



Sustainability report 2023



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1.1 MESSAGE FROM THE MANAGING PARTNER

2023 has been a year of increased focus on sustainability both strategically and operationally



KASPER HANSEN, Managing Partner

2023 was a year that emphasised the need to invest even more in a long-term sustainable energy system across continents. Societies and nature have seen tremendous hardship due to flooding, fires, and other harsh weather. It has never been more evident that we need energy that is sustainable but also affordable and reliable.

The year saw some financial recovery from 2022, however, some areas of the infrastructure landscape continue to struggle with macroeconomic challenges. The uncertainty of how these developments will turn out has not been a hindrance for AIP activities, where investments in the green energy transition to the benefit of our investors and society have continued.

In 2023, we have continued to invest in the energy transition with a significant investment in He Dreiht, a German offshore wind project, and H2 Green Steel, a low carbon steel manufacturer in Sweden, while continuing strong operations across our other assets spanning sectors such as onshore wind, offshore wind, solar, battery storage and electric rail. Put together, these efforts have enabled the avoidance of more than 2.7 million CO₂e, equivalent to the electricity use of more 2.3 million households. In 2028, when the current AIP portfolio is fully operational, 5.9 million households will be supplied by green energy produced by AIP-supported assets annually.

“

We continue to believe that close relationships with our investors create strong alignment across AIP and our investor base. This is key to delivering an impact and a strong business.”

KASPER HANSEN, Managing Partner, CEO

In 2023, we ramped up our sustainability commitment both strategically and operationally. We made a thorough double materiality assessment to support us in setting priorities and ensure that we tackle areas where we can make the most impact and ensure we mitigate where we might have a negative impact. The double materiality assessment was made with inputs from a broad range of stakeholders both internally and externally and has served as a solid foundation for the planning of our work going forward. Based on the output, we have expanded our reporting to include additional 9 Principal Adverse Impact indicators under our SFDR reporting. We continue our commitment to being a responsible investor and to be transparent in all relevant areas.

Towards the end of the year, we made an official Net Zero commitment for 100% of our assets under management (AuM), which will be further detailed and outlined through the coming reporting cycle. In preparation for setting the Net Zero targets, we have implemented a more detailed reporting platform that will especially allow for better scope 3 data collection. Going forward, the detailed understanding of scope 3 emissions will be essential to deliver on the commitment.

We have continued to grow the organisation, and in 2023 we are 93 professionals across all functions managing EUR 8 billion in commitments, which are being invested directly into the green energy transition. We are a truly people-centric business, and our investments in people have therefore been key, particularly in 2023, where we have expanded our upskilling programme

through sustainability training amongst others. Also, we have been working even harder to ensure that we are a diverse and inclusive workspace. We see a high employee engagement across our growing organisation, and we have set diversity targets with a related implementation plan that we believe will make AIP an even better place to work. The first step in 2023 was to give all new parents 26 weeks of paid parental leave regardless of gender.

We continue to believe that close relationships with our investors create strong alignment across AIP and our investor base. This is key to delivering an impact and a strong business. We are very grateful for the continued support from our investors who have entrusted us with the responsibility to invest on behalf of the pension savers.

The sustainability report 2023 will provide an insight into the milestones achieved during the year as well as the initiatives planned in AIP and across our growing portfolio of green energy transition assets in the future.

On behalf of the entire AIP team,

KASPER HANSEN,
Managing Partner



1.2 AIP AT A GLANCE

AIP is a Nordic-rooted investment manager with a strong track record

Our purpose is to deliver superior risk-adjusted returns to our investors, from investments that support the transition towards a more sustainable society.

AIP is a direct infrastructure investment manager. Originally established as PKA AIP in 2012, AIP has grown into an independent investment manager dedicated to managing institutional investors' investments into energy and

infrastructure assets in Europe and the US. Today, AIP is managing commitments of approximately EUR 8 billion.

Our investors include the Danish pension funds PKA, Pensam, AkademikerPension and Lærernes Pension, the Norwegian financial group Storebrand, and a group of Swiss institutional Investors.

93

PROFESSIONALS
(headcount)



OFFICES IN
COPENHAGEN (HQ),
LONDON, MADRID
AND NEW YORK

8

BILLION EUR
TOTAL COMMITMENTS
FROM INVESTORS

3,846
MW

RENEWABLE CAPACITY
INSTALLED IN 2023

11,329
GWh

RENEWABLE ENERGY
GENERATED IN 2023



1.3 2023 SUSTAINABILITY HIGHLIGHTS

In 2023 we have ...

... made a **Net Zero** commitment through the Net Zero Asset Managers initiative. Read more in section 3.2.

... set **targets for diversity**, equality, and inclusion. Read more in section 4.4.

... through our investments, we have **added 960 MW** in renewable energy capacity as well as the production of 2.36 million tons of green steel per year. Read more about the green steel investment on page 13.

... developed a **double materiality assessment** with internal and external input. The assessment has focused our strategic sustainability work and expanded the selection of voluntary PAIs we report on under SFDR. Read more in section 5.1 and Annex I published on our website.

... built a **strong ESG team** by adding several highly skilled professionals to drive the sustainability agenda in AIP.



1.4 HOW WE THINK ABOUT SUSTAINABILITY

Sustainability principles and responsible investments are embedded in AIP

AIP has always had sustainability and responsible investment practices at the core. Building on the progress made in 2022 in establishing a robust foundation for data and reporting, 2023 has been focused on developing a strategic approach to sustainability. We believe that conducting good business and taking a truly responsible approach are two sides of the same coin, one being inextricably linked to the other. Strong sustainability practices serve as value creation and will help identify opportunities and mitigate risks.

Double Materiality Assessment

AIP is not required by law to report on the CSRD, however, in 2023, we decided to conduct a double materiality analysis. It was assessed that a Double Materiality Assessment would be a strong foundation for further developing the sustainability agenda and strategy at AIP. A Double Materiality Assessment is a valuable tool to identify areas where we need to pay strategic focus and understand the requirements of stakeholders better.

The assessment does not strictly follow the ESRS, however, the themes assessed have been grouped based on ESRS, GRI, and SASB sustainability issues and metrics. The analysis was conducted across the management company and our investments, with input from a broad selection of internal and external stakeholders. The data collection method has been both qualitative and quantitative. Each theme has been scored by stakeholders and the final analysis is a weighted output of stakeholders' input.

The output of the analysis has formed the prioritisation of workstreams on sustainability, as well as guided our expanded selection of voluntary PAI indicators in our SFDR reporting.



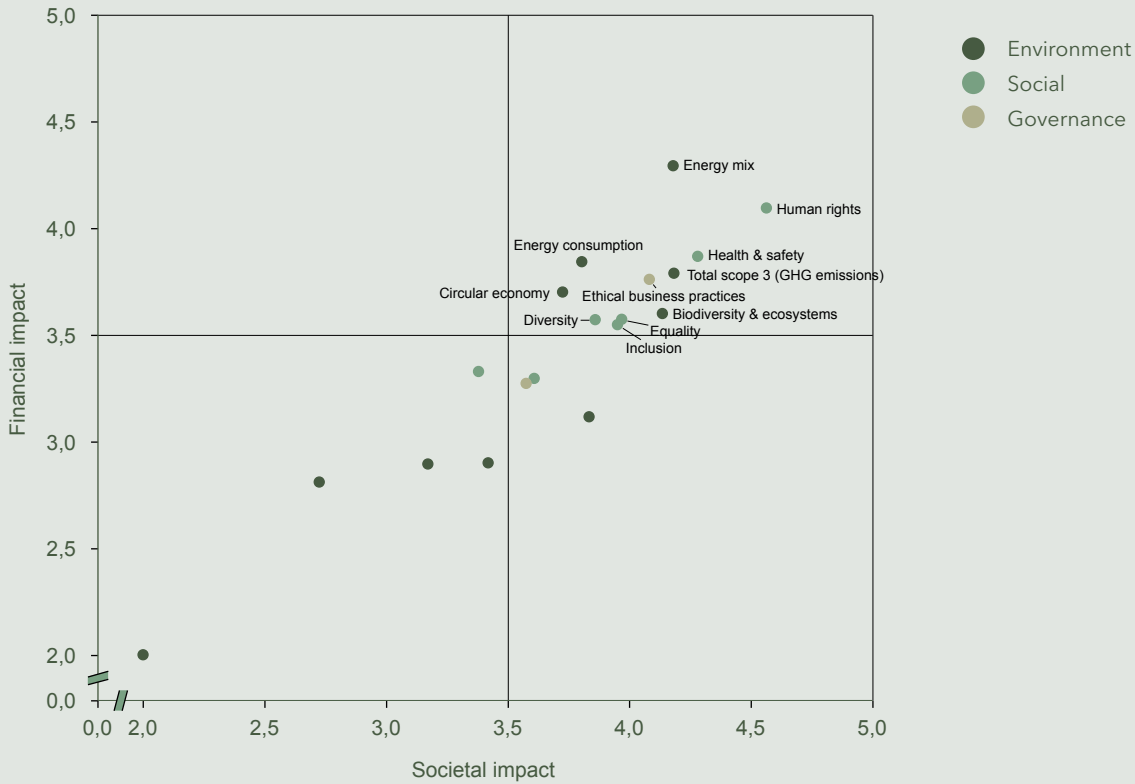
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Looking ahead, AIP is committed to progressing our sustainability journey.

After laying a strong foundation in data and reporting in 2022, 2023 saw us shift towards a more comprehensive approach to sustainability. We firmly believe that being responsible is not a separate task but a fundamental pillar for any successful investment management. Our recent analysis, with insights from both inside and outside our organisation, is shaping our strategic sustainability plans to continue, and we embed sustainability into everything we do.”

MIA SKOVHAUGE, Sustainability Lead

AIP double materiality assessment 2023



Environmental

- Energy mix
- Energy consumption

Energy mix and energy consumption are addressed strategically through the investment strategy. The impact is significant at asset level. Significance is lower at the level of the management company.

- Biodiversity & ecosystems
- Circular economy
- Total scope 3 (GHG emissions)

Following the findings, a workstream on biodiversity (Nature) has been established, see section 3.3. The work with scope 3 ready began prior to the assessment, through the Net Zero commitment, see section 3.2. Circularity will be addressed as a natural part of Net Zero and Nature.

