
Responsible Investment Policy

Date
02 March 2021

1 Scope and commitment

- 1.1 AIP Management P/S ("AIP") is an alternative investment fund manager advising institutional investors on infrastructure investments and managing such investments on behalf of the investors.
- 1.2 As an advisor to long-term institutional investors, AIP is committed to operating as a responsible investor and to including long-term sustainability aspects into its investment strategy and its operations.

2 Delivering on the commitment

- 2.1 AIP has developed a set of core values which permeate the organisational behaviour and are aligned with the fiduciary responsibility entrusted upon us and the objective of investing with long-term value creation in mind.
- 2.2 In building a comprehensive responsible investment policy, AIP has chosen to build this around the three key pillars of sustainability in Environmental, Social and Governance matters.
- 2.3 Thus, ESG integration is defined as executing the investment and asset management strategy in accordance with the ESG conceptual framework outlined by the UN, IFC and other internationally recognised bodies. And AIP documents and discloses its ESG integration in accordance with the Sustainable Finance Disclosure Regulation, and prepares and maintains appropriate policies and, to the extent possible, objectively records and reports this in own records and in industry body managed databases.
- 2.4 The latter will help promote responsible investment behaviour in the industry in accordance with the UNPRI objectives and enable a virtuous cycle across stakeholders and investments by seeking compliance with these objectives.

3 Incorporating ESG into the selection, analysis and decision-making processes

- 3.1 As a responsible investor AIP is applying an ESG framework to ensure a comprehensive approach is applied when addressing both risks and opportunities. Environmental, Social and Governance risks are addressed throughout the investment cycle and AIP continuously evaluate impact on - and feedback from - its stakeholders, in order to reduce long term business risks and to explore opportunities to increase both the financial value creation and the positive contribution to the environment and the society at large.

4 ESG influence business conduct, stakeholder relations and asset management behaviour

- 4.1 At AIP, we believe that comprehensive risk management involves both traditional financial and commercial risk assessments as well as an ESG framework - built on top of a healthy risk management culture.

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- 4.2 The ESG Policy adopted by AIP addresses sustainability risks, including Environmental Risks, such as climate change and pollution. But it also addresses Social Risks, such as timely, transparent and pro-active external communications, as well as protecting data integrity and labour rights, all of which are imperative to our cornerstone investors being labour market pension funds.
 - 4.3 Similarly, AIP has traditionally had a strong focus on health and safety. Thus, HSE issues are always prioritised as a key board agenda item in portfolio companies. AIP endeavours to promote and install industry leading benchmarks for reporting and non-compliance mitigation in the HSE area.
 - 4.4 Finally, the policy addresses how AIP should tackle Governance Issues e.g. anti-bribery and corruption, and conflict-of-interest handling and resolution.

5 Incorporating ESGs as a lever for value-creation

- 5.1 From a value creation perspective, AIP believes that by aligning itself with internationally recognised goals and values such as, for example, benchmarking against positive impact on the UN Sustainable Development Goals ("SDG"), AIP investments are likely to perform better.
- 5.2 A fundamental reason is, that portfolio companies in such a scenario are likely to be positively aligned with the regulatory framework development, which is often a critical success factor in well performing infrastructure investments.
- 5.4 We also believe that by being explicit and disciplined when applying ESG policies, AIP is likely to be better positioned to be selected as an investment partner by other forward-thinking investors and by professional infrastructure operators.
- 5.5 Furthermore, consortia including ESG considerations in their investment approach are more likely to be selected in tenders as they apply a holistic approach to value-creation. Finally, attracting and retaining highly qualified candidates is a competitive advantage in the investment management industry. Hence, for both AIP and AIP managed investments, the ability to demonstrate an ESG strategy truly integrated into the investment process, and to present vision and purpose beyond financial value generation is important.

6 External commitments and policy framework

- 6.1 AIP is a signatory of UN Principles of Responsible Investment (UN PRI) which we believe provide an important and universally recognised framework of agreements for participants to mutually advance responsible investment behaviour by participating signatories.
- 6.2 In order to enhance transparency around climate-related information, AIP is also a Task Force on Climate-related Financial Disclosures (TCFD) supporter and has committed to the framework and recommendations at the core of this initiative.
- 6.3 Internally, as an investment advisor and an active asset manager, we furthermore have developed a Code of Conduct and an ESG Policy.
- 6.4 The ESG Policy sets out internal guidance for identifying, managing and mitigating material sustainability risks across the business and in the portfolio. The policy, as amended from time to time, shall guide AIP in our capacity as manager, when we – for and on behalf of the Investors – assess/screen and propose potential investments as part of the due diligence process, monitor and manage the assets once entered in our portfolio, and potentially propose to exit the investments.
- 6.5 The ESG Policy also sets out high level guidelines for how to interact with other industry participants. The policies are continuously updated and are formally evaluated and approved on an annual basis.

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- 6.6 We currently use the GRESB Infrastructure Assessment process to benchmark ourselves against other industry participants who share our ambitious targets as a responsible investor. GRESB Infrastructure provides systematic, objective scoring and peer benchmarking for ESG performance of infrastructure assets and funds.
- 6.7 Externally, in the portfolio assets managed and advised by AIP, we actively advocate a strong awareness of ESG topics and strive to ensure that our investment partners mirror the AIP targets as a responsible investor. We actively promote the asset operators' participation in the annual GRESB Infrastructure Assessment cycle. And together with our investment partners, operating partners and boards in portfolio companies we encourage the development of gap-elimination plans to continuously improve the ESG performance and monitor this development similarly to traditional risk management and financial performance metrics.