

A photograph of an offshore wind farm. In the foreground, the large, white, cylindrical tower and the base of the nacelle of a wind turbine are visible, extending from the right side of the frame. In the background, several other wind turbines are scattered across a vast, deep blue ocean under a clear, bright blue sky. The water shows some ripples and a small white boat in the distance. The overall scene is clean and modern, representing renewable energy.

SandbrookCapital

2023 Sustainability Report

A challenge and opportunity of unprecedented scale

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At a glance

Sandbrook Capital is a private investment firm focused exclusively on transforming the world’s energy infrastructure to address the challenges posed by climate change.

We believe building and upgrading climate infrastructure required to facilitate the global transition away from fossil fuels is one of the greatest investment opportunities in a generation.

We empower and support courageous entrepreneurs to create impactful companies and deliver returns for our investors. Guided by our mission to enable the transition to net-zero emissions, we develop businesses that offer the next generation of climate solutions and strengthen the resilience of critical infrastructure.

We are a team of experienced infrastructure investors and operators driven by a strong commitment to fight climate change through the power of entrepreneurship. We combine seasoned technical knowledge in energy infrastructure with robust data science to propel innovative companies forward and accelerate progress toward decarbonization.










Our Policies

[Climate Impact and ESG Policy](#) →

[Diversity and Inclusion Policy](#) →

[Human Rights Compliance Oversight and Monitoring Program](#) →

By the numbers^[1]

 <p>\$2.1 billion of limited partner capital managed</p>	 <p>100% investments in climate infrastructure</p>	
 <p>\$1.5 billion raised for Sandbrook Climate Infrastructure Fund I</p>	 <p>46% women</p>	 <p>38% racial/ethnic minorities</p>
 <p>26 professionals from 11 different countries</p>	 <p>86.5 GWh renewable energy generated^{[3][4]}</p>	
 <p>4 portfolio companies representing 198 assets or projects^[2]</p>	 <p>61,551 metric tons of CO₂e emissions avoided^[3]</p>	

[1] As of December 31, 2023, unless otherwise stated

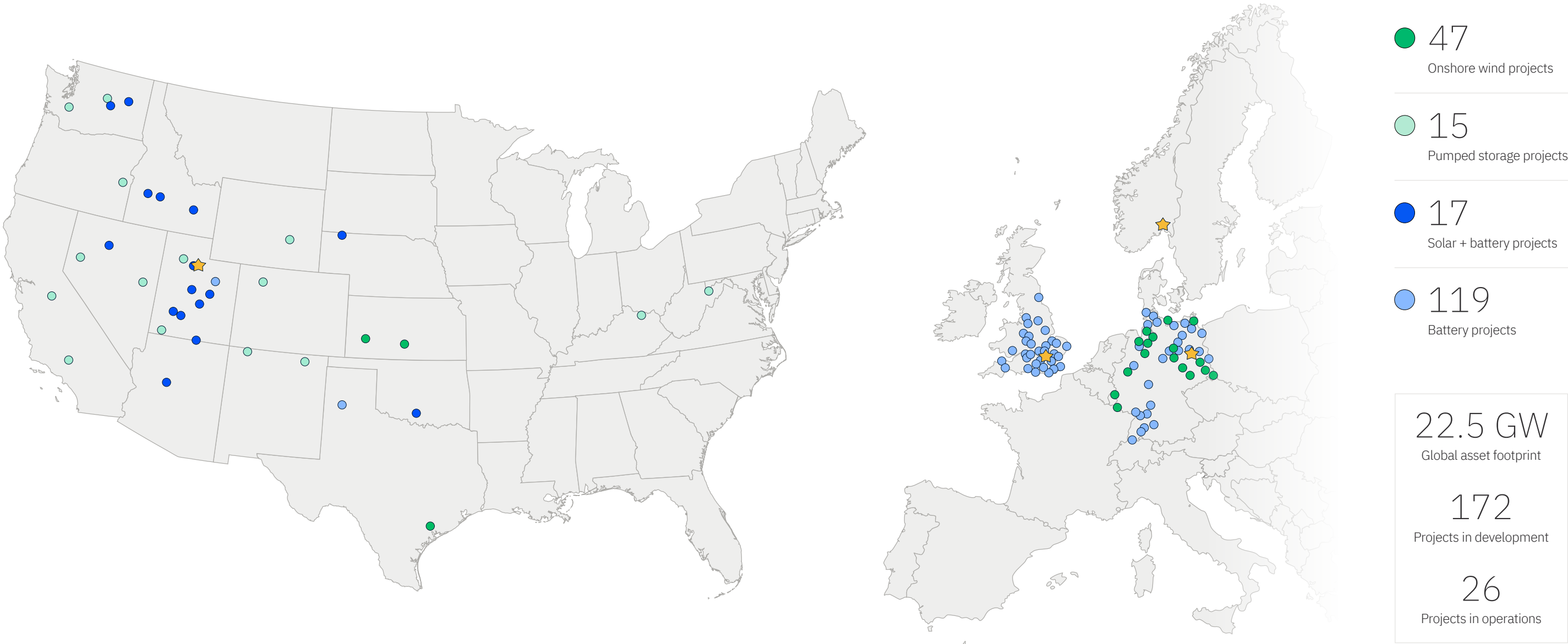
[2] As of March 31, 2024

[3] Between August 9, 2023 (Sandbrook investment date) and December 31, 2023

[4] GWh = Gigawatt hours

Our clean energy fleet^[1]

Sandbrook’s portfolio reflects our strategy to invest where we can make a meaningful contribution to the energy transition and enhance the availability of renewable power. Our four portfolio companies feature 26 operational or in-construction assets with 1.5 gigawatts (GW) of capacity and 172 development-stage assets representing an additional 21 GW.



★ Headquarters of portfolio companies

[1] As of March 31, 2024, some of the assets mapped are representative of groups of projects and may not reflect the exact number of projects in each location.

Letter from the founders

Today, we find ourselves in an unprecedented race against time to meaningfully confront challenges posed by climate change. We believe that the opportunity to break the cycle and avoid the worst impacts of climate change by limiting warming to 1.5 degrees Celsius and reducing global emissions to net zero by 2050 is still within reach. The current pace and quantum of capital investment needs to significantly increase to meet the demands required by the energy transition. We believe we are incredibly well positioned to contribute to this transformation through the amazing industrial activity of our current portfolio and our continued efforts to invest capital behind this global, multi-decade opportunity.

At Sandbrook, we take a rigorous, data-driven approach to partnering with world-class management teams in building companies that contribute to a more sustainable future and proliferate global, low-carbon energy infrastructure. We are laser-focused on creating highly scalable companies that have the ability to maximize positive climate impact and financial returns for our investors.

Our journey at Sandbrook began in 2021 with a shared view that financial success and environmental and social responsibility are inherently linked. Contributing to a sustainable future has always been the hallmark of our careers, and our work at Sandbrook represents our dedication to continue enabling sustainable development in a meaningful way. Our commitment to sustainability is not just an aspect of our work; it is the foundation upon which our investment philosophy is built, guiding us to make investments that resonate with our core values.

