sign-off or review of responses

Sign-off

Review of responses

The Board

Investment Committee

Compliance Function

RI/ESG Team

Investment Teams

Legal Department

Other (specify)

specify

The ESG Committee reviews and signs-off the UNPRI report before submission. ERM reviews the UNPRI report before submission.