

ESG Policy

Responsible: Ulrik Pallisø Bornø (UPB), Partner and COO

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1. Background and purpose

- 1.1 AIP Management P/S (“AIP”) is an alternative investment fund manager advising institutional investors (the “Investors”) on infrastructure investments and managing such investments on behalf of the Investors.
- 1.2 This ESG Policy, as amended from time to time, shall guide AIP in our capacity as manager and advisor, when we - for and on behalf of the Investors - assess/screen potential investments, propose investments, monitor and manage investments and propose to exit investments. The policy also applies to all third parties involved in the process such as advisors.
- 1.3 In case of any discrepancy between this ESG Policy and the constitute documents governing an investment mandate, the latter shall prevail.
- 1.4 The following environmental, social and governance principles shall apply to AIP and we will endeavour and actively seek to promote that the principles are observed by the investments.

2. Environmental

- 2.1 Obligations to assess and identify environmental consequences and issues of an investment, set out by relevant laws or regulations, shall be properly observed.
- 2.2 The environmental consequences related to the construction of infrastructure assets, specifically with regard to the use of hazardous materials and the construction work in general as well as the following ongoing operations, shall be minimized in accordance with good industry practice.
- 2.3 The environmental consequences related to operational assets, specifically with regard to hazardous materials, shall be minimized in accordance with best practices with the industry.
- 2.4 AIP supports the objectives promoted by the European Green Deal and the Paris Agreement to limit global warming. AIP helps reducing GHG emissions through investments in, for example, renewable energy. AIP works continuously to minimize the carbon footprint of its individual investments. Investments and asset management will be carried out in accordance with the Net Zero commitments and targets set.
- 2.5 AIP aims to achieve carbon neutrality by minimizing its own carbon footprint seeking alternative ways to reduce and/or offset its greenhouse gas emissions, contributing to the global mission of achieving the Net Zero by 2050 and in accordance with the defined targets.

3. Social

- 3.1 Social and human rights issues of an investment shall be identified and assessed.
- 3.2 Relations with local community and relevant authorities shall be promoted to the extent relevant and AIP will endeavour to ensure a constructive dialogue is maintained with all relevant stakeholders including non-commercial stakeholders.

- 3.3 The fundamental labour and human rights shall be acknowledged and observed by the investment project, including significant suppliers.
- 3.4 Diversity, equality, and inclusion issues (“DEI Issues”) are continuedly assessed and addressed in accordance with the Policy for Diversity.
- 3.5 Health, Safety and Environment issues (“HSE Issues”) are assessed throughout the construction and asset management phases. AIP will ensure that HSE Issues are actively monitored and addressed as a priority item at non-executive board level in portfolio companies.
- 3.6 AIP acknowledges that privacy and personal data constitute fundamental rights in the Charter of Fundamental Rights of the European Union and is committed to protecting the privacy and security of personal data. Any personal data provided by investors, employees or other subjects shall be handled with due care by AIP and in accordance with the internal procedures for handling personal data. The issue is specified in the Data Protection and Privacy Policy.

4. Governance

- 4.1 AIP has a zero-tolerance policy when it comes to corruption and bribery. AIP will require that no corruption and/or bribery shall take place or be carried out directly or indirectly by any of the parties involved in an investment.
- 4.2 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 introduced adequate procedures to properly monitor and review risks of money laundering and/or fraud.
- 4.3 As outlined in the Tax policy, AIP will use 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.
- 4.4 AIP is committed to avoiding any situation which may give rise to a conflict of interest and shall seek to encourage transparency wherever possible. If any team member of AIP or any member of the relevant Investment Committee find themselves in a situation which may result in or be perceived as resulting in a conflict of interests in relation to any investment, they shall raise the attention of the relevant Investment Committee and request a decision on such matter and, pending the relevant Investment Committee’s decision, abstain from taking part in any AIP activity that may result in or be perceived as resulting in a conflict of interest.
- 4.5 Governance rights shall be exercised (directly and/or through appointed board members) to promote the active ownership of an investment.
- 4.6 AIP shall seek to promote full disclosure on environmental, social and governance issues in accordance with good industry practice, while paying due respect to professional secrecy, patents, and trade rights as well as privacy and the protection of personal data.

- 4.7 Laws and regulations regarding, e.g., environmental, human rights and labour rights set out by relevant authorities, shall be complied with by all parties, including significant suppliers, involved in an investment.
- 4.8 AIP shall take considerable care in entering business relationships with third parties. AIP shall endeavour to incorporate an appropriate level of third-party due diligence before entering into any business relationship and to only engage with reputable business partners.

5. Inducements

- 5.1 Any such party to an investment failing to respect the principles set out above shall be deemed an "Unethical Partner".
- 5.2 If AIP has cause to believe that a party to an investment may be classified as an Unethical Partner, and if an applicable excuse that would remedy such classification cannot be obtained by AIP on behalf of the Investor(s), AIP shall refrain from doing business with such party for and on behalf of the relevant Investor(s).
- 5.3 In the event that AIP determines, or an Investor by written notice to AIP declares, that one or more parties to an investment may be deemed an Unethical Partner, AIP shall use commercially reasonable efforts to seek to encourage the party in question to cease to engage in the activity giving rise to the classification as an Unethical Partner. If a party to an investment is deemed an Unethical Partner, AIP shall inform the relevant Investment Committee about such qualification and, to the extent relevant, steps taken pursuant to this Clause 5.3.
- 5.4 If within a reasonable period of time such Unethical Partner does not cease to engage in the activities giving rise to its classification as an Unethical Partner, then AIP shall, with prior approval of the relevant Investment Committee, take appropriate steps towards such Unethical and/or the relevant investment, taking into account its fiduciary obligations to the Investor and its obligation to maximize the long-term value of the Investor's investments.
- 5.5 As part of the ESG due diligence of investments or periodical asset management reviews, the overall outcome of the analysis may outline minor policy non-compliance. In such cases AIP will endeavour to implement a mitigation or action plan to ensure conformity.