Social

- Human rights
- Health & safety
- DEI

Human rights and Health & safety are addressed thoroughly today through existing policies and procedures. These initiatives will continue. Diversity, equality, and inclusion are relevant at both AIP Management and investment level and was addressed less systematically before 2023. The Double Materiality Assessment clearly showed how a structured and strategic approach is necessary.

Governance

- Ethical business practices

AIP already strives to address ethical business practices to best-in-class standards. This work continues, see section 5.

1.5 THE IMPACT WE CREATE

We create impact through our investments



With majority of investments in infrastructure and renewable energy, the impact measures from investments are linked to the generation of renewable energy. Once all current assets are in operation in 2028, AIP-supported investments will contribute to avoiding 10 million tons of greenhouse gasses and support about 5.9 million households with renewable electricity across Europe and the US.

25,424

GWh / YEAR
PRODUCTION

7

GW
INSTALLED
CAPACITY

10

MILLION
TONNES CO₂E
EMISSIONS AVOIDED

5.9

MILLION
HOUSEHOLDS
SUPPORTED

1.6 FRAMEWORKS

AIP utilises a number of frameworks to guide our work

AIP is committed to complying with all regulatory requirements. We engage with various stakeholders who share the belief that organisations and businesses have the responsibility to do their part in combating global warming and promote this via responsible investment practices.

To ensure that the investment process and asset management at AIP live up to the latest standards and developments on the sustainability agenda, AIP has embedded several frameworks at the core of our sustainability work. These are:

Description

	<p>The Sustainable Finance Disclosure Regulation (SFDR) is a European regulation introduced to improve transparency in the market for sustainable investment products and to increase transparency around sustainability claims made by financial market participants.</p>
	<p>The EU Taxonomy for Sustainable Activities is a classification system established to clarify which economic activities are environmentally sustainable.</p>
	<p>The Institutional Investors Group on Climate Change (IIGCC) is the European membership body for investor collaboration on climate change.</p>
	<p>The United Nations Global Compact is a United Nations pact to encourage companies worldwide to adopt sustainable and socially responsible policies and to report on their implementation of the Ten Principles of Global Compact.</p>
	<p>The PRI is the world's leading initiative for responsible investment. PRI has defined six Principles for Responsible Investment for incorporating ESG issues into investment practices.</p>
	<p>TCFD stands for the Task Force on Climate-related Financial Disclosures. It is a framework that organisations can use to publicly disclose climate-related risks and opportunities to their businesses.</p>
	<p>TNFD stands for the Task Force on Nature-related Financial Disclosures. It is a framework that organisations can use to publicly disclose nature-related risks and opportunities to their businesses.</p>
	<p>The Sustainable Development Goals (SDGs) aim to address key global challenges such as climate action, the preservation of nature and inclusive growth for everyone by 2030.</p>

2. Responsible investments

End-to-end decarbonisation is
at the core of ALP's investment strategy



2.1 INVESTMENT STRATEGY

AIP's investment strategy is delivering sustainability impact

The investment strategy focuses on energy transmission and end-to-end decarbonisation through four pillars:

RENEWABLE POWER GENERATION

Offshore wind, onshore wind, and solar PV are the core of the green transition and extensive buildout is needed to reach global needs for renewable energy.

TRANSMISSION AND DISTRIBUTION

Power grids the backbone of the green energy transition and are necessary to connect the large buildout of renewable power-generating assets to the end users.

ENERGY STORAGE

Energy storage is a key enabler of the transition to intermittent renewable energy technologies. It is a key technology to balance mixed renewable energy production during peak times of energy demand and through changing weather.

INDUSTRIAL DECARBONISATION

Decarbonisation, electrification, and privatisation of transport/industry are key areas for the green transition.

CASE



H2 Green Steel is pioneering sustainable steel production

The steel industry accounts for about 8% of all carbon emissions globally, primarily due to the burning of coal as a fuel source and reducing agent. Most traditional steel production processes heavily rely on coal, contributing to environmental degradation and climate change.

In 2023, AIP invested into H2 Green Steel (H2GS), a Swedish company that aims to clean-up the steel industry by producing near-zero-emission steel using green hydrogen and renewable electricity. The integrated plant will deliver steel with up to 95% less CO₂e emissions than traditional coal-based production routes. The key enablers of this substantial emissions reduction are the use of green hydrogen in the iron reduction process and the electrification of heat across the production chain, replacing the fossil fuel dependent processes used by the incumbent fleet of steel mills worldwide. These adjustments to the production process reduce carbon emissions without sacrificing the end product. H2GS's green steel will have exactly the same chemical, structural, and physical properties as regular steel.

H2GS's flagship project, located in Boden, northern Sweden, represents a significant milestone in sustainable steel production. Production is scheduled to begin in 2026. The plant, equipped with 700MW of electrolyzers, is also set to become the largest green hydrogen facility in Europe. H2GS has secured binding offtake agreements with prominent customers, including leading automotive manufacturers, for the supply of green steel.

H2GS's ambitious effort represents a significant step towards achieving sustainability in the steel industry by pioneering the use of green hydrogen and renewable energy in steel production. The green steel plant is expected to produce up to 2.5 million tonnes of finished flat steel per annum and eliminate up to 4.75 million tons of CO₂e, which represents about 3% of steel emissions in Europe. This is enough steel to produce about 2.8 million electric cars.

2.2 INVESTMENT FRAMEWORK

Our governance framework has been strengthened



AIP's governance set-up has been strengthened during 2023. A new Sustainability lead, an ESG Associate, and an ESG Junior Analyst were added, ensuring adequate resources dedicated to data collection, risk mitigation measures, sustainability, and climate-related strategy, investor reporting, decarbonisation pathways, and emerging regulatory frameworks of sustainability matters. The ESG team is reporting directly to the COO office alongside strategy and investor relations. This highlights the commitment to sustainability and the acknowledgement that sustainability must be addressed at an equal level to other inputs in the decision-making process.



“

Embracing a future-focused approach, our ESG team has expanded significantly in the past year, reinforcing our commitment to sustainability. The addition of highly skilled professionals reinforces our dedication to integrating sustainability seamlessly into our core operations and strategic vision.”

ULRIK P. BORNØ, Partner and COO

AIP’s Sustainability Decision Governance Model



Board of directors

Our AIP Board of directors has the overall responsibility for overseeing the management of the firm’s most significant risks and opportunities, including those related to sustainability.

ESG committee

The ESG committee, consisting of the members of AIP senior management, oversees critical ESG decisions and policy implications to ensure adequate consideration of sustainability risks and opportunities.

ESG working group

The working group serves as sparring to the ESG team, hence overseeing that initiatives are implemented seamlessly across the organisation.

ESG team

The ESG team is responsible for leading the sustainability agenda in AIP, covering operational strategy implementation, and providing cross-functional support in the organisation.

Operational function

The operational functions within the organisation utilise ESG policies, procedures, and guidelines and support the ESG team with various inputs for process improvement and reporting.

2.3 ESG DUE DILIGENCE

AIP has a systematic approach to identifying, quantifying, and mitigating risk

Prior to any investment, the target undergoes a detailed due diligence process aimed at identifying potential risks and opportunities. Sustainability is assessed

during all stages of the investment process, from early screening to due diligence and further throughout asset management.



2.4 SUSTAINABILITY RISK MANAGEMENT

We use a comprehensive framework to address sustainability risks

Building on our climate change mitigation-centered business model, AIP incorporates human rights assessments, climate mitigation and adaptation, nature-related matters, and governance structures into the risk management framework. Additionally, we have advanced our risk management framework by enhancing the implementation of climate scenario analysis across our portfolios.

During the investment due diligence processes, AIP's advisors prepare a report to identify and mitigate a broad scope of ESG risks for each investment opportunity. AIP's ESG due diligence framework covers risk factors related to our main objectives: Governance, human rights & social issues, climate change, environment and nature. The risk factors are evaluated on likelihood and severity. For a comprehensive risk register, we conduct legal, market and technical due diligence to evaluate transitional and physical risks as well as risks related to ethical business practices separate from the ESG due diligence and align across findings. Risks and opportunities identified during

the due diligence phase are translated into action plans for the asset management phase. ESG risks and opportunities are reviewed quarterly by the asset management team and presented to senior management. See more in the ESG policy and responsible investment policy available on our website.

During the annual employee review and feedback process, ESG factors, including main risk objectives are evaluated as one of the parameters. The ESG metrics are part of the overall performance assessment, which impacts career development and remuneration.

Using data for better decision-making

The 2022 data project extended into 2023, where the focus has been to enhance data coverage, create a superior user experience for assets reporting data, improve analytics capabilities, and facilitate tracking, monitoring, storing, and accessing data. We have implemented a full-cycle ESG data questionnaire solution to streamline our reporting in line with the SFDR, the EU taxonomy, and our material reporting needs. The solution effectively monitors the related sustainability performance of our investments. The end-to-end solution makes it easier to take control of the process of collecting and calculating the relevant ESG data from our portfolio companies to ensure SFDR compliance and equip our entire team to integrate sustainability into our investment strategy.

AIP is advancing our processes in terms of climate change adaptation and mitigation through the implementation of scenario analysis across portfolios. This equips AIP with the tools to anticipate climate change-related risks on the managed funds and develop processes to strengthen resilience for assets that are exposed to climate-related risks while maintaining financial robustness. In 2023, we invested in a data-driven setup that allows for ongoing monitoring.

We apply globally recognised climate scenarios and assessments aligned with the Intergovernmental Panel on Climate Change (IPCC). Our climate scenario analysis covers environmental sustainability and financial mate-



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The data project enhances data coverage, analytics, and ensures compliance

with SFDR and EU taxonomy reporting.

It enables seamless monitoring and improvement of sustainability performance. By engaging with portfolio companies and collecting relevant ESG data, we not only meet regulatory obligations but also integrate sustainability into our investment strategy.”

CHRISTIAN GARDE, ESG Associate



riality aspects. By leveraging climate scenario software, we anticipate future impacts on our assets based on scenarios such as the Shared Socioeconomic Pathways (SSPs) and the Representative Concentration Pathways (RCPs) 2.6 to 8.5, established by the IPCC. Our climate risk scenario analysis is an integral part of our risk management process and a fundamental part of our investment decisions.

The table below shows the most significant risks and the potential impacts if not mitigated, for all asset types. The identified risks are mitigated through the above mentioned risk management process that runs throughout

investment phase and asset management. Opportunities from climate change are central to AIP's business, as our investments are actively mitigating climate change and accelerating the green transition.

