Ecofin's Compliance with Japan's Stewardship Code

Ecofin supports the Japan's Stewardship Code (the "Code") and hereby publicly discloses our acceptance of the Code.

Ecofin Limited ("Ecofin" or the "Firm") is a London-based investment manager that is authorised and regulated by the Financial Conduct Authority (FCA) and a registered investment adviser with the Securities and Exchange Commission (SEC). Ecofin is an independent investment management firm founded in 1992, which specialises in the global utility, infrastructure, alternative energy and environmental sectors.

This document outlines how Ecofin complies with the seven Principles for Responsible Institutional Investors, Japan's Stewardship Code. The code, published by the Japan Financial Services Authority ("FSA") in 2014, refers to how asset managers can protect and manage their clients' investments by actively monitoring investee companies. This includes, among other things, constructive engagement with the company management on strategy, performance, governance, capital structure and risk management. In accordance with the Code's requirements on policy disclosures, we set forth below the manner in which Ecofin implements the principles contained therein.

Principle 1: Institutional investors should have a clear policy on how they fulfil their stewardship responsibilities, and publicly disclose it.

Engagement with companies in which it invests forms an important component of the Firm's investment process and approach. A summary of Ecofin's proxy voting guidelines is published on our website and the Proxy Voting Policies and Procedures Policy in compliance with Rule 206(4)-6 of *the Investment Advisers Act of 1940* is available to our clients on request.

Principle 2: Institutional investors should have a clear policy on how they manage conflict of interest in fulfilling their stewardship responsibility and publicly disclose it.

Ecofin understands that conflicts of interest could arise in the pursuit of stewardship responsibilities and hence maintains a robust policy. Ecofin aims to identify and monitor instances which could lead to a potential conflict of interest and ensures that decisions are taken considering the best interests of our clients. These policies are subject to regular review jointly by Ecofin's Chief Compliance Officer, Investment Team and General Counsel. In compliance with both the FCA and SEC rules, the Firm takes a risk-based approach to avoid conflicts of interest and to consider all potential conflicts when implementing policies and procedures.
If a perceived material conflict of interest arises in connection with a proxy vote, Ecofin may resolve such perceived material conflicts of interest as follows:

- Ecofin may delegate the voting decision for such proxy proposal to an independent third party;
- Ecofin may delegate the voting decision to an independent committee of partners, members, directors or other representatives of the client, as applicable;
- Ecofin may inform the investors or account of the conflict of interest and obtain consent to (majority consent, in the case of a fund) vote the proxy as recommended by Ecofin; or
- Ecofin may obtain approval of the decision from Ecofin's CCO

If a material conflict of interest has been identified, the CCO will maintain a written record of the resolution of the material conflict of interest and the determination of the proxy vote. A copy of Ecofin's Conflict of Interest Policy is available upon request from the Chief Compliance Officer.

Principle 3: Institutional investors should monitor investee companies so that they can appropriately fulfil their stewardship responsibility with an orientation towards the sustainable growth of the companies.

Active monitoring of portfolio companies' strategies, operations, governance, management performance and risk forms an integral part of the Ecofin Investment Team's daily activity. The team actively monitors its portfolio companies by conducting meetings with management as well as participates in analysts' calls and shareholder meetings. Ecofin believes in clear and unbiased communication with the management and boards where it has concerns.

In addition to the above, Ecofin has a strong focus on sustainable investing and a core belief that analysing a company's environmental, social and governance (ESG) practices is vital to making an informed investment decision. ESG research forms a key part of our investment process.

Principle 4: Institutional investors should seek to arrive at an understanding in common with investee companies and work to solve problems through constructive engagement with investee companies.

Ecofin seeks to engage constructively with companies to ensure they are pursuing strategies that reflect the best interests of shareholders. The Investment Team place high importance on management quality and make regular company visits, including many site visits. They also regularly meet with or speak to management of companies. This enables them to engage in a two-way dialogue on issues that may affect the company's long-term performance. The Investment Team openly raise and discuss concerns and issues they may have and look for an appropriate response from the management. In the event of a conflict concerning management, operation, strategy, or corporate governance, Ecofin will seek an open and honest dialogue with companies and assist them with practical and constructive input.

Principle 5: Institutional investors should have a clear policy on voting and disclosure of voting activity. The policy on voting should not be comprised only of a mechanical checklist: it should be designed to contribute to sustainable growth of investee companies.

On behalf of our clients, Ecofin generally invests in securities issued by public issuers, which are listed on securities exchanges. In relation to these investments, we have the authority to vote proxies on behalf of our clients in such securities. Proxy Voting decisions are the responsibility of the portfolio manager and are made in accordance with these proxy voting policies and procedures. The actual voting of all proxies and the monitoring of the effectiveness of these policies and procedures is the responsibility of the CCO, or his delegate.

Ecofin has a documented Proxy Voting Policy in compliance with Rule 206(4)-6 of *the Investment Advisers Act of 1940*. Ecofin's clients can request a copy of the Firm's Proxy Voting Policy from the Chief Compliance Officer. Ecofin does not disclose this information to non-clients.

Principle 6: Institutional investors in principle should report periodically on how they fulfil their stewardship responsibilities, including their voting responsibilities, to their clients and beneficiaries.

Ecofin's disclosure on how it proposes to fulfil its stewardship responsibilities under the Code is made available on its website, and updated as necessary. Due to underlying confidentiality and investment or engagement strategy reasons it may not always be appropriate to disclose voting actions at a detailed level. Ecofin’s clients can request information about proxies voted and issues raised at meeting of the companies. Ecofin does not disclose this information to non-clients.

Principle 7: To contribute positively to the sustainable growth of investee companies, institutional investors should have in-depth knowledge of the investee companies and their business environment and skills and resources needed to appropriately engage with the companies and make proper judgements in fulfilling their stewardship activities.

Understanding the investee company’s business, from top-line to capital structure to corporate governance standards, forms an integral part for Ecofin’s investment activities. The execution of this process is the responsibility of the investment team. The portfolio managers and analysts in the Investment Team have an average of over 15 years of experience investing in across geographies.