6. Exclusions

- 6.1 AIP shall not invest in companies involved in production, distribution, or service of coal and oil related activities, including oil sands.
- 6.2 No investment shall be engaged in the manufacture of controversial weapons, i.e., weapons which in the course of normal intended use would breach international conventions or fundamental humanitarian principles (e.g., atomic, biological, or chemical weapons, duster bombs or anti-personnel landmines), or in the development, production or storage of nuclear weapons, or in the production of components made explicitly for use in controversial or nuclear weapons.

- 6.3 AIP does not invest in companies involved in the production of tobacco, pornography, alcohol, and gambling.
- 6.4 AIP shall not invest in companies that contribute to serious breaches of human rights principles, including severe violations of labour standards.
- 6.5 AIP shall not invest in companies that contribute to severe environmental degradation.
- 6.6 AIP shall not invest in companies involved in financial crime, bribery, corruption, money laundering and terrorist financing.
- 6.7 In line with AIP's Tax Policy, AIP shall not invest in companies that conduct aggressive tax planning for the purposes of tax avoidance.
- 6.8 AIP shall not invest in companies sanctioned by the UN, the EU, the UK, Switzerland or the USA.
- 6.9 An annual ESG review is performed of all investments. The annual ESG review consists of sector-based screening, a sanction-based screening, a norm-based assessment, and a good governance assessment.

7. ESG integration in AIP's investment process

- 7.1 ESG is a core part of AIP's business and is integrated throughout all steps in AIP's investment process with the purpose, on one hand, to identify and prioritize principal adverse impacts on sustainability factors. On the other, to assess sustainability risks on financial returns. Environmental, Social and Governance considerations are important for investment decision-making, both to understand and manage investment risks, and to identify opportunities for enhancement of returns. We believe that a strong focus on responsible investing and ESG will create long-term value for our investors. Our ESG due diligence framework takes both principal adverse impacts on sustainability factors and sustainability risk on financial returns into account in order to create long-term value. See Responsible investment policy for investment process.

The investment process is outlined in the Responsible Investment Policy.

8. ESG Due diligence

- 8.1 The primary purpose of AIP's ESG DD report is to identify and mitigate any specific ESG risks for each investment opportunity. The ESG DD Report is prepared by our external ESG advisers that are given access to the data room set up for the specific transaction. Hence, ESG-related risks are assessed and monitored throughout the whole investment process, but in particular the ESG DD report represents a thorough analysis of such ESG risks. The ESG DD report maps AIP's potential business partners and projects on a broad set of defined environmental, social and governance risk factors. These risks factors are evaluated following a risk assessment matrix that takes into consideration both the "Exposure" and the "Management" of each ESG risk.

9. Amendments

9.1 Investments in infrastructure assets are characterized by a long holding period. The Investors and AIP acknowledge that ethical considerations are constantly evolving and changing over time. AIP may in its own discretion amend this ESG Policy from time to time. Should one or more of the Investors consider it necessary to amend this ESG Policy, AIP agrees to enter into good faith negotiations in order to implement such changes and such changes are subject to the consent of the investors in accordance with the relevant agreement in question.

10. Other applicable guidelines and principles

10.1 This ESG Policy is based on main guidelines and principles of UN Principles for Responsible Investment ("UN PRI"), UN Global Compact and Task Force on Climate-related Financial Disclosures ("TCFD"). AIP is signatory to these initiatives.

10.2 We are committed to monitor any changes and recommendations in national or EU regulation, from UN PRI, UN Global Compact and TCFD and other relevant corporate ESG policies (including the Investors' or any investment's commitment to a particular environmental, social and governance standard) or national/international/global institutional codes of conduct (e.g., the OECD Guidelines for Multinational Businesses and the UN Guiding Principles on Business and Human Rights) and continuously evaluate whether updates, amendments or changes to the ESG Policy should be made.

10.3 For investments located in Non-Designated Countries, as defined by the Equator Principles III, AIP shall use commercially reasonable efforts to seek to ensure compliance with the IFC Performance Standards on Environmental and Social Sustainability and World Bank Group Environmental, Health and Safety Guidelines, where relevant in AIP's reasonable and prudent opinion.

10.4 Each investment proposal by AIP shall include a section assessing key environmental, social and governance issues of the proposed investment. Accordingly, environmental, social and governance related considerations will provide material input to AIP's investment decisions and the integration of such criteria supports AIP's commitment to sustainable value creation. AIP will assist the Investors in general in solving relevant issues regarding human rights, labour rights, environment, climate, anti-corruption or tax which may arise in relation to investments managed by AIP.

10.5 If a material adverse impact on human rights, labour rights or environment relating to an investment occur, the relevant investment committee shall, if deemed appropriate and relevant, be informed of the matter at the next meeting in the investment committee (at the latest). Upon request, AIP shall assist the relevant investment committee in obtaining reasonable further information and documentation on the issue and assist in implementing potential decisions taken by the relevant investment committee.

10.6 AIP has adopted several policies, including the Conflict of Interest Policy, Policy for personal transactions, procedure for handling personal data etc., to ensure compliance with the regulation on business conduct and procedures as well as a Code of Conduct setting out the rules and practices ensuring that AIP is compliant with the regulation on information security and business continuity as set out in the AIFM Act and in the Commission's Delegated Regulation no. 231/2013.

10.7 This ESG Policy is part of the ESG strategy framework for AIP and shall be applied in parallel to the Responsible Investment Policy.