Climate risks

Risk Type	Risk description	Potential unmitigated impact	Time Horizon
Physical risks	Increased frequency of acute weather events	Higher costs due to cooling, impacting the operating expenses	Short-, long-term
	Increased severity frequency of pluvial flooding	Higher costs due to potential short-term disruption of production	Short-, long-term
Transition risks	Elevated regulation uncertainties	Increasing GHG emission prices and exposure to litigation	Medium-, long-term

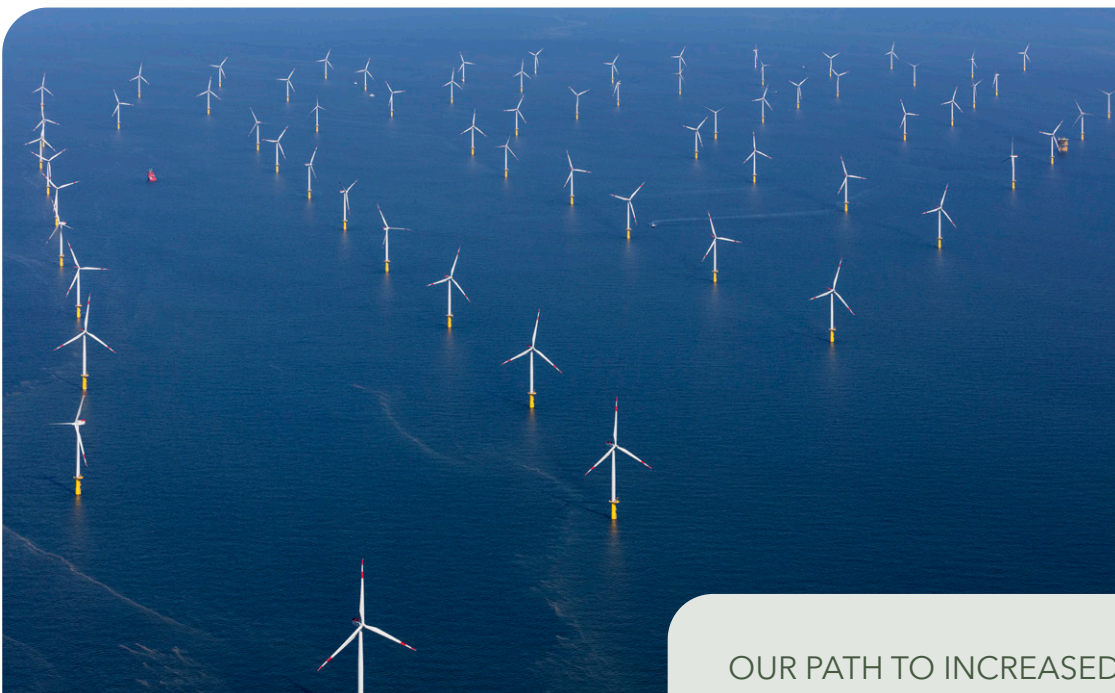
3. Climate and environment

Climate and environment are key pillars in AIP's sustainability approach



3.1 CLIMATE AND ENVIRONMENT

AIP has significantly strengthened its climate-related commitments



In 2023, building on our learning and action plans from 2022, AIP strengthened the implementation of TCFD recommendations across the organisation as well as made Net Zero commitment. As an investment manager whose business model and values are anchored to renewable energy and climate change mitigation, this step is a natural extension of our development as a responsible investor. In addition to the specific enhancements to climate action, work has commenced to accelerate our commitments to nature and other environmental matters.

OUR PATH TO INCREASED CLIMATE ACTION IN 2023

In 2023, we focused on two areas to strengthen our climate-related work.

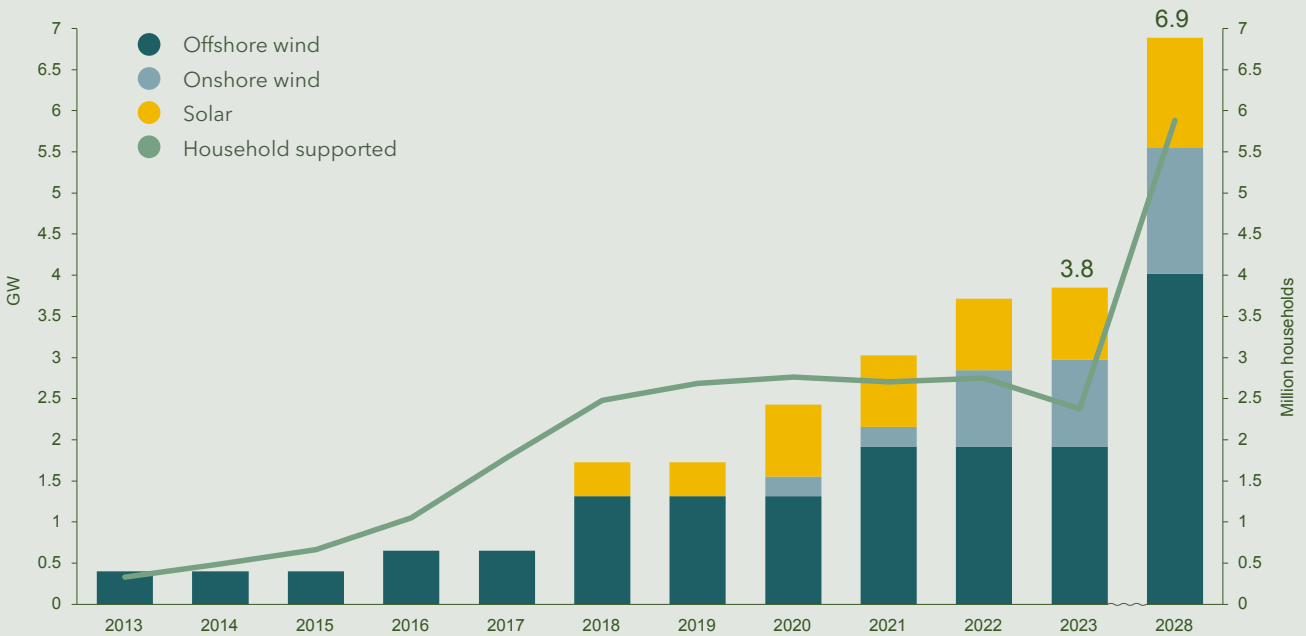
Increased data transparency: As part of our scope on sustainability reporting and measurement, we are constantly in the process of enhancing our data quality on climate- and nature-related data, which has been achieved through the implementation of a new ESG data system across our portfolios. The introduction of enhanced ESG reporting mechanisms aims to ensure transparency and sustainable accountability for our investment.

Net Zero initiative: AIP, as a long-term focused investment manager, is committed to creating a positive and lifelong impact on the environment. In the pursuit of this goal, we have become a committed member of the Net Zero Asset Managers initiative.

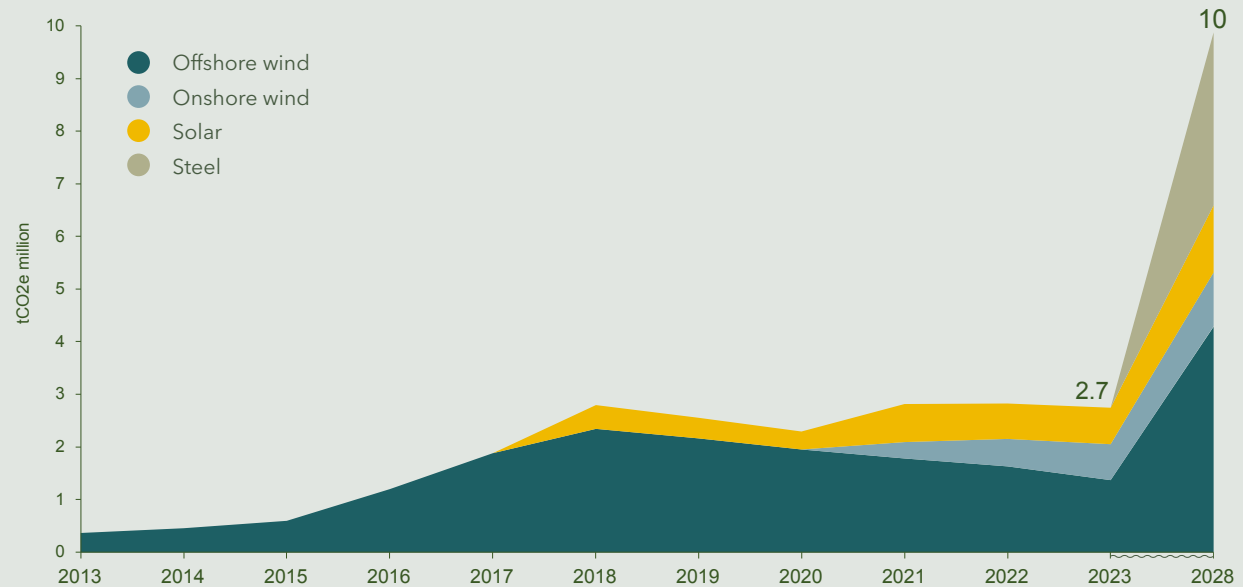
Strategic focus on climate is leading to measurable impact

The figures show our historical impact and when all current assets are fully operational in 2028.

Installed capacity and households supported



Emissions avoided



3.2 NET ZERO

Net Zero is driving enhanced data collection and transparency



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Our Net Zero commitment is not just a strategic initiative for AIP, we

acknowledge that reducing climate change requires a holistic approach, extending beyond renewable energy production. As we drive towards carbon neutrality in our portfolio, we recognise that transparency and robust data collection are the driving forces propelling us toward a sustainable future.”

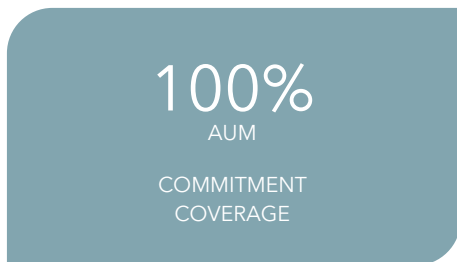
MIA SKOVHAUGE, Sustainability Lead

At AIP, we recognise the urgent need to combat climate change and embrace our responsibility to contribute to a sustainable future. We do so through our investment strategy, but we recognize that the production of renewable energy is not enough, we need to consider our full value chain. Therefore, in 2023 we made a Net Zero commitment. Our Net Zero commitment is a strategic initiative aimed at achieving carbon neutrality in our investment portfolio. We have chosen to be ambitious, and our commitment covers 100% of our AuM.