Our constant pursuit of innovation underscores our commitment to create positive impact through our investments. We relentlessly challenge ourselves to pioneer industry-leading, data-first strategies to quantify and analyze our environmental impact. We also believe that we can only be successful in this endeavor by incorporating diverse perspectives to drive creative thinking. As Sandbrook grows, we continue to foster an inclusive culture and celebrate the diversity of our own team and our portfolio companies' management teams.

As we embark on this transformative journey, we express our sincere gratitude to our partners who share our vision and provide their unwavering support. Together, we are not just navigating towards a more sustainable future, we are actively creating it.

Sincerely,
Sandbrook Capital's founders



Alfredo Marti



Carl Williams



Christopher Hunt



Germán Cueva



Kenneth Ryan



Our values and focus

Climate infrastructure represents a critical investment opportunity. By partnering with strong management teams and utilizing proven technologies, we seek to create large-scale companies that maximize climate impact and reliably deliver strong financial returns for our investors.



Climate infrastructure

Businesses defined by:

- Resilient, long-dated cash flows; and
- Talent, assets and/or services dedicated to the transition to a net-zero carbon world.

Our founders have been thought and execution leaders in climate infrastructure for more than a decade, building companies that are now among the leading players in the sector. Our fundamental values guide our decision-making processes and represent the fundamental principles of our firm:

01 Stewardship

We ground our reputation and relationships in the fight against climate change as we strive to focus on long-term value for investors and stakeholders.

02 Discipline

We aim to evaluate opportunities against where the world is going, not just where it has been, so that we execute effectively with a well-defined purpose and clear, market-led theses.

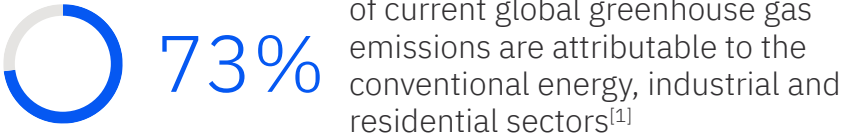
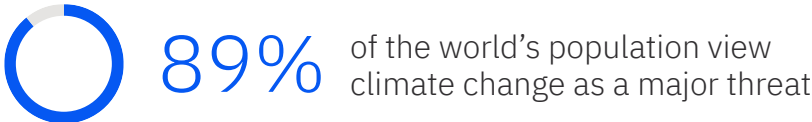
03 Transparency

We believe that we should be honest about our strengths and weaknesses, constantly seek feedback and maintain frequent communication on accountability and progress.

04 Partnership

We invest in world-class talent and cultivate a community of respect and collaboration while encouraging diversity of background and thought within a cohesive team.

Climate is at the core of our purpose as a team

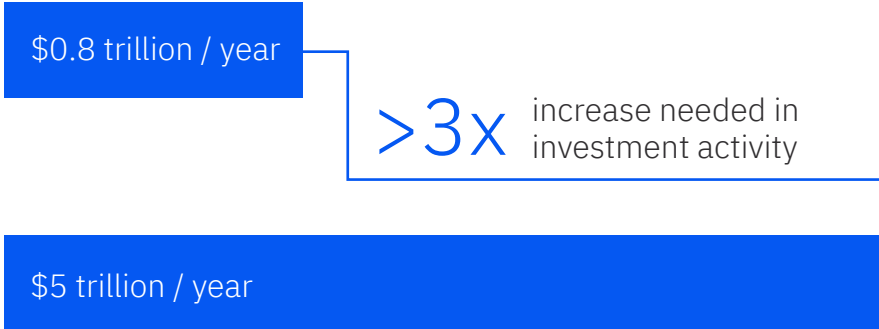


Climate change is an existential threat

In August of 2022, the Intergovernmental Panel on Climate Change (IPCC) announced a clear conclusion that human-induced global warming is already inevitable, and the path to avoid catastrophic damage is narrow and urgent.

We must transform the way we produce and consume energy

Decarbonizing energy is even more impactful and actionable with current technologies and market structures.



As global demand for energy grows and the generation of electricity contributes to roughly a quarter of global greenhouse gas emissions, a shift toward cleaner energy sources is imperative.

Our approach combines a comprehensive understanding of industry dynamics, informed by decades of experience in climate infrastructure, a commitment to sustainability and a diligent focus on managing risks. We only pursue investments for which we can identify, track and contribute to material and positive impacts.

As thesis-driven investors seeking to deploy capital to affect climate change, we have dedicated our focus to the five most impactful investment sectors.

The required magnitude and pace of capital deployment is enormous

The technology and solutions required to decarbonize energy are already available, but require investments estimated at over \$100 trillion over the next three decades.^[2]

Despite an investment cadence of approximately \$0.8 trillion / year currently, activity will have to more than triple in the near term—to \$5 trillion / year—to achieve this.

[1] International Renewable Energy Association (IRENA), Transforming the Energy System
[2] BNEF, New Energy Outlook, 2021



Our core investment focus areas

01

Clean power generation

- Global electricity demand is projected to triple by 2050, with increases from electrification of transport and buildings, as well as growth in emerging areas, including data center buildout^[1]
- Decarbonizing the supply of electricity will directly account for at least 25% of the global reduction in carbon emissions by 2050^[2]



02

Transmission and storage

- As renewable, intermittent generation becomes the leading power source, transmission networks and the energy storage sector will go through a period of substantial change and rapid growth
- Power grids will require large-scale electric storage at an increasing scale^[3]



03

Energy use and efficiency

- After remaining unchanged for decades, the way individuals and businesses procure, consume and optimize electricity is rapidly evolving
- Heating and cooling currently accounts for almost 50% of final energy consumption, and the majority of this demand will transition from fossil fuels to clean power during this decade^[4]

04

Low-carbon supply chains

- Rapid growth in low-carbon energy sources and the adaptation to global warming are constrained by the weakest links in the supply chain
- The lack of port services and technical vessels is creating a pinch point for the large-scale rollout of offshore wind



05

Low-carbon services

- Enterprise software and data science are transforming the electricity market and associated supply chain, with new businesses emerging around management of carbon emissions
- The future of the electrical grid is ever more complex, as intermittent generation, demand response, climate resiliency, distributed generation and microgrids all converge



[1] IEA (Pre 2019 data from IEA Electricity Information 2020 and post 2019 data from Net Zero by 2050 Scenario; updated May 2021)

[2] International Renewable Energy Association

[3] BNEF, Nomura Greentech analysis

[4] IEA, Tracking Buildings 2020 Heating (Excludes traditional use of biomass; 2019 estimated)

Our approach to climate impact and ESG

We incorporate tools and processes to track key environmental, social and governance (ESG) metrics and maintain accountability for value creation and climate impact, starting with due diligence and continuing throughout the lifecycle of our investments. We also engage in industry-leading initiatives by leveraging frameworks that complement our mission and help us quantify our progress.



