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Reporting

Article 29 Loi Énergie Climat

GENERAL APPROACH FOR TAKING ACCOUNT OF ESG CRITERIA

Sustainability is not an add on in InfraVia Capital Partner's (hereafter the Manager) investment thesis, but a core aspect of it. InfraVia Capital Partners invests in infrastructure assets with a lifecycle spanning several decades, with the objective of delivering stable and long-term returns to investors. It also invests in and accelerates high-growth companies supporting the digitalization of infrastructure and the economy. The in-house SDG-focused sustainability framework guides the Manager towards the development of more resilient assets with the view to optimize their performance. The Manager intends to go further in building custom tangible action plans, and in risk assessment by tackling a wider scope of exposure. The Manager aims also to identify long-term development opportunities which should contribute to the sustainability ambition. The Manager seeks to contribute to the creation of long-term profitability, durability and value for investors, public or private sector partners, entrepreneurs, and the communities involved in the projects.

For more information, please refer to the Manager's Sustainability Charter, available on its website (revised in Q3 2022). Investors in the different funds can refer to the concerned fund's annual reports for more specific information on their investments.

The Manager is committed to implementing its sustainability charter across the investment cycle, from investment selection to divestment. ESG-related considerations are systematically presented in the Investment Committee presentation. If an ESG negative matter is identified at time of due diligence by the deal team, it does not necessarily mean that the Manager will not invest if it is believed that the matter can be remedied in an appropriate manner. If the Manager determines that this ESG negative matter will remain a critical one and that no proper remedy can be taken, then the Manager will refrain from investing.

The Manager considers, encourages, and promotes environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters ("Sustainability Factors") as part of its investment processes. Even though the Manager endeavors to deploy the ESG approach in a harmonized way across all funds and investments, the AIFs managed are or will be categorised following Sustainable Finance Disclosure Regulation ("SFDR") either:

I - as meeting the provisions set out in Article 8 for products which promote environmental and social characteristics: two funds representing 476 million EUR of Net Asset Value as off 31/12/2022.

II - as falling within the scope of Article 6: eleven funds representing 3 730 million EUR of Net Asset Value as off 31/12/2022.

For more information, please refer to the Manager's PAI statement on the website.

The Manager is involved in diverse sustainability-related initiatives and groups:

- Member of the UNPRI since 2018, contributing to the annual rating measuring the implementation of responsible investment strategies. In the latest (2020) evaluation, the Manager was rated A+ in the Infrastructure module and A in the Strategy & Governance module.

- Member of France Invest' ESG and Climate Change Commissions and working groups.

- Member of the Initiative Climate (iC) International, a global community of private investment firms who seek to better understand and manage the risks and opportunities associated with climate change. Appointed in the Europe Opco in May 2023.

- Member and current Chair of LTIIA (Long Term Infrastructure Investment Association), an organisation of asset owners, participation in issuing practical handbooks on ESG and climate change. LTIIA appointed representative in the Executive Advisory Committee of FAST-Infra Sustainable Infrastructure® (FISI) Label.

- Alliance Member of SASB (Sustainability Accounting standards Board), now part of the IFRS (International Financial Reporting Standards), which mission is to help connect businesses and investors on the financial impacts of sustainability. Its tools help identify and manage key material topics across the investment cycle.

- Signatory of the Task Force on Climate-related Financial Disclosures (TCFD) Guidelines, on which the Manager bases its climate reporting and assessment.

INTERNAL RESOURCES

ESG covers an array of topics requiring combined skills from different professionals. The Manager assembles internal working groups to discuss and collegially validate the way forward with regards to existing methodologies, models and ultimately strengthen the ESG strategy.

Human: the importance of sustainability is embedded in the investment and entrepreneurship culture of the company and the Manager encourages the entire team to "own" the sustainable approach. The responsibility for overseeing and implementing ESG strategy and policy is under the umbrella and supervision of the CEO and COO. A dedicated ESG Director was hired in Q3 2021 and is responsible for structuring the ESG approach and building awareness across the team. The Manager is in the process of recruiting a second full time FTE to strengthen the ESG dedicated team. The Investment team is responsible for the pre-investment analyses, and the Asset Management team responsible for the monitoring and reporting during the holding period.

Financial: the ESG Director validates an ESG budget with InfraVia Capital Partners' founders annually, it increased by 86% in 2023. The budget is divided between consulting and expert support for regulatory watch, training, ESG due diligences, carbon footprints, EBF assurance reports, etc. (71%); the reporting platform (12%); communication, annual fees for Memberships and punctual internal or external events (17%).

Technical: there is a mix of internal and external resources that can be used at different stages of investment. For example the internal ESG Toolbox is dedicated to investments teams to perform screening of ESG priorities and ESG risk mapping during pre-investment. During the holding phase, the Asset Manager & ESG Director work directly with portfolio companies on their priorities and can, depending on the need, call on specific tools and/or expertise.

APPROACH TO TAKING ACCOUNT OF ESG CRITERIA AT ENTITY-GOVERNANCE LEVEL

ESG elements are overseen on a regular basis at multiple levels as follows:

- Senior Management and the ESG Director are in charge of defining ESG strategy and approach.