We have conducted an analysis of our carbon footprint across our entire portfolio. This analysis has allowed us to identify emissions hotspots and prioritise areas for mitigation and improvement. During 2024, we aim to improve this data foundation to ensure that we can develop a detailed transition plan, including an ambitious scope 3 intensity target for 2030, within the next two years.

The implementation of the platform has ensured that we have increased scope 3 data coverage from 33% in 2022 to 68% in 2023.

Commitment coverage



Target



To achieve Net Zero, we need to actively engage with assets in our portfolio, advocating for sustainable practices, and supporting the development of green technologies and practices. Collaboration and engagement with all stakeholders have always been an embedded part of AIP. We will leverage our experience to achieve Net Zero while improving the data foundation. We are committed to open communication, seeking feedback, and incorporating diverse perspectives as we work towards delivering on the targets.

By aligning our AuM with Net Zero pathways, enhancing our data capabilities, and setting intensity reduction targets, we aim to contribute to a more sustainable and resilient global economy.

Looking at key sustainability indicators, renewable energy generated was slightly lower in 2023 compared to 2022, which is merely due to a difference in weather, leading to lower production for especially some wind investments. Subsequently, the avoided emissions were also lower in 2023 than in 2022. The GHG portfolio footprint has increased substantially due to a positive development in the reporting of scope 3 data for investments.

For the management company, we are also committed to improving the data quality, accuracy, and transparency of our Scope 3 emissions. To achieve this, we are working towards enhancing the calculation methodology by using actual emissions data provided by our suppliers, a move away from our previous spend-based

approach. As the market is still adjusting to new requirements, this has proven a challenge. We will continue the work on making our emission calculations more accurate. The 2023 calculations for AIP operations are primarily spend-based.



“

The Net Zero commitment is important to AIP because we fundamentally believe

that business is only good business when done with respect for people and the planet. Decarbonisation is embedded in our assets, and it makes sense to ensure that we do not only create decarbonisation downstream but also upstream. The production from our current assets is the input needed to make future assets Net Zero. If we do not see the meaning in decarbonising the supply chain, who should?”

KASPER HANSEN, Managing Partner, CEO

Key metrics - AIP investments

Sustainability indicators from 2022 and 2023 - Asset level	2023	2022	Difference	% Difference
Renewable energy capacity installed (MW)	3,846	3,715	131	4%
Renewable energy generated (GWh)	11,329	12,477	(1,148)	9%
Greenhouse gas emissions avoided (tCO ₂ e)	2,744,560	2,846,686	(102,126)	4%
GHG portfolio footprint (tCO ₂ e)	159,733	98,615	61,118	62%

Key metrics - AIP operations

Metric	2023	2022	2021	2020
Scope 1 GHG (tCO ₂ e)	-	-	-	-
Scope 2 GHG (tCO ₂ e)	1	4	2	2
Scope 3 GHG (tCO ₂ e)	1,464	1,578	1,400	1,402
Total Scope 1-3 GHG (tCO ₂ e)	1,465	1,582	1,402	1,404



CASE

Prospero recycling over landfilling after a severe hailstorm

Prospero is a solar facility in Andrews County, Texas with a capacity of 300 MW and more than 3 million solar panels.

In 2023, Prospero faced an unforeseen challenge as a severe hailstorm struck, causing damage to the solar park's 350,000 photovoltaic (PV) panels. This incident prompted an evaluation of alternative options for disposal. In the aftermath of the hail incident, the primary consideration was given to two disposal methods: recycling and landfilling. Our team opted for recycling, as PV panels often contain hazardous materials that demand responsible handling. Opting for recycling ensures that these materials are treated and disposed, mitigating potential harm to ecosystems.

Despite the scale of the damage, our team encountered minimal challenges in achieving high recycling rates. This success can be attributed to our robust waste management protocols, strategic partnerships with environmentally conscious recycling facilities and efficient coordination between stakeholders. This case reinforces

our commitment to sustainable practices and highlights our ability to make informed decisions in the face of unexpected challenges. The facility has been fully reinstated and is delivering renewable power to the grid.

Longroad Energy Holdings (co-owner and operating partner of Prospero) is a renewable energy company based in Boston, Massachusetts. With more than 20 years of experience in the renewable market, they focus on developing, owning and managing wind, solar and storage projects throughout North America.

3.3 NATURE

Increasing our focus on nature

As a globally operating infrastructure investment manager of investments across nine countries and two continents, we understand that we have a physical footprint to consider. Our investments are located in natural environments, interacting with nature through construction, maintenance and operation. Therefore, we integrate environmental factors into our investment decisions. We assess the impact of investments on surrounding ecosystems and are dedicated to reducing impact on nature within our investments. As part of this commitment, AIP started the work to understand our impact, risks and opportunities concerning nature even further in 2023. Until now our approach has been compliance-driven but

during the next reporting period AIP plans to develop metrics and targets for nature-related financial disclosure while improving data quality and coverage for our operations and investments.

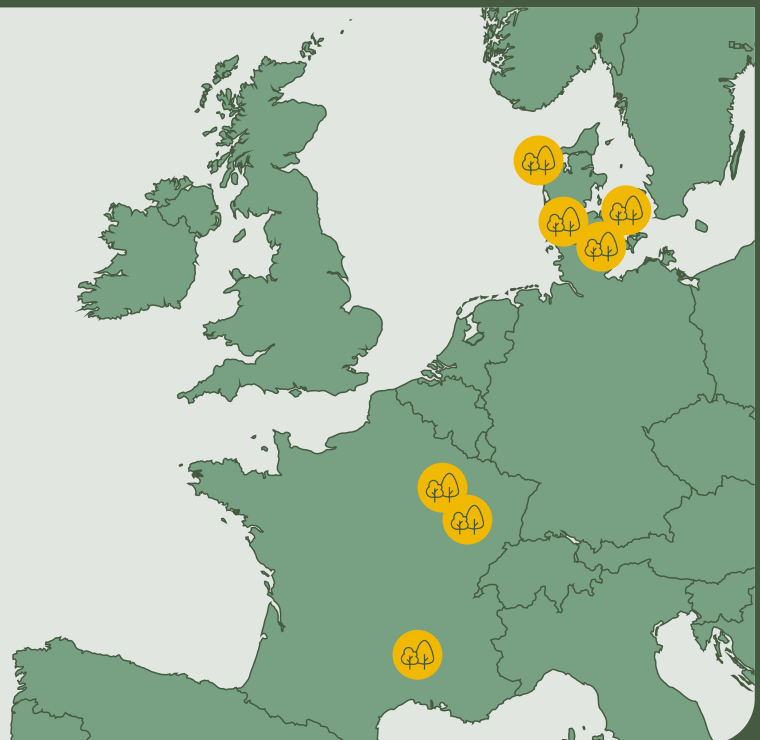
For the first time, we have decided to report under TNFD. This report covers the first steps towards a more comprehensive nature reporting scheme. The aim is to communicate our ambitions and impact regarding nature-related aspects of our business activities to investors and stakeholders. Further, we are establishing a process for integrating TNFD disclosures more thoroughly into our operations.



AIP IN PARTNERSHIP WITH ECOTREE

The preservation of nature and biodiversity is essential to AIP's way of conducting business. Therefore, AIP has established a partnership with EcoTree, a Danish forest management company known for its innovative approach to forest preservation and sustainable forestry practices across Europe.

In partnership with EcoTree, AIP has been gifting tree ownership to all new team members starting in 2023, reflecting our shared environmental values and supporting EcoTree's mission. Our aim is for every employee at AIP to become a tree owner within 2024.





CASE

Anholt supporting biodiversity

Anholt, one of the largest offshore wind farms in Denmark, is taking on a pioneering biodiversity research project. Our operating partner on Anholt, Ørsted, and the Worldwide Fund for Nature (WWF Denmark) began a project in 2022 where 3D-printed reefs were introduced in Anholt, intending to positively affect the marine ecosystem through improved biodiversity.

Following the success of the introduction of 3D reefs, Ørsted has taken on a new research project together with researchers from the Technical University of Denmark (DTU). The project aims to introduce and cultivate less carbon-intensive foods while also contributing to a healthier marine environment. Mussels and seaweed will be the main cultivated foods due to their low environmental impact and ease of harvesting.

The research project ULTFARMS aims to optimise production in harsh offshore conditions using the current application of Low-Trophic Aquaculture (LTA) systems. ULTFARMS intends to install six LTA Pilots across the

SPECIES OF SEAWEED AND MUSSEL CULTIVATED AT ANHOLT

- Dulse (*palmaria palmata*): Mainly used in sushi.
- Sugar kelp (*saccharina latissima*): Known as the 'bacon of the sea' due to its umami taste, and usually used as a natural flavour enhancer.
- Oarweed or kombu (*laminaria digitata*): Mainly used in salads and soups.
- Blue mussels: Mussels which are used in many types of dishes, usually prepared by frying or steaming.

North and Baltic Seas in offshore wind farms, one of these being at Anholt. The LTA Pilot was delivered in 2023, and DTU will start harvesting seaweed as early as spring 2024.

With a stronger need for less carbon-intensive foods and a significant increase in the introduction of offshore wind farms at sea, this project aims to help with both issues while protecting the marine environment. If successful, the project will also enable faster administrative processes and consenting times for future offshore wind, seeing that it will be possible to integrate the marine environment into the design of renewable energy projects.

The Ørsted vision is a world that runs entirely on green energy. Ørsted develops, constructs and operates offshore and onshore wind farms, solar farms, energy storage facilities, renewable hydrogen and green fuels facilities and bioenergy plants.

CASE



Escalade electrification of onshore wind farm

Escalade is a 336 MW onshore wind farm located in Knox County, Texas consisting of 65 turbines.

In response to the escalating global demand for sustainable energy solutions, the operating partner on Escalade onshore wind farm has taken a leadership role in transforming the renewable energy landscape. With an extensive operational footprint in the U.S., Vestas plays a crucial role in maintaining and optimising the performance of nearly 15,000 turbines across the country.

Escalade recently achieved a significant milestone in its commitment to sustainability by transitioning its entire service vehicle fleet to electric.

The geographic diversity of wind parks across the U.S. necessitates a reliable vehicle fleet capable of carrying equipment and tools through challenging off-road terrains. The introduction of electric pickup trucks, addresses the needs of Escalade’s operational technicians, combining utility, range and sustainability for effective and

green wind turbine maintenance operations. Escalade is located in a remote area, resulting in higher expenditures on fuel for conventional vehicles. The transition to electric vehicles presents an exciting opportunity, allowing the energy produced by Escalade’s wind turbines to power service vehicles. Additionally, the installation of chargers at sites further mitigates challenges associated with travel costs and reduces reliance on fossil fuels.