Pictured here: members of the rPlus team at the Pleasant Valley solar project

Sandbrook's approach to sustainability is guided by two basic principles:

- 01 Impact and returns are both required and mutually reinforcing**
We believe that climate impact and ESG leadership ultimately translate into commercial advantage.
- 02 We are as rigorous about climate impact and ESG as we are about financials**
We do not invest unless we can objectively identify, track and contribute to the creation of material climate impact. We hold ourselves and our investments to rigorous independent standards from day one.

Leveraging key ESG frameworks and partnerships



Signatory of:



Key dimensions of our approach

We assess climate impact across three dimensions: **intention**, **contribution** and **measurement**.

Intention

At the forefront of our approach, we identify investments that demonstrate positive impacts and mitigate climate change through their purpose. Our team's process not only targets carbon neutrality; we strive to exceed this goal to enable net benefits.

Our approach to intention involves a conscientious and purposeful effort to understand, measure and mitigate the environmental consequences of our actions. It signifies a shift from mere acknowledgment of climate challenges to actively seeking ways to make a positive impact.

At Sandbrook, climate impact intention extends beyond the confines of boardrooms and businesses, permeating into the fabric of everyday life of our employees and partners.

From choosing sustainable modes of transportation to offsetting our emissions, we are wholly aligned in making decisions to minimize our ecological footprint and to maximize climate impact. We seek to hold ourselves to the same high standards as our investments on all aspects of our operations, from carbon footprint to diversity, and from compliance and governance to community impact.

Sustainable Development Goals that guide our definition of intention



Contribution

We only invest where our participation makes a material difference to the achievement of significant climate and ESG impact. We use our extensive track record and knowledge base to contribute to meaningful advancements to pursue investments that will benefit from our experience to generate the strongest impacts and returns.

Sandbrook offers the expertise and understanding of leading practices to drive development in key industries. Leveraging our collective knowledge, our teams work directly with portfolio companies to define climate and ESG targets, develop plans to accomplish these goals and link remuneration to achievement. We actively collaborate with our portfolio companies to contribute to their ESG progress and capitalize on growth opportunities.

Measurement

Measurement represents a critical part of our strategy to ensure progress and quantifiable results throughout the lifecycle of our investments. Our approach to data science brings together inputs from a wide range of sources to facilitate advanced quantification of both financial and non-financial impacts.

We customize our assessment process to each investment's unique characteristics, and we track a highly detailed set of metrics to model the breadth of each impact and effectively monitor progress against targets. Our innovative analysis also reinforces accountability and transparency for our stakeholders.



Sandbrook's data-driven approach

We use data science to identify what sets our target investments and portfolio companies apart from their competitors. We utilize best-in-class technology and leading-edge metrics to assess potential investments and track the performance of our portfolio. Our team prioritizes precision in our analysis so that we can accurately measure impact and understand the trends associated with each metric to inform our management approach.

We track an average of 90 key performance indicators (KPIs) per portfolio company on a monthly basis, which include metrics related to financial performance, operations, climate impact and ESG performance. We are proud of our ability to tailor metrics for each potential investment and also continually enhance the capabilities of our data tracking systems.

Our KPIs reflect the unique impacts associated with each investment, and we go deep in our analysis. When we evaluate the Scope 1, 2 and 3 emissions of target investments, we conduct a detailed analysis of supply chain impacts including, for example, the carbon intensity of steel used in a company's projects. We also measure the use of materials at the end-of-life stage, such as the number and percentage of wind turbines recycled, as well as biodiversity impacts, such as the number of bird and bat incidents, as applicable, starting at the pre-investment stage.

Our data modeling also incorporates granularity that enables more accurate estimations, such as the hourly displacement of fossil fuel-based generation, to inform our trend analysis. Tracking metrics at this level across the lifecycle of our investments allows us to understand the associated impacts and develop a sophisticated perspective about the ESG progress.

To further advance our approach, we invest in automated tools to process data and generate visualizations that offer critical insights about performance. In the future, we aim to further expand our data capabilities and incorporate artificial intelligence to analyze the risks of specific assets, optimize efficiency and inform ongoing valuation. The depth of our data-driven approach differentiates Sandbrook and highlights opportunities to drive value creation throughout our portfolio.

90 KPIs

tracked on average per portfolio company on a monthly basis

The investment lifecycle

Climate and ESG factors are central to our investment strategy and risk management. We focus on investments with measurable, positive impacts, using our Climate Impact Management System (CIMS) for ESG integration. Our Climate Impact and ESG (CI&ESG) Committee confirms alignment with the CIMS and oversees our investment stages. We evaluate investments for climate risks and impacts by leveraging the CIMS for screening and developing impact theses.

During due diligence, we assess impact significance, stewardship and risk management, conduct measurability tests to ensure data reliability and set performance metrics. We also use temperature-aligned scenario analysis for climate risk evaluation. Strategies are developed to mitigate specific climate and ESG risks, and we benchmark against industry KPIs to track progress and identify performance enhancement opportunities. Our diligence process also considers commercial, legal, tax and social factors, including review of governance, ethics and diversity policies, to maintain alignment with stakeholder expectations.