- The ESG Director is in charge of leading and coordinating the ESG process across the firm.

- The Investment team is responsible for the pre-investment ESG analysis which is reviewed¹ by the ESG Director before presentation to the Investment Committee.

- The Asset Management team, including the ESG Director, is responsible for ESG post-investment analysis and monitoring.

- Appointed board members (Partner, Investment Director, Asset Manager Director) are responsible for implementing and monitoring ESG matters at the portfolio companies' board level.

- On a case-by-case basis, specific external advisers may also be appointed to assist on specific subjects.

- Regular trainings are provided by the ESG Director with when relevant the support of external advisors and a specific Sustainability section is included in the Manager's new joiner onboarding program.

In line with its ambition to promote sustainability factors the Manager takes ESG criteria into consideration when assessing the employee's performance, in line with the principles of its remuneration policy. In that respect, qualitative criteria are, depending on the role and function of the employee, determined to assess the employee's performance. These criteria may refer to the quality of ESG analysis, the involvement in the development and monitoring of the ESG action plan, the adherence to the company's sustainability charter.

¹ Mandatory sign off since March 2023

The Manager signed France Invest Parity Charter in 2020. The Manager commits to promoting gender parity and equality in the companies it supports. With regards to gender parity, the overall share of women in the Manager's teams increased over the year from 36% to 42% as of December 2022 and from 19% to 25% in the Investment Teams. The share of women in the Supervisory Board of the Manager (Collège de Surveillance) is 25%. The Manager aims to increase all forms of diversity and published a Diversity, Equity and Inclusion (DEI) Charter that is publicly available on its website.

The Supervisory Board of the Manager systematically includes an item in the agenda of its meetings relating to sustainability.

ENGAGEMENT STRATEGY

In its current funds, the Manager committed to exclude investing in companies whose principal purpose is to produce/distribute armaments, alcohol, tobacco, gambling, gaming, pornography. Some of the Manager's funds exclude investing in companies that generate more than 20% of their revenues from coal-based activities, including, but not limited to, coal extraction and/or coal power generation and/or electricity via a coal powered plant and/or coal mining activities unless the objective of the investment is to transition the relevant assets into alternative to coal powered plants.

The Manager invests in private companies and as such aims to maintain interactions with the management teams of the portfolio companies to follow and promote ESG practices along the investment cycle and not only through the votes in the general assemblies of the portfolio companies. The Manager intends to share its convictions in the portfolio companies' Supervisory Board, with the management and when appropriate disseminate best practices.

In addition, initiative has been taken for infrastructure companies to annually address ESG during a board aiming to consider extra-financial matters and discuss ESG practices, roadmaps, and performance.

The Manager also seeks to anticipate rising requirements and share best practices amongst its teams and assets. The first ESG forum was held in June 2022 with representants from 75% portfolio companies (Infrastructure and Growth), and a webinar was held in early June 2023 on upcoming extra-financial regulations (specifically CSRD and Taxonomy).

INFORMATION ON EUROPEAN TAXONOMY AND FOSSIL FUELS

The Manager is not subject to article 8 on the Regulation (UE) 2020/852 (so-called "Taxonomy Regulation") on reporting obligation of large undertakings.

Please note that the regulatory demands with regards to the European Green Taxonomy have been pushed to January 2024. To date, InfraVia Capital Partners worked on calculating its portfolio's eligibility and alignment with the six objectives of the Green Taxonomy, with regards to asset revenues, capex & opex. This analysis covers both Infrastructure and Growth funds. The methodology of analysis was assessed by the Manager's extra-financial regulatory advisor to provide critical review & improvements on the tested approach. To date, the Manager estimates that 50% of infrastructure and 10% of growth assets are eligible to the taxonomy in the sectors of energy, ICT, transport, waste management and accommodation. According to the analysis, 2 of the assets are aligned. The Manager aims to integrate actions for its eligible assets to become aligned to the Green Taxonomy, in their annual ESG roadmap.

The Manager has one investee company that is active in the fossil fuel sector (a's small-scale LNG infrastructure platform). The company is a pioneer in the energy transition, having switched from oil-based products in its early days (1970's) to LNG today and with the ambition to grow its biomethane business in the short and medium term. Biomethane is a nascent business segment but expected to grow significantly in the coming years.

PARIS AGREEMENT ALIGNMENT

In Q3 2022 the Manager decided to voluntarily appoint a third party to audit the carbon footprint calculations of its portfolio companies. From a strict regulatory perspective, the carbon footprints were compliant to requirements however, some nuances existed, principally linked to the difference of maturity of funds and portfolio companies.

In January 2023, InfraVia appointed Carbometrix, an external carbon specialist, to carry out detailed carbon footprints aligned to the internationally recognized GHG protocol standard for 80% of its assets (the remaining 20% have in-house or external expertise on carbon). This should allow InfraVia to have more detailed and tangible baselines on which to model trajectory scenarios, with regards to each portfolio companies' specific activities, location and size.

Indeed, lessons learned from the SBTi assessments on two assets during 2022 demonstrated that even if this methodology was increasingly cited, to