Vestas (operating partner on Escalade) designs, manufactures, installs, develops, and services wind energy and hybrid projects all over the world.



CASE

Zion refurbishing essential components

In collaboration with Southern Power Company, project Zion consists of two solar facilities, Garland and Tranquillity, with a co-located battery energy storage system (BESS) in California. The balancing of peak demand and energy supply from intermittent resources is an essential need for ensuring a stable and efficient transmission grid, and the combination of solar facilities with co-located BESS is enabling the opportunity to support this need.

At Zion, a circular approach has been introduced by incorporating refurbished spare parts for inverter restoration, where applicable in the Zion ecosystem. By promoting sustainable practices to source the essential components locally in the US, the project has lowered its emission footprint by minimising waste and maximising resource efficiency.

Southern Company (co-owner and operating partner) is one of the largest producers of electricity in the United States.

3.4 CLIMATE- AND NATURE-RELATED DISCLOSURES (TCFD & TNFD)

Governance

	Section	TCFD	TNFD
Disclose the organisation’s governance around climate- and nature-related risks and opportunities.			
a. Describe the board’s oversight of climate- and or nature-related risks and opportunities.	2.2	✓	✓
b. Describe management’s role in assessing and managing climate- and or nature-related risks and opportunities.	2.2	✓	✓
c. Summarise the organisation’s human rights policies, engagement and oversight by the board and management regarding indigenous people, local communities, affected stakeholders and others in addressing nature-related dependencies, impacts, risks and opportunities.	2.2	✓	✓

Strategy

	Section	TCFD	TNFD
Disclose the impacts of climate- and or nature-related risks and opportunities on the organisation’s businesses, strategy and financial planning where such information is material.			
a. Describe the climate- and or nature-related risks and opportunities the organisation has identified over the short, medium and long term.	2.4	✓	
b. Describe management’s role in assessing and managing climate- and / or nature- related risks and opportunities.	2.4	✓	✓
c. Describe the resilience of the organisation’s strategy to nature-related risks and opportunities and taking climate-related scenarios, including a 2°C or lower scenario, into consideration.	2.4 3.3	✓	✓
d. Disclose the locations of assets and/or activities in the organisation’s direct operations and where possible, upstream and downstream value chain(s) meet the criteria for priority locations.	6.1	✓	✓

Risk & impact management

	Section	TCFD	TNFD
Describe the processes used by the organisation to identify, assess, prioritise and monitor climate-, and nature-related dependencies, impacts, risks and opportunities.			
a. Describe the organisation's processes for identifying, assessing, and prioritising climate-, and nature-related dependencies, impacts, risks and opportunities in its direct operations.	2.4	✓	✓
b. Describe the organisation's processes for identifying, assessing and prioritising climate- and nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s).	2.3 2.4	✓	✓
c. Describe the organisation's processes for managing climate- and nature-related dependencies, impacts, risks and opportunities.	2.3 2.4	✓	✓
d. Describe how processes for identifying, assessing, prioritising and monitoring nature-related risks are integrated into and inform the organisation's overall risk management processes.	2.3 2.4	✓	✓

Metrics and targets

	Section	TCFD	TNFD
Disclose the metrics and targets used to assess and manage material nature-related dependencies, impacts, risks and opportunities.			
a. Disclose the metrics used by the organisation to assess and manage material climate- and nature-related risks and opportunities in line with its strategy and risk management process.	1.5	✓	✓
b. Disclose metrics for Scope 1, Scope 2 and, if applicable, Scope 3, as well as metrics used by the organisation to assess and manage dependencies and impacts on nature.	3.2 3.3	✓	✓
c. Describe the targets and goals used by the organisation to manage climate- and nature-related dependencies, impacts, risks and opportunities and its performance against these.	1.5 3.2 3.3	✓	✓

4. People

We take responsibility for
the people we engage with



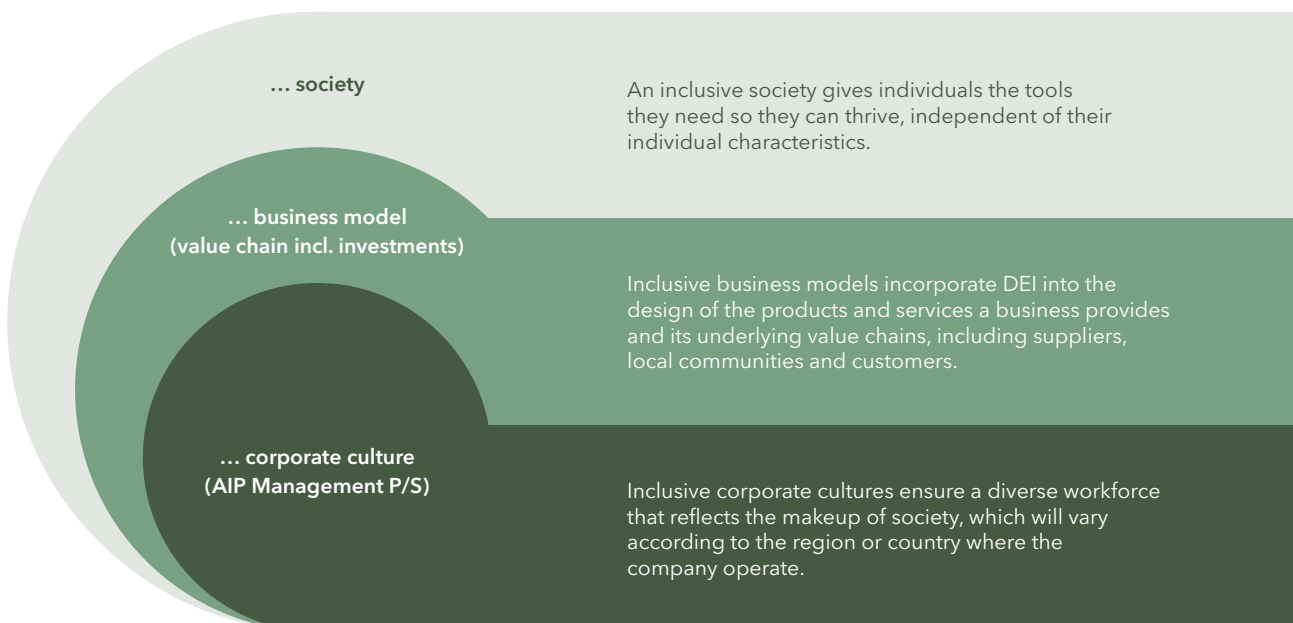
PEOPLE

People are at the centre of how we deliver on our strategy

Fostering a diverse and equal workplace, where everyone can develop and grow is a strategic priority. We acknowledge that we play a role beyond our offices and hence, we seek to have people in mind wherever we do business. During 2023, we accelerated our focus on the social agenda in general and specifically developed a more strategic approach to DEI. Our approach to human rights is addressed under the section 5.

At AIP, we address diversity, equality and inclusion (DEI), based on the three levels which are defined by the UN's Principles for Responsible Investment (PRI).

Diverse, equal and inclusive ...



4.1 INTRODUCTION TO THE PEOPLE IN AIP

AIP is committed to creating a diverse and inclusive workspace and we continue to broaden our focus within DEI



In 2023, we increased the share of female professionals to 34% of AIP's workforce, an increase from 28% in 2022. This positive result illustrates AIP's focus on attracting strong female candidates and ensuring diversity across teams, also showing a 0.0 gender pay gap.*

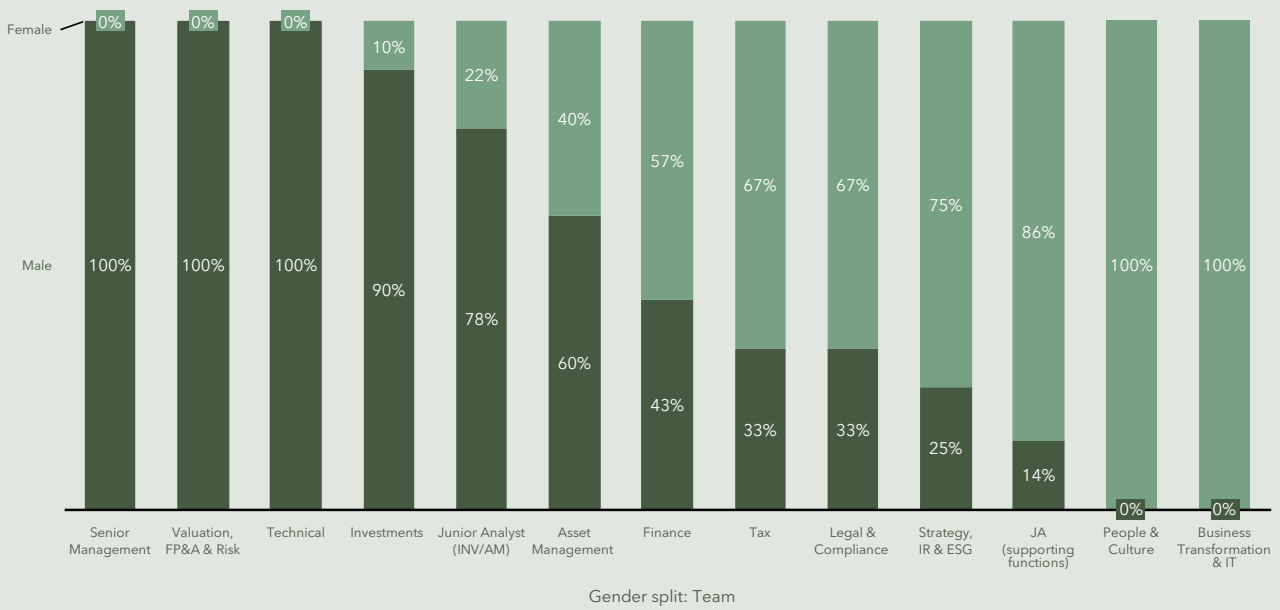
AIP takes pride in cultivating a vibrant workforce characterised by a variety of cultural backgrounds and perspectives. Our employees represent 11 different nationalities, with an average age of around 34 years.

We are proud to have created an environment where people enjoy coming to work. This is evidenced in our annual Workplace Assessment (WPA) where we see a total score of 3.2 out of 4 on employee satisfaction, a continually high score from last year and above the industry average.