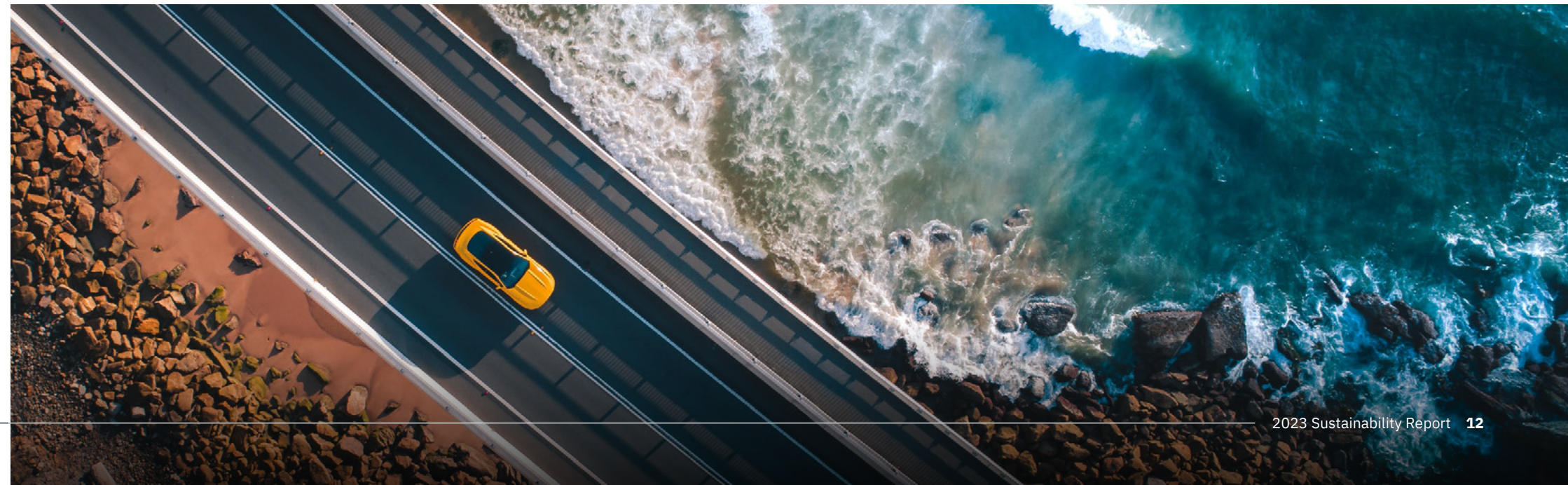
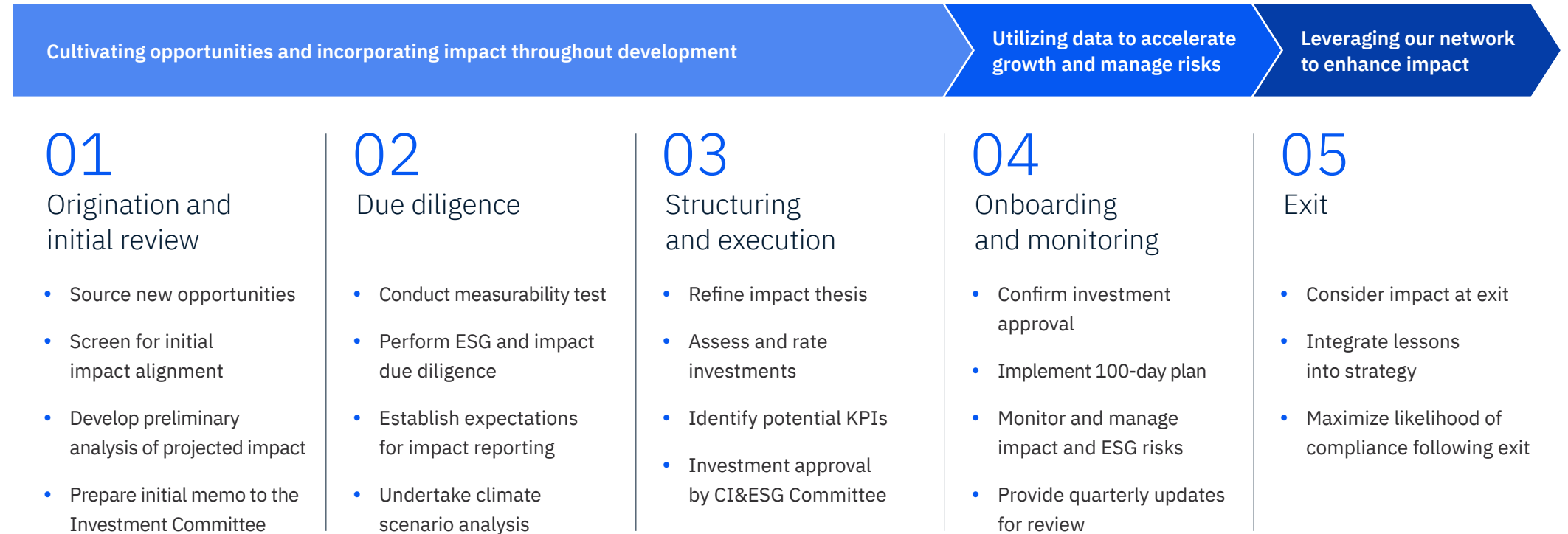
To manage upstream ESG impacts, we also leverage our rigorous due diligence in selecting and monitoring supply chains associated with our investments. We take a hands-on approach with our supply chain partners, particularly focusing on sustainability topics. We work closely with our portfolio's suppliers, require them to adhere to specific ESG standards, including human rights, and expect this compliance to extend to their sub-suppliers as well. This oversight includes engaging in dialogue with senior management of key suppliers and conducting periodic site visits either directly or through representatives.

Post-investment, we monitor ESG KPIs monthly and report on performance to stakeholders quarterly. We align certain metrics with frameworks such as the ESG Data Convergence Initiative (EDCI), the Global Impact Investing Network's IRIS+ system and the Sustainable Development Goals (SDGs), and we customize other metrics for specific portfolio companies. Our data analysis informs portfolio initiatives and risk mitigation, and we also update company targets and strategies to address evolving climate risks.

At exit, we assess impact and integrate insights into our strategy and analysis for future investments. Sandbrook aims to ensure that the business continues to drive positive impact after Sandbrook's ownership.

For more information about our governance approach and ESG integration in our investment process, see our [Climate Impact and ESG Policy](#).

Our Climate Impact Management System (CIMS)



Our commitment in practice

Our governance enables responsible investment oversight and alignment with our values. Leveraging over a decade of leadership experience, we adopt a thesis-based, unbiased approach and focus on data to assess risks and opportunities.

Governance and accountability

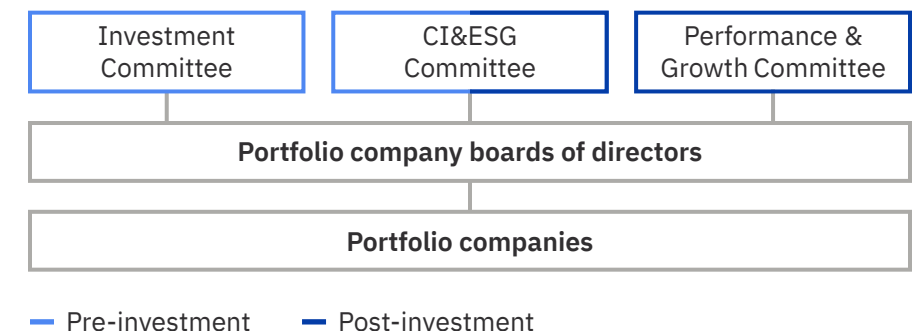
Sandbrook's CI&ESG Committee evaluates ESG due diligence outcomes, monitors policy compliance and approves investments. This committee also oversees ESG performance strategies and conducts industry benchmarking to exceed standards. Only when an investment meets our values and leadership criteria does it progress for Investment Committee approval.

Meeting quarterly, the CI&ESG Committee reviews the firm's and the portfolio's ESG metrics and performance, discusses climate impacts and collaborates on integrating ESG considerations throughout the investment lifecycle. Our teams leverage data to track and analyze climate and ESG progress.

We link executive and staff performance KPIs to climate impact and ESG, influencing annual reviews and compensation to reinforce accountability. Additionally, we enhance our teams' ESG knowledge through third-party training on various topics, and we extend this education to our portfolio companies for improved ESG management.

Aligning governance and incentives to maximize sustainability and climate impact

The CI&ESG Committee focuses on sustainability and climate impact, and the Investment Committee and Performance & Growth Committee focus on financial returns.



