
SFDR Disclosure

10 March 2021

This document contains the required disclosure of DIF Capital Partners under the SFDR¹ including:

- Sustainability risks in investment decision making (article 3(1) SFDR)
- No consideration of sustainability adverse impacts (article 4(1)(b) SFDR)
- Remuneration policy (article 5(1) SFDR)

¹ Sustainable Finance Disclosure Regulation: Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector

Integration of sustainability risks in investment decision making

DIF integrates sustainability risks in its investment decision making process. DIF's ESG strategy is aligned to its overall mission and strategy of offering access to high-quality infrastructure assets with stable cash flows that deliver sustainable returns. We believe sustainability risks are an integral part of our ongoing commitment towards ESG. These commitments are covered in our ' ESG and Climate Change policy' as available on our website¹.

The origination team is responsible for implementing the ESG policy during the origination phase covering the investment-decision making process. This means screening new opportunities for ESG risks and opportunities, ensuring the potential investment complies with the exclusion policy, proper ESG due diligence is conducted, inclusion of ESG matters in contracts (SPA, SHA, MSA) with business partners where appropriate and ESG action items are communicated to the asset management team for management and monitoring. Within the origination process, the Investment Committee ("IC") advises on ESG considerations as part of the investment decision process.

Our ESG Screening Tool for new investment opportunities has been developed to identify, at an early stage, material ESG issues, including sustainability risks, that should affect a decision on a potential new investment. The tool ensures we set specific ESG due diligence objectives if needed, and that these topics are being reported in the IC paper. ESG risks are included under the Risk section of the IC paper and discussed in that context and are part of the advice.

No consideration of sustainability adverse impacts

DIF does not consider the principal adverse impacts of its investment decisions on sustainability factors, as defined in article 4 (1)(b) of the SFDR.

DIF integrates ESG in its investment cycle, both in the investment stage and during the asset management stage. The main tools DIF has developed are:

- The ESG Screening Tool as described above.
- The DIF ESG Path drives ESG performance improvement by working with the assets that participate in the annual DIF ESG survey to mutually agree bespoke targets to improve sustainability challenges specific to them. We monitor and support the investee yearly as ESG actions are implemented.

However, while these bespoke ESG instruments cover what we believe are the key ESG areas relevant to our investments and have a strong link and/or overlap with the indicators as defined by the draft SFDR Regulatory Technical Standards proposed by the ESAs ("RTS"), we do not consider the adverse impacts of its investment decisions on sustainability factors as referred to in article 4 SFDR for the following reasons:

- We have a materiality based risk approach in our investment strategy, focusing on the main risks for individual investments. As such not all indicators are covered for each investment.
- Not all indicators as listed in Table 1 of Annex of the Regulatory Technical Standards are relevant for each investment.
- Not all data for these indicators are available in the level of detail and frequency as required by the RTS.

The table below depicts our approach to the main ESG matters

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS		SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS	
Category	DIF approach	Category	DIF approach
Greenhouse gas emissions	<ul style="list-style-type: none"> • Category is part of ESG Screening Tool • Category is part of ESG Path • Started measuring GHG emissions on selection of investments, post-investment 	Social and employee matters	<ul style="list-style-type: none"> • Category is part of ESG Screening Tool • Category is part of ESG Path • No KPIs tracked
Biodiversity	<ul style="list-style-type: none"> • Category is part of ESG Screening Tool • Category is part of ESG Path • No KPIs tracked 		
Water	<ul style="list-style-type: none"> • Category is part of ESG Screening Tool • Category is part of ESG Path 		

¹ <https://s3-eu-west-2.amazonaws.com/dif.dusted/wp-content/uploads/2020/03/16104230/DIF-ESG-policy-2020-revision-20200313.docx.pdf>

	<ul style="list-style-type: none"> No KPIs tracked 		
Waste	<ul style="list-style-type: none"> Category is part of ESG Screening Tool Category is part of ESG Path No KPIs tracked 		

Our intention is to expand our approach on these matters and gradually increase the granularity and coverage of our portfolio over time. However, we currently have not set a specific timeframe for considering such adverse impacts in accordance with article 4 SFDR.

Remuneration policy

Non-financial targets include KPI's in relation to the use of the "ESG Screening tool" and contributions to the DIF "ESG Path"