* applies to all employees covered by Danish Social Security

4.2 THE PEOPLE OF AIP

% of gender splits: Team and seniority

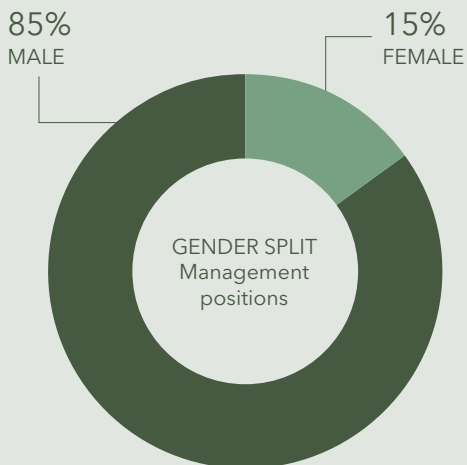


79
FTE



34%
FEMALE

66%
MALE



Nationalities



11
NATIONALITIES



89%
DANISH

4.3 DIVERSITY, EQUALITY, AND INCLUSION

Committing to a proactive diversity approach

Even though AIP can showcase a diverse employee composition across the organisation, we acknowledge that there is still progress to be made when it comes to diversity in leadership and management positions. Historically, the industry has seen a lack of gender diversity. At AIP, we have set diversity targets aimed at improving our ratios and are currently developing implementation plans to achieve set targets. These plans involve forming strategic targets into operational key performance indicators and improving data collection across the employee life cycle, including applicants, hiring, promotions, and retention. We believe that a data-driven approach can help us understand where we might fall short and design specific and targeted initiatives. The goal of our work is not to achieve an even gender split, but to ensure that we hire fairly and create a workplace where everyone is included and can develop regardless of gender or any other minority demographic background.



“

I am grateful for the valuable opportunity offered by AIP to take parental leave, allowing me to prioritise my family without compromising my career plans. I believe that this initiative really contributes to a positive and inclusive workplace culture while fostering a healthy work-life balance for the employees.”

SHIFEI LIU, Senior Asset Manager, has chosen to take a parental leave of total of 26 weeks after his daughter was born.

PARTNERSHIP WITH EQUALIS

In 2023, AIP entered a new partnership with EQUALIS that can help to inspire and provide knowledge on how to work with diversity and understand the root cause of a diversity issue.

- EQUALIS is Denmark's first and only think tank dedicated to equality and diversity.
- EQUALIS strives to achieve gender diversity across all sectors.
- EQUALIS seeks to shift the dialogue from addressing symptoms to tackling root causes, employing a solution-oriented and data-driven approach to break down the structural and cultural barriers to gender equality.
- EQUALIS aims to facilitate more informed decisions to ensure optimal conditions for equality.

We have chosen to focus our targets and efforts on gender as this is a demographic data point, we can meaningfully collect under the General Data Protection Regulation.

While we are developing a more strategic and targeted approach, we have already begun to implement the low-hanging fruits in terms of DEI. Examples are, in 2023 we implemented new and updated guidelines for inclusive and gender-neutral language in hiring processes as well as supporting the hiring manager in identifying their own biases. Furthermore, equal parental leave policies have been implemented for all employees following the birth or adoption of a child, providing all new parents with 26 weeks* of paid parental leave. We are happy to see that new parents choose to make use of the offer.

* applies to all employees covered by Danish Social Security

4.4 DIVERSITY TARGETS

AIP has developed diversity targets with three main implementation streams

The work with DEI has been structured into three areas, each seeking to make the organisation better equipped to jointly create a diverse and inclusive work environment. A fact-based foundation will help us develop strategies that address where the real issues occur, while updated processes will support new ways of approaching the topic. Skills development is the foundation for enhancing our culture to make AIP an even better place to work for everyone.

Become data driven and fact based

We seek to enhance data collection to better understand structural gender dynamics. Furthermore, AIP wants to implement targets for operational key performance indicators on DEI, while still respecting that ratio should be different depending on level and team. We will split the annual WPA survey into gender as this will make us understand gender perspectives better.

Enhance processes

Processes will be developed to support the organisation to achieve the targets, such as to follow up on operational targets in recruitment processes.

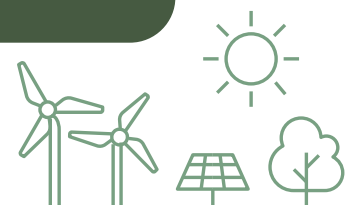
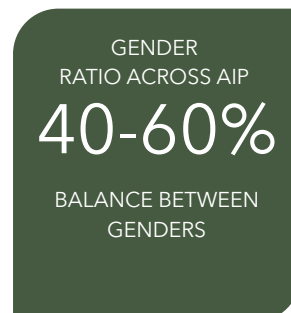
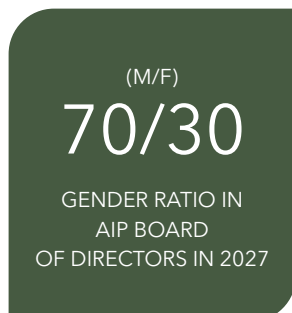
WOMEN IN FINANCE

Since 2020, AIP has been a proud sponsor of Kvinder i Finans (Women in Finance), which is a professional network founded in 2019 for women working across investments and M&A in Denmark. We strive to support and expand the talent pool of women in the financial sector. Thus, in June 2023, AIP hosted a successful event for Kvinder i Finans to give an insight into AIP management and connect women across the industry.

Develop skills and knowledge

We seek to develop DEI training program that targets broadly but also specifically for leaders to develop their skills with leading diverse teams or identifying their own unconscious biases in recruitment or promotions. Moreover, we want to skill employees to have conversation about identifying potential barriers to successfully implementing DEI.

Diversity targets

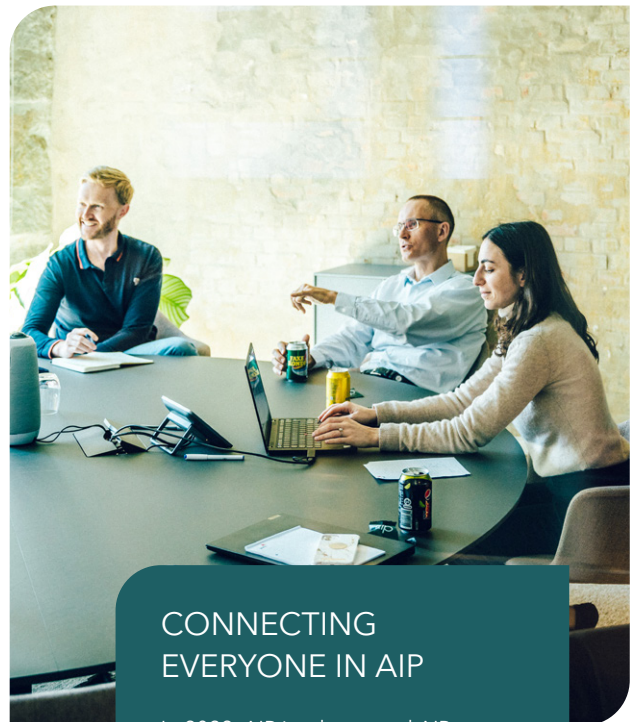


4.5 DEVELOPMENT AND EDUCATION IN AIP

To support the development of employees at all levels of the organisation, AIP offers a variety of courses. During 2023 we have introduced:

- **Sustainability:** The sustainability training modules have been available to all employees. In total, the two modules encompass four hours of focused sustainability training. The emphasis has been on sustainability in the context of AIP and the investments we manage. The training dives into the holistic approach of sustainability, the significance it has on a global scale, and which risks and opportunities are related to infrastructure and renewable energy assets. Furthermore, it emphasises educating the employees on the relevant frameworks and regulations, ESG metrics, rating and benchmarks, and integration of sustainability in the investment process and asset management phase. The training includes team exercises and discussion and will be integrated into AIP's ongoing sustainability initiatives and training plans.
- **Personal and team development:** During 2023, we increased our focus on personal and team development. More than 70% of the organisation has been through a comprehensive personal test and team chart. The outcome of the workshop is awareness regarding communication and collaboration between individuals and teams working closely together. The workshop gave the participants an understanding of own, and others' preferences for thinking and collaborating.

We understand the need for continued development on general skills related to our field of expertise in the industry. However, development and learning needs are different for everyone, and individuals can request and suggest own or cross-team training that is fit for purpose.



CONNECTING EVERYONE IN AIP

In 2023, AIP implemented AIP Connect our online meeting point. AIP Connect brings all employees closer together, enabling us to share knowledge and communicate more continuously while all employees are timely updated on news.

With AIP Connect, we are now better equipped than ever to celebrate achievements, whether it's welcoming new hires, supporting employees during parental leave or celebrating new investments.

4.6 DEVELOPMENT OF TALENT

Talent development is a prioritised area in AIP



We are focused on developing talent and are proud to contribute to developing the next generation of leaders in the field of energy transition investment.

Since 2018, we have significantly increased our organisational size. This includes a significant increase in both junior analysts (part time student position) and young professionals. We emphasise learning, feedback and skills development while being a true part of the team, supporting important and meaningful tasks, relevant to our entire investment process, asset management phase and core supporting functions.

We also seek to work in partnerships to solve some of the social challenges we see in our industry and participate in developing the next generation of industry specialists.

FINANCE LAB

Our collaboration with FinanceLab, one of the largest student organisations in Denmark run by ambitious students with an interest in finance, continued in 2023. FinanceLab is a non-profit organisation led by volunteer students. It spans across Denmark's major universities and colleges, boasting over 2600 registered members.

CBS FINANCE COMPETITION

AIP has teamed up with CBS Finance Competition as an infrastructure investor partner. This annual competition targets bachelor's and master's students from universities across the Nordic region. The participants in the competition will showcase their financial and strategic skills by solving real-life M&A cases.

Capturing and keeping young talents

“

Transitioning from Junior Analyst to a full-time position in Asset Management is a privilege, as I continue to cultivate my passion for finance alongside seasoned professionals in AIP. I am assured that this role within AIP represents the ideal progression for me, providing a steep learning curve within a dynamic and supportive environment.”



MARCUS CHRISTIAN HOLST PLENOV has been working part-time next to his studies as a Junior Analyst in the Investment and Asset Management team since May 2022. As of May 2024, he will begin his new full-time role as an Analyst in the Asset Management team.