Diversity, equity and inclusion

At Sandbrook, bringing together different perspectives is core to who we are, and it creates better outcomes for our stakeholders. In alignment with our values, we strive to build a diverse team and to cultivate an inclusive workplace that exemplifies not only equal opportunities but also leading practices within the financial services industry. Our [Diversity and Inclusion Policy](#) outlines our commitment to integrate diversity, equity and inclusion (DEI) into our own practices, increase the diversity of management teams in our portfolio and promote engagement with diverse suppliers.

Our CI&ESG Committee oversees our DEI efforts to monitor compliance with our Diversity and Inclusion Policy and assess implementation. As part of its responsibilities, the CI&ESG Committee develops relevant procedures for fostering inclusion, determines metrics to track progress against Sandbrook’s DEI strategy, regularly reviews DEI initiatives and data of our investments and shares best practices across our portfolio. During due diligence, the CI&ESG Committee also evaluates the maturity of DEI practices and policies for potential investments.

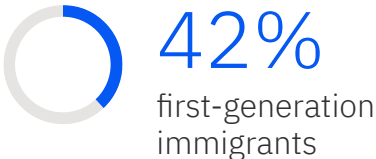
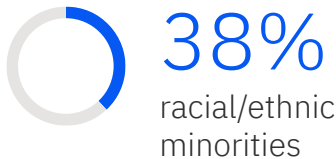
To enhance the diversity of our own workforce, we actively engage our network, recruiters and other external channels to access a wide range of candidates for every role, and we track the diversity of our interview candidate pool as part of our approach. Minorities in key leadership positions serve as mentors and provide development support to our highly diverse team. At the end of 2023, 72% of our firm were either women and/or members of an ethnic minority group, which is an increase from 40% in 2021.

We are also proud to be a signatory of the Institutional Limited Partners Association (ILPA) Diversity in Action Initiative and to contribute to wider DEI progress in the private equity industry. As part of our efforts to promote awareness and expand the knowledge of our own team, 100% of employees receive DEI training, which covers unconscious bias, systemic racism and opportunities to develop an inclusive environment. In addition, we provide paid family leave and childcare resources to support our employees in different stages of their lives, and we monitor and maintain equal pay practices across all levels.

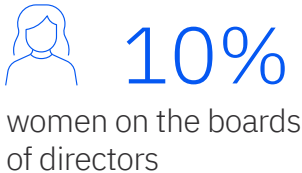


Pictured here: members of the Sandbrook team

Our team members



Diversity in our portfolio^[1]



[1] As of March 31, 2024



Local engagement: championing the next generation of climate leaders

The Future Climate Leaders program provides local public high school students with experience in private equity and promotes interest in addressing climate change. Through engagement in our communities, we work with school principals who nominate distinguished rising high school seniors for consideration. A significant portion of these candidates represent underprivileged minorities. These students are invited to write about the impacts of climate change on their life and the ways in which they help to mitigate future negative impacts. Selected students then join our team and participate in a six-to-eight-week internship program, where they work on projects related to climate infrastructure, finance reporting, data science and other topics. The Future Climate Leaders program focuses on fostering a positive learning environment and motivating students to explore career opportunities and gain hands-on experience in the industry. Program alumni are now pursuing degrees at world-class universities including Harvard and Purdue.

Human rights

In alignment with the United Nations Guiding Principles on Business and Human Rights (UNGPs), we recognize and respect the human rights of our stakeholders, and we aim to mitigate risks of adverse impacts throughout our operations, partnerships and portfolio. Through our Human Rights Compliance Oversight and Monitoring Program, we assess and manage our actual and potential human rights impacts. Our Chief Compliance Officer oversees this program and monitors compliance with our policies in conjunction with external partners who specialize in human rights.

We conduct an annual scoping process by identifying key risks associated with each portfolio company's activities, and we issue an annual questionnaire to collect information about risk factors and existing human rights programs. We also utilize desktop research and directly engage external stakeholders to refine our evaluation of salient human rights risks. Based on our data, we assess and map the risks based on the nature, severity and likelihood, and we factor the results into our recommendations to engage stakeholders and mitigate the risks.

We continue to enhance our risk-based approach to due diligence. For more information about our commitment and procedures to protect human rights, see the overview of our [Human Rights Compliance Oversight and Monitoring Program](#).

Local engagement

We are strong believers in improving our local environment and supporting health and wellbeing through community engagement. For example, in 2023, our Stamford office organized a service day to work together in support of the rehabilitation of the local Mill River Park. This promoted ecosystem health while benefiting the surrounding neighborhood. We plan to establish this initiative as an annual event, and we will continue to participate in volunteering opportunities in our communities. In addition to these efforts, we are proud to annually match twice the amount of staff donations made to climate and community non-profits (up to \$2,000) to demonstrate our investment in environmental stewardship and our commitment to social responsibility.



Our climate impact metrics

We are pleased to disclose our first greenhouse gas inventory, including both operational and financed emissions.

We assess our firm's Scope 1 and 2 emissions on a monthly basis, which informs our initiatives to reduce our carbon footprint. In addition, we track our Scope 3 emissions for business travel (category 6) and employee commuting (category 7). We then purchase high-quality offsets that match all of these emissions since Sandbrook's inception.

To monitor and manage the emissions of our investments, we require each portfolio company to track and report its Scope 1 and 2 emissions. We attribute portfolio company emissions to our Scope 3 inventory for financed emissions (category 15), as appropriate, in alignment with the Partnership for Carbon Accounting Financials (PCAF) Standard.

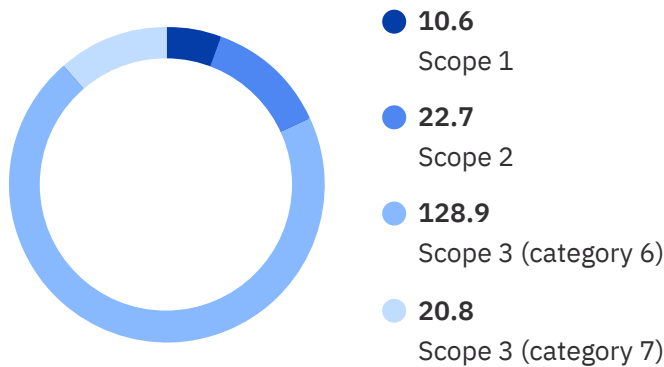
As part of our commitment to measuring performance, we also track avoided emissions by following best-in-class practices to compare against business-as-usual emissions. Where applicable for certain investments, we model hourly displacement over an extended time period, and we continue to quantify and assess the expected impact of our investments on a regular basis.

Looking forward

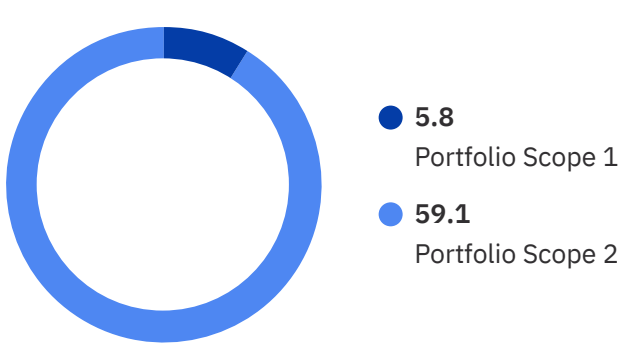
Throughout the next year, we plan to expand emissions tracking and analysis to include Scope 3 emissions within each of our portfolio companies. We will also strive to increase alignment between our ESG due diligence process and selection of key vendors and suppliers as part of our progression. To inform our approach, we will continue to drive performance by leveraging data-driven insights that highlight opportunities for emission reductions and promote further decarbonization.

Sandbrook's 2023 emissions footprint

Firm-level operational emissions (metric tons CO₂e)




Financed emissions (metric tons CO₂e)^[1]



[1] Financed emissions reflect partial year data for 2023 for two out of three investments due to ownership start date

Firm-level footprint

 **0.26 metric tons**
CO₂e per \$M invested^[2]

 **2.0**
PCAF data quality score

 **300 metric tons**
of CO₂ offsets purchased to reduce overall emissions since inception

Sandbrook has invested in **high-quality, long-term offsets**, corresponding to 100% of firm-level emissions since inception, that focus on carbon removal and meet the Verified Carbon Standard, including reforestation and soil carbon projects.

[2] Metric is based on actual capital deployed

NEXTWIND Avoided emissions



151,294 metric tons

of CO₂e emissions avoided due to NeXtWind operations in 2023^[3]

Emissions equivalent to



Carbon sequestered by **176,640 acres** of U.S. forests in one year



CO₂ emissions from energy consumed by **19,730 homes** in one year



Emissions released from **36,008 gasoline-powered** vehicles for one year

[3] Avoided emissions are calculated hourly based on NeXtWind generation as compared with the emissions intensity of the German power grid





Our portfolio's climate impact and ESG metrics



Although governments incentivize renewable energy development through a variety of policies, there is a lack of available land for greenfield development. This makes repowering a critically important way to increase capacity rapidly in already wind-dense regions to meet decarbonization targets.

NeXtWind is an independent renewable energy company in Germany that acquires and repowers onshore wind farms to redevelop these older assets. The company also aims to construct new capacity through expansion of NeXtWind's greenfield development strategy. By improving the efficiency of wind assets, NeXtWind contributes to the displacement of fossil fuels and increases total renewable generation in the German power stack.

Intention

NeXtWind repowers and develops its portfolio of existing wind assets to increase renewable production, eliminate significant CO₂ emissions and improve energy efficiency per acre as Germany works toward its net-zero target.

 **277 MW**

existing operating assets with potential for repowering over the coming decades

Contribution

Sandbrook brings multiple years of experience buying, constructing and operating onshore wind farms and will provide the necessary capital to acquire assets targeted for repowering.

 **138 MW**

onshore wind capacity acquired by NeXtWind as of December 31, 2023

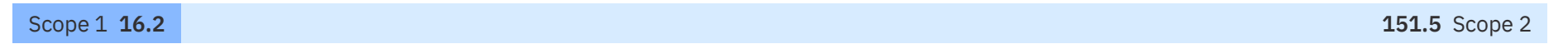
Measurement

To evaluate NeXtWind's positive climate impacts, we track an extensive variety of key metrics that reflect leading practices. A few of the most critical metrics, which we identify prior to investment and strive to track throughout the investment lifecycle, are listed below and include both indicators recommended by third parties and additional customized indicators selected by Sandbrook.

 **11.3 million**

metric tons of CO₂ emissions projected to be eliminated over the next 30 years due to repowering of the current wind portfolio^[1]

2023 emissions (MT CO₂e)



Select key metrics ^[2]	Independent metrics	Additional Sandbrook metrics
Climate impact	<ul style="list-style-type: none"> Renewable energy installed (IRIS+: PI9448) Energy generated for sale: Renewable (IRIS+: PI5842) Emissions avoided (IRIS+: PI2764) 	<ul style="list-style-type: none"> Repowering ratio (MW and MWh)^[3] Total % increase in portfolio generation % of turbines recycled
Environment	<ul style="list-style-type: none"> Greenhouse gas emissions (IRIS+: OI1479) Number of turbines recycled (IRIS+: OI4328) Biodiversity footprint, including number of bird and bat incidents (IRIS+: PI6887) 	<ul style="list-style-type: none"> Greenhouse gas emissions of supply chain and construction Number of noise-related complaints
Social	<ul style="list-style-type: none"> % of female employees among workforce (UN SDG: 5.5) Number of community engagement events (UN SDG: 13.3) 	<ul style="list-style-type: none"> Employee retention Number of work-related incidents Diversity among candidates interviewed
Governance	<ul style="list-style-type: none"> Women in leadership and on the Board (UN SDG: 5.5) 	<ul style="list-style-type: none"> CEO-to-employee salary ratio % of employees completing Foreign Corrupt Practices Act (FCPA) and DEI training Number of cyber events

[1] This metric reflects estimated emissions to be avoided based on hourly projections of power generation compared with the carbon intensity of the German power grid (considering expected thermal generation plant retirements) and marginal emissions expected from operations. Sandbrook considered the number of wind assets at the time of initial investment.

[2] Excerpts from 85 metrics tracked

[3] MW = Megawatts; MWh = Megawatt hours



As demand for renewable energy continues to grow, the scale of offshore wind turbines has increased dramatically over the past few decades. Today’s turbines of 15 MW capacity are approximately three times wider in diameter and five times larger in capacity than turbines from less than two decades ago. Delivering equipment and materials for the installation of these turbines presents unique physical challenges. Therefore, wind turbine installation vessels (WTIVs) are one of the primary bottlenecks in achievement of offshore wind development targets globally. To address this concern, Havfram provides transport and installation services for the offshore wind sector. The company’s advanced fleets of WTIVs have highly specialized technical capabilities to support installation of wind turbines. The vessels are already contracted to build large offshore wind farms in 2026–2030 in partnership with leading operators.

Reflecting our focus on supply chain impacts, we also conducted due diligence on the shipyard, CIMC Raffles Yantai, which is certified by the International Organization for Standardization (ISO) and is recognized amongst peers for its strong ESG performance. We have engaged a third-party supervisor to directly monitor the shipyard and maintain alignment with our key ESG expectations and reporting requirements, and an additional third party conducts independent audits on this shipyard every six months.

Intention

Havfram develops energy-efficient WTIVs to meet the demand for offshore wind infrastructure and increase renewable energy capacity, which supports the transition away from fossil fuels.

90 turbines

to be installed per vessel per year on average

Contribution

Sandbrook brings multiple years of offshore wind experience through previous investment in the sector, as well as a network of skilled and capable relationships in financing, building and operationalizing vessels.