ZARA ZANDER joined the Strategy & Investor Relations team as a Junior Analyst in October 2022. Starting from mid-2024, she will transition to a full-time Analyst role in the Strategy & Investor Relations team.

“

As an economics enthusiast, I am thrilled to continue my journey in the Strategy & Investor Relations team. The opportunity to keep being part of an organisation that invests with an entrepreneurial spirit in a greener and better tomorrow resonates perfectly with both my personal values and professional aspirations.”

“

I'm looking forward to dedicating all my focus to the assets I'll be working with as a full-time analyst. Also, I'm excited to take on the increased responsibility and develop and learn with the responsibility.”



MATHIAS VOETMANN OLSEN started as a Junior Analyst in the Investment and Asset Management team in June 2022. From May 2024 he will begin his journey as a full-time Analyst in the Asset Management team.

4.7 WELL-BEING

We promote a workplace that balances career and personal well-being



At AIP, we are promoting an atmosphere that is welcoming for all and a workplace that balances career and personal well-being. AIP believes that harmonising work and personal responsibilities is key to sustaining the well-being of all employees, why we make a strong effort to prioritise flexibility and balance.

In January 2023, we moved into a new headquarters in Copenhagen. The office has been designed with smaller quiet offices and open collaboration spaces with daylight and natural elements. In London, we have also moved into a new office space during 2023 and the same principles have been applied.

Supporting mental well-being

At AIP, we support the individual needs of our employees and offer a home office option for all full-time employees allowing for a more adaptable workweek.

We want to sustain an office culture that is based on respect and constructive feedback, and we encourage all employees to contribute to achieving this.

At AIP, we are dedicated to maintaining and promoting an environment that prioritises the welfare of our employees - with a focus on both physical and mental health. We offer access to handpicked specialists that cover mental health, support to a diverse range of wellness activities, personalised development opportunities and bi-weekly in-house sessions with an occupational psychologist. In addition to this, we provide our employees with comprehensive health insurance which covers everything from preliminary examination to treatment and aftercare.* All employees are covered by this insurance, incl. part-time employees.

* All employees with Danish social security number

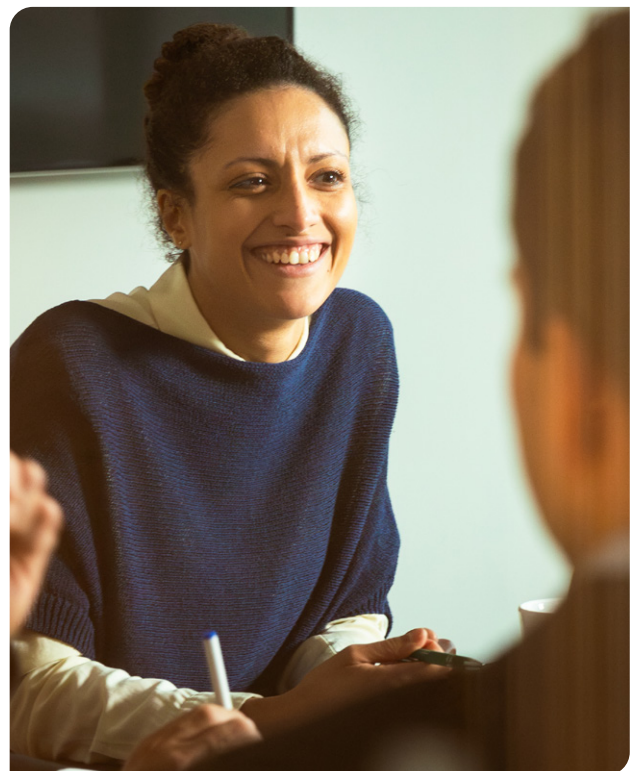
4.8 CORPORATE SOCIAL RESPONSIBILITY

We support charities and the community when possibilities arise

Besides our initiatives connected to our core business and our employees, we acknowledge that AIP plays a part in the community and therefore,

THE TRIBE FOUNDATION

Over 50 million people are living in modern slavery worldwide with an estimated 136,000 people exploited and trafficked within the UK. That's more people living in slavery than ever before, both in the UK and globally. TRIBE Freedom Foundation is on a mission to fight modern slavery and end human trafficking. They work by raising awareness of trafficking, supporting survivors, and enabling frontline projects to prevent modern slavery. They empower communities to create an impact. TRIBE Run for Love 5 gathered a team of runners to push the limits of human endurance to fight for freedom and empower the survivors of modern slavery. Our colleague, Nadia D'Ippolito, participated in this run and AIP employees supported with a generous contribution that was 2x matched by AIP Management.



“

Taking part in the challenge was an extraordinary experience on multiple fronts: mentally, physically, and emotionally. It was incredibly motivating to know that we were fundraising for survivors of modern slavery and in a way running for freedom. AIP Management and my dear colleagues played a vital role in supporting the cause - It is wonderful to be part of a team that is so supportive!”

NADIA D'IPPOLITO, DIRECTOR, Asset Management

MØDREHJÆLPEN

In November and December of 2023, AIP made it easy for all employees to make a Christmas donation for Mødrehjælpen. In Denmark, 53,000 children grow up in vulnerable positions which makes the Christmas holiday a vulnerable time for them. At AIP, we wanted to contribute to making the Christmas holiday better for these children.

5. Compliance, disclosures, and methodology

AIP is committed to uphold strong business ethics and transparency in disclosures



5.1 EU TAXONOMY AND SFDR DISCLOSURE

We are expanding our disclosures under SFDR



All current AIP funds promote environmental characteristics and are classified as Art. 8 funds under SFDR. The disclosures with information on how those characteristics are met, as well as the information on methodologies used to assess, measure, and monitor the environmental characteristics can be found in the sustainability section on our website.

AIP's process for identification and assessment of principal adverse impacts on sustainability factors is integrated into AIP's ESG due diligence and asset management process. In 2023, AIP committed to report on 9 additional voluntary PAIs. The additional selection is based on the conducted double materiality assessment, see section 5.3.

EU taxonomy alignment

AIP reports and discloses the alignment of our investments with the criteria of the EU's Sustainability taxonomy. In 2023, the taxonomy-eligible share of AIP's AuM was 97%. The taxonomy-aligned share of AuM was 68% in total across all funds. We have an ambition to further increase taxonomy alignment. The EU taxonomy alignment is assessed during the investment phase and updated yearly to ensure that climate mitigation objective, Do No Significant Harm, and Minimum Safeguards are still met. For investment made before the implementation of the EU taxonomy assessment in the ESG due diligence, a separate assessment was made during 2022 and 2023 to develop a baseline.

EU Taxonomy eligibility and alignment

Fund	Asset	Location	Activity	EU taxonomy eligibility	Climate Change Mitigation Objective	Do No Significant Harm	Minimum Safeguards	EU taxonomy alignment	Alignment share (% of AuM)
PKA Direct I	Anholt	DK	Offshore wind	Y	Y	Y	Y	100%	100%
	Gode Wind II	DK	Offshore wind	Y	Y	Y	Y	100%	
PKA Direct II	Walney Extension	UK	Offshore wind	Y	Y	Y	Y	100%	100%
	TeesRep	UK	Biomass power plant	Y	Y	Y	Y	100%	
Ophelia	TDC	DK	Tele-communication	Y	N	N	N	100%	100%
AIP infra I	Zion	US	Solar & BESS	Y	Y	TBD	TBD	-	17%
	NSI	NO	Gas processing	N	N/A	N/A	N/A	N/A	
	El Campo	US	Onshore Wind	Y	Y	TBD	TBD	-	
	Prospero	US	Solar	Y	Y	TBD	TBD	-	
	Little bear	US	Solar	Y	Y	TBD	TBD	-	
	BlaFa	SE	Onshore Wind	Y	Y	Y	Y	100%	
AIP infra II	Agility Trains East	UK	Rolling stock	Y	Y	Y	Y	100%	79%
	Escalade	US	Onshore Wind	Y	Y	Y	Y	100%	
	Porter	LT	Onshore Wind	Y	Y	Y	Y	100%	
	Cross London Trains	UK	Rolling stock	Y	Y	Y	Y	100%	
	Dante	UK	Offshore wind	Y	Y	Y	Y	100%	
	Navarra	ES	Onshore Wind	Y	Y	Y	Y	100%	
	Viiatti	FI	Onshore Wind	Y	Y	N	N	-	
	Elias	FI	Onshore Wind	Y	Y	TBD	Y	-	
	Lorax	US	Solar	Y	Y	TBD	TBD	-	
	H2GS	SE	Manufacturing of steel	Y	Y	Y	Y	98,9%	
	He Dreiht	GE	Offshore Wind	Y	Y	Y	TBD	-	0%
TOTAL ALIGNMENT									68%

5.2 COMPLIANCE AND ETHICAL BUSINESS

AIP has developed a comprehensive compliance framework



The incorporation of compliance and ethical business is integral to aligning our operations and investments with established policies and ambitious goals. This approach not only upholds our commitment to responsible investments but also ensures our organisation is well-prepared to fulfill its commitments to stakeholders. By consistently integrating responsible business practices, we reinforce our dedication to these investment principles, fostering trust and delivering long-term value to our stakeholders. See also the responsible investment section on governance setup.

Compliance training

All employees at AIP are provided with mandatory training on compliance topics upon joining the firm and periodically thereafter, based on their role and responsibility at AIP. Training is provided online for ease of the employees, as well as complemented by an in-person introduction meeting with the Compliance Manager. AIP employees are subject to annual attestations that require

employees to confirm their ongoing compliance and understanding of AIP's policies. During 2023, 93.5% of all employees successfully participated in and completed the mandatory training programs, as well as 97% of all employees successfully participated in Artificial Intelligence ("AI") training.

Responsible investment strategy

AIP has built a comprehensive responsible investment policy framework around the three key pillars of sustainability in Environmental, Social, and Governance matters. The policy outlines how AIP ensures responsible investment practices and is built on five principles:

1. INTEGRATED ESG APPROACH: We will include ESG in all steps of the investment life cycle.
2. DISCLOSURE: We will measure ESG impact and report this by establishing relevant KPIs that reflect our commitment to ESG. We also produce an annual ESG report

disclosing relevant impact, in addition to disclosures as required by relevant regulation.

3. **ENGAGEMENT:** We aim to engage with all relevant stakeholders to ensure our principles and policies are adhered to.

4. **ESG IS VALUE CREATION:** To the extent possible, we use ESG and responsible investment as a strategic approach for long-term value creation through an opportunity and risk approach.