11.7 GW

capacity expected to be installed in the first five years of operation, which is equivalent to powering over 4 million households

Measurement

As Havfram supports the buildout of next generation WTIVs and enables the construction of more efficient wind farms, we monitor the increase in renewable capacity, the reductions in hours needed for construction and other critical indicators that reflect Havfram’s climate impact and ESG progress.

37%

estimated reduction in operational CO₂ emissions per MW installed through use of Havfram’s energy-efficient vessels compared to legacy fleets, equivalent to 15,000 metric tons annually

2023 emissions (MT CO₂e)

Scope 1 **0.0** 3.9 Scope 2

Select key metrics ^[1]	Independent metrics	Additional Sandbrook metrics
Climate impact	<ul style="list-style-type: none"> Emissions avoided (IRIS+: PI2764) Energy capacity added (IRIS+: PI9448) 	<ul style="list-style-type: none"> Number of turbines installed MW installed Barrels of marine gasoil replaced with biofuel
Environment	<ul style="list-style-type: none"> Greenhouse gas emissions (IRIS+: OI1479) Total waste generated (IRIS+: OI6709) Recycling ratio (IRIS+: PD9364) 	<ul style="list-style-type: none"> Greenhouse gas emissions of supply chain and construction Hours of shore-power Crew changes via helicopter
Social	<ul style="list-style-type: none"> % of female employees among workforce (UN SDG: 5.5) 	<ul style="list-style-type: none"> Employee retention Number of work-related incidents Diversity among candidates interviewed Number of shipyard workplace incidents
Governance	<ul style="list-style-type: none"> Women in leadership and on the Board (UN SDG: 5.5) 	<ul style="list-style-type: none"> CEO-to-employee salary ratio % of employees completing anti-corruption training Number of cyber events

[1] Excerpts from 102 metrics tracked

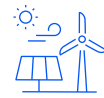


Material shifts in energy policy in the western U.S. are contributing to increases in clean energy generation and the retirement of CO₂-emitting fuels, such as coal. For example, Nevada and Oregon have stated their targets to have 50% renewable generation by 2030 and 100% clean energy generation by 2050 and 2040, respectively. In addition, utilities are also acting; PacifiCorp is targeting a 60% reduction in emissions by 2030 across states without significant existing policies (e.g., Utah & Idaho). To meet these targets, solar and storage installations are expected to increase by ~4x the current installed amount across the Western Electricity Coordinating Council (WECC), reflecting a need for ~6 GW capacity installed per year.

Focused on greenfield development in this region and extending across the western U.S., rPlus aims to operationalize significant volumes of new renewable capacity by 2030. Through development of its portfolio, rPlus’s net positive climate impact is estimated to reach ~29 million metric tons of CO₂ over the next 25 years and will continue to increase as rPlus grows its asset base.

Intention

rPlus will support the buildout of new renewable generation assets across some of the most carbon-intensive power grids in WECC. Development of co-located BESS will also increase reliability, enabling integration of renewable generation and accelerating the retirement of thermal units.



630+ MW

solar and wind projects in service or under construction

Contribution

Sandbrook will leverage its extensive experience in renewable development and network to support rPlus’ growth.



115+

collective years of development experience

Measurement

We have identified extensive metrics to monitor impact for rPlus, addressing ESG topics across both the development and operations phases.



34 projects

in development, representing over 14 GW of new renewable generation and energy storage capacity across 16 states

Select key metrics ^[1]	Independent metrics	Additional Sandbrook metrics
Climate impact	<ul style="list-style-type: none"> Renewable energy installed (IRIS+: PI9448) Energy generated for sale: Renewable (IRIS+: PI5842) Emissions avoided (IRIS+: PI2764) Renewable energy expenditures (IRIS+: OI9206) Greenhouse gas emissions of product (IRIS+: PD9427) 	<ul style="list-style-type: none"> Total storage capacity developed (MW) Total storage capacity constructed (MW) MW of greenfield generation developed MW successfully developed Time-shifted clean energy (MWh)
Environment	<ul style="list-style-type: none"> Greenhouse gas emissions (IRIS+: OI1479) Total water consumed (m³) (IF-EU-140a.1) Total number of shutdowns or project delays related to ecological impacts (RR-ST-160a.1) 	<ul style="list-style-type: none"> Number of noise-related complaints % electric company cars Number of avian takes (in windfarms)
Social	<ul style="list-style-type: none"> % of female employees among workforce (UN SDG: 5.5) Number of community engagement events (UN SDG: 13.3) Total recordable incident rate (IF-EU-320a.1) 	<ul style="list-style-type: none"> Diversity among candidates interviewed Taxes paid to local communities Minority % of staff Contributions to charity
Governance	<ul style="list-style-type: none"> Women in leadership and on the Board (UN SDG: 5.5) Number of incidents of non-compliance with physical and/or cyber security standards or regulations (IF-EU-550a.1) 	<ul style="list-style-type: none"> % of employees completing trainings Suppliers completing ESG screening due diligence questionnaires

[1] Excerpts from 115 metrics tracked



As renewable generation continues to grow, the grid undergoes increasing physical stress to meet power demand around the clock and regulate frequency, both of which in turn increase power price volatility.

Battery energy storage systems (BESS) can help to alleviate this stress by shifting excess renewable power generation to time periods where it is scarce. BESS are charged when power prices are the lowest within the day, typically coinciding with high availability of resources with zero marginal cost (renewables, nuclear, hydro). When power prices are higher during the day, BESS are discharged and limit the need to leverage inefficient, expensive and environmentally harmful thermal plants. In addition to directly replacing marginal generation, BESS assets can reduce system-wide congestion by decreasing renewable energy generation curtailment and potentially deferring costly and time-consuming transmission development. Voltwise serves this need for increased grid resilience by developing utility-scale BESS assets, initially focused on the U.K. and Germany and aiming to expand throughout Europe in the future.