5. **INTEGRITY THROUGH INTERNATIONAL STANDARDS:** We will adhere to international guidelines and principles, as a minimum UNPRI, UN Global Compact and IFC.

ESG policy

The ESG policy outlines how AIP as a minimum address environmental, social and governance matter incl. exclusions. The policy further links other relevant policies to the ESG agenda.

Diversity policy

The policy ensures diversity across all relevant parameters in AIP and in relation to competencies and qualifications in the BoD in AIP.

Anti-bribery and corruption policy

AIP has a zero-tolerance approach to bribery and corruption. Obligations to prevent, identify and assess risks of money laundering and/or fraud set out by relevant law or regulations shall be properly observed and complied with. AIP has adequate policies and procedures to properly monitor and review risks of money laundering and/or fraud.

Whistleblower policy

All employees at AIP may report suspicions of breaches of relevant regulations as well as internal policies and procedures covered by the externally facilitated Whistleblower Scheme. Processing of personal data via the Whistleblower Scheme is regulated by the Data Protection Regulation and the Data Protection Act.

Personal transaction policy

We take seriously the position of trust we assume when we make investment decisions and handle non-public information. All employees of AIP are subject to trading restrictions, and we have policies, procedures and training in place to ensure compliance.

Conflict of interest policy

AIP is dedicated to upholding a robust Conflicts of interest Policy, ensuring that each potential investment

undergoes an initial screening for potential conflicts.

Our commitment to avoiding conflicts of interest is unwavering, and we actively promote transparency in all efforts. Should any team member of AIP or a member of the relevant Investment Committee find themselves in a situation that may lead to, or be perceived as leading to, a conflict of interest concerning any investment, they are obligated to bring it to the attention of the relevant Investment Committee. Subsequently, they must request a decision on the matter, and until the relevant Investment Committee reaches a decision refrain from participating in any AIP activity that could potentially result in, or be perceived as resulting in, a conflict of interest.

Tax policy

AIP's tax policy applies best efforts to ensure compliance with applicable tax law and regulations within jurisdictions where investments are made and structures are established, including consideration as to developments and international initiatives in relation to tax law.

5.3 METHODOLOGY



AIP reports on sustainability performance on an annual basis. AIP's ESG report 2023 refers to the period 1 January 2023 to 31 December 2023. This report covers AIP Management P/S and funds managed by AIP.

Disclosure in relation to standards and commitments

This ESG report contains information relevant to AIP's commitments and relevant reporting standards.

The report includes our Communication on Progress (COP) submission to the UNGC.

Emissions avoided

The CO₂e emissions avoided are calculated by using the average grid emissions in the countries where AIP assets are located. The actual conversion (CO₂e per kWh) depends on the energy mix in the market in which the renewable energy is sold. The conversion factors used are sourced from the International Environmental Agency (IEA).

Households powered

The number of households powered by renewable energy from AIP-managed investments is calculated by using the average electricity consumption of households per year in the countries, where AIP assets are located. The average electricity consumption per household is sourced from Odyssee-Mure and the U.S. Energy Information Administration (EIA). Odyssee-Mure are databases on energy efficiency indicators and energy consumption by end-use and their underlying drivers

in industry, transport, and buildings and on energy efficiency policies and measures by country in industry, transport and buildings.

Historic asset performance vs. when all assets are operational (Estimated data)

The historical data is based on all operational assets under management at the respective periods. The estimated data is based on all AIP's investments to date, which include operational assets, assets that are not yet operational and divested assets. All data is presented at asset level.

AIP's carbon footprint

The calculation of AIP's carbon footprint follows the framework established by the Greenhouse Gas (GHG) Protocol.

Only scope 2 emissions from HQ are considered.

Scope 3 emissions for AIP's travel activities and supply chain are calculated using the Exiobase Multi-Regional Environmentally Extended Input Output (EEIO), Quantis emission factors, as well as databases recommended by the GHG Protocol such as the Department for Environment, Food & Rural Affairs (DEFRA). The emissions are based on consumption data of the service/product category per sector and country. The calculations are based on several assumptions.

Double materiality assessment

The Sustainability themes addressed in the analysis were extracted from both ESRS, GRI and SASB and grouped in relevant headlines. The themes were presented to a selected group of stakeholders to score in a survey, while other stakeholder’s inputs were derived from publicly available resources.

Owners and employees were asked to consider AIP Management as well as related funds. All themes were scored on two dimensions and with the possibility to add qualitative considerations:

- Financial impact from 1-5 based on the likelihood of the financial risk or opportunity materialising and the severity of the risk or opportunity materialises.
- Societal impact from 1-5 based on how serious the potential impact is and how much AIP is connected to this issue and the likelihood of the impact happening.

Other market participant’s input was added by assessing annual reports, policies and websites to estimate a score on the same dimensions.

The stakeholders were weighted using the following categories: Owners 40%, Employees 40%, Other investors in the market 10%, Peers 10%.

List of assessed items:

Sustainability theme	Description
Energy mix	Ensuring a high degree of renewable energy. This theme covers the energy mix used and produced in all AIP activities and how we contribute to the energy mix in the grid where we are active. The theme covers both renewable, non-renewable, and nuclear energy.
Energy consumption	Working towards reducing the total energy consumed by AIP activities.
Total scope 1 and 2 (GHG emissions)	Reducing total CO2e emissions exhausted to the atmosphere primarily due process emissions and to the utility use in AIP activities.
Total scope 3 (GHG emissions)	Reducing total CO2e emissions exhausted to the atmosphere primarily through the supply chain and procurement due to AIP activities. Scope 3 emissions entail all emissions in the value chain that are not scope 1 and 2.
Carbon market	Being active in supporting carbon markets through internal carbon pricing, and the voluntary carbon market, e.g. offsetting.
Pollution of air, water and soil	Ensuring a reduction or elimination of all types of pollution to air, water and soil incl. gasses such as NOx and SOx as well as microplastic and ozone depleting gasses like refrigerants in relation to AIP activities.
Water	Reducing the consumption and treatment of water related to AIP activities.
Biodiversity & ecosystems	The impact of our operation and related operations on deforestation, ecosystem changes and conditions, spatial configurations as well as impact on the state of species, invasive species, and potential for extinction of species.
Circular economy	Promoting sustainable practices by designing constructing and maintaining infrastructure with a focus on reducing waste, reusing materials, and maximising resource efficiency.
Waste management	Systematic collection, transportation, processing, recycling and disposal of waste materials. It involves implementing strategies to minimise waste generation, promote recycling and ensure proper handling, and treatment of waste.
Diversity	Ensuring a diverse workforce across age, gender, nationality, education, neurocognition, ability, sexuality, and culture.
Social responsibility	The theme is strongly linked to human rights and covers areas such as rights of indigenous peoples, community and stakeholder relations, and involvement, such as inclusion of local communities.
Adequate wages	Paying wages that are at the minimum living wages in low value-add parts of the value chain and adequate and complete wages to further up the value chain.
Health & Safety	Ensuring the health and safety of all workers incl. working to lower sick leave, injuries and a LTI count. The health and safety area also cover preventive care as well as both the mental and physical working environment.

6. Appendix

Portfolio overview and Principle
Adverse Impact indicators



6.1 PORTFOLIO OVERVIEW*

Since 2013, the AIP team has led investments of more than EUR 7 billion in 25 infrastructure assets across Europe and the US

Project	Type	Location	Commercial operation year	Production capacity MW	Emissions avoided / year (tCO ₂ e)	Households support / year	Owners
He Dreiht	Offshore wind	GE	2026	960 MW	1,245,545	1,027,025	AIP, Allianz, Norges Bank & EnBW
H2 Green Steel	Green steel production	SE	2026	2.452.292 tons	3,284,845	-	Vargas, Altor, Hy24, Just Climate, GIC
Viiatti	Onshore wind	FI	2025	149 MW	36,623	56,985	Valorem
Elias	Onshore wind	FI	2024	131,8 MW	34,804	54,154	Ilmatar
Lorax (two asset locations)	Solar & Battery Storage	US	2024	463 MW	579,652	146,048	AIP & Clearway Energy Group
Navarra	Onshore wind	ES	2024	139 MW	64,713	111,083	Enerfin
Porter	Onshore wind	LT	2024	185,5 MW	77.550	268.556	Taaleri Energia & Lords LB
TeesRep	Biomass	UK	2024	299 MW	-	-	AIP & Macquarie
Blafa	Onshore wind	SE	2023	353 MW	8.067	75.780	AIP, Vattenfall & Vestas
Anholt	Offshore wind	DK	2012	400 MW	172.649	425.629	AIP, Pension-Danmark, Ørsted
Cross London Trains	Rail	UK	2018	-	-	-	JV between AIP, HICL, Dalmore, Siemens & Innisfree
Escalade	Onshore wind	US	2022	336 MW	398.370	100.372	AIP, Taaleri Energia & Akuo Energy

* All calculations are based on steady state production. This might occur later than commercial operation year

(continued)

Project	Type	Location	Commercial operation year	Production capacity MW	Emissions avoided / year (tCO ₂ e)	Households support / year	Owners
Little Bear	Solar	US	2022	160 MW	100.315	25.275	AIP & Longroad Energy Holdings
El Campo	Onshore wind	US	2020	243 MW	267.955	67.513	AIP & Longroad Energy Holdings
Prospero	Solar	US	2020	300 MW	262.608	66.166	AIP & Longroad Energy Holdings
Dante	Offshore wind	UK	2019	600 MW	374.617	512.412	SSE, Red Rock Power, The Renewables Infrastructure Group & Equitix
Agility Trains East	Rail	UK	2019-2020	-	-	-	AIP, Equitix, GLIL Infrastructure & Hitachi
Walney Extension	Offshore wind	UK	2018	660 MW	530.418	725.520	AIP, PFA, Octopus & Ørsted
Zion (three asset locations)	Solar / Battery Storage	US	2016	412 / 160 MW	330.992	83.396	AIP & Southern Power
Gode wind II	Offshore wind	GE	2012	252 MW	295.480	243.641	AIP, Industriens Pension, Lærernes Pension, Lægernes Pension & Ørsted
NSI	Gas transmission & distribution	NO	1999 - 2007	-	-	-	AIP, Petoro, Cape Omega, Equinor, PGNig, Shell & ConocoPhillips
TDC	Telecommunication	DK	-	-	-	-	AIP, ATP, PFA & Macquarie

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