Intention

Voltwise’s BESS assets will contribute to time-shifting renewable generation and allow displacement of marginal fossil fuel generation. In addition, BESS will enable greater penetration of renewables by contributing to grid stability and offsetting the intermittency of non-dispatchable assets.



current development pipeline^[1]

Contribution

Voltwise and Sandbrook measure data and analyze reductions in system-wide carbon emissions through advanced data analytics and provide development and operating experience to support implementation of best-in-class carbon impact and ESG systems.



of employees are women^[1]

Measurement

Sandbrook has customized a best-in-class set of metrics to evaluate the impact of Voltwise.



under development in the U.K. and Germany^[1]

2023 emissions (MT CO₂e)

Scope 1	0.0	2.9	Scope 2
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Select key metrics ^[2]	Independent metrics	Additional Sandbrook metrics
Climate impact	<ul style="list-style-type: none"> Greenhouse gas emissions mitigated (IRIS+ OI5951) Energy capacity of product (IRIS+ PD2713) 	<ul style="list-style-type: none"> Total storage capacity developed (MW) Total storage capacity constructed (MW)
Environment	<ul style="list-style-type: none"> Greenhouse gas emissions (IRIS+: OI1479) Significant impacts of activities, products and services on biodiversity (GRI 304-2) 	<ul style="list-style-type: none"> Greenhouse gas emissions of supply chain and construction Lithium batteries recycled (lb.) Number of noise-related complaints
Social	<ul style="list-style-type: none"> Work-related injuries (GRI 403-9) % of female employees among workforce (UN SDG: 5.5) 	<ul style="list-style-type: none"> Number of work-related incidents Diversity among candidates interviewed % of diversity among workforce (per year)
Governance	<ul style="list-style-type: none"> Number of community partnerships (UN SDG: 17.17) 	<ul style="list-style-type: none"> Minorities in leadership % of employees completing anti-corruption training Number of cyber events

[1] As of March 31, 2024

[2] Excerpts from 59 metrics tracked



Appendix: TCFD disclosures

TCFD disclosures

The Task Force on Climate-related Financial Disclosures (TCFD) outlines a recommended framework for reporting on climate-related risks and opportunities. Sandbrook reports against these recommendations to disclose information about our processes for managing climate impact.

Pillar	Recommendation	Sandbrook status or plans
Governance	a) Describe the board’s oversight of climate-related risks and opportunities.	Our CI&ESG Committee primarily oversees our risk management and opportunity pursuits, supported by the Investment Committee and the Performance and Growth Committee.
	b) Describe management’s role in assessing and managing climate-related risks and opportunities.	Each committee conducts periodic reviews to track, identify, evaluate and report on portfolio companies’ risks and opportunities. Our CI&ESG Committee collaborates with our deal teams to develop and enhance climate risk mitigation strategies for portfolio companies. Our CI&ESG Committee is also responsible for our CIMS, which allows us to track alignment with our climate objectives throughout the investment lifecycle. For more information about our oversight of climate-related risks and opportunities, see Our commitment in practice: Governance and accountability .
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	Addressing climate risk is foundational to our business strategy, and we focus solely on investments that provide significant, positive impacts. Through our CIMS, we consider climate risks and opportunities at each stage of the investment lifecycle. We ensure that all of our investments make material contributions to the global energy transition, and we actively manage our portfolio companies to enhance their impacts.
	b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning.	To inform our strategy, we evaluate the transition and physical climate-related risks and opportunities that could affect our portfolio. The following are examples of these impacts: <ul style="list-style-type: none"> • Risks: The transition to net-zero emissions poses some market and regulatory risks for our portfolio. Stricter emission standards and emerging climate policies may cause regulatory challenges that affect our supply chains and thus the operations and valuation of investments. Other transition risks, such as new technologies in the market, may increase competition and reduce demand for certain assets. In addition, physical risks, including severe weather events and long-term changes in temperature, may disrupt the operations of energy infrastructure and weaken supply chains. • Opportunities: By focusing on investments that align with the SDGs, we aim to capitalize on sectors that are positioned for significant growth, including renewable energy, sustainable infrastructure and waste management. We seek to incorporate innovative solutions and technologies that enable our portfolio companies to address climate-related challenges while expanding their impacts.
	c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	As our portfolio grows, we are formalizing and integrating temperature-aligned physical and transition risk and opportunity analysis into our standard practices, so that we can leverage additional quantification as we continue to evaluate the resilience of our investments. For more information about our climate-related risks and opportunities strategy, see Our approach to climate impact and ESG .

Pillar	Recommendation	Sandbrook status or plans
Risk management	<p>a) Describe the organization’s processes for identifying and assessing climate-related risks.</p> <p>b) Describe the organization’s processes for managing climate-related risks.</p> <p>c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization’s overall risk management.</p>	<p>Our CI&ESG Committee leverages our CIMS to identify, assess and manage our climate-related risks and opportunities.</p> <p>As part of due diligence, our CI&ESG Committee evaluates each potential transaction and only pursues investments where climate impacts can be clearly measured, tracked and benchmarked. Through this process, we conduct a measurability test and assess the potential negative and positive impacts of investments.</p> <p>We evaluate risks by using principles and metrics from recognized standards for sustainable development, including the TCFD recommendations, the Operating Principles for Impact Management and the Impact Management Project. We also benchmark investments against relevant industry KPIs to identify opportunities to enhance performance.</p> <p>During the ownership period, we collect and analyze data to inform our ongoing risk mitigation efforts and engage our portfolio companies as we evaluate and address risks. We continue to conduct quarterly reviews and report on our performance.</p> <p>For more information about our climate related risk management, see Our approach to climate impact and ESG: The investment lifecycle.</p>
Metrics and targets	<p>a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p> <p>b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas emissions, and the related risks.</p> <p>c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p>	<p>To assess climate-related risks and opportunities, we track our operational emissions, including Scope 1 and 2 emissions and categories 6 and 7 for Scope 3 emissions, and our financed emissions (Scope 3, category 15) from our portfolio companies.</p> <ul style="list-style-type: none"> • Scope 1 emissions: 10.6 metric tons CO₂e • Scope 2 emissions: 22.7 metric tons CO₂e • Scope 3 emissions (category 6): 128.9 metric tons CO₂e • Scope 3 emissions (category 7): 20.8 metric tons CO₂e • Scope 3 emissions (category 15): 64.9 metric tons CO₂e <p>For our portfolio, we also tailor climate impact metrics based on the specific investments. Metrics may include the amount of renewable energy installed, energy produced per acre, emissions avoided, repowering ratio, total percent increase in portfolio generation, percent and number of turbines recycled, number of bird and bat incidents, number of noise-related complaints, carbon intensity by stage of manufacturing, carbon intensity by vintage and use of materials at end-of-life (by percent of turbine), among other indicators.</p> <p>To continue managing our risks and opportunities, we aim to expand emissions tracking to include the Scope 3 supply chain impacts of our portfolio companies in 2024.</p> <p>For more information about our emissions and climate metrics, see Our climate impact metrics.</p>

About this report

The 2023 Sustainability Report is our inaugural report, which contains ESG-related information and data about our sustainability strategy and performance between January 1, 2023, and December 31, 2023. Where noted, we also provide information on initiatives and investments that occurred in early 2024.

Disclaimer

The information provided in this report is for informational purposes only and does not constitute an offer to sell or a solicitation of or an offer to purchase interests in any securities. The case studies presented in this report are intended to highlight relevant portfolio company characteristics or results and are for illustrative purposes only. It should not be assumed that investments made in the future will be comparable in quality or performance to the investments described herein. Past performance is not necessarily indicative of future results. This report contains forward-looking statements and actual results and outcomes may differ materially and adversely. Goals, targets and commitments, including Sandbrook's ESG goals and related timelines, are aspirational, subject to change and not guarantees or promises that any or all goals, targets and commitments will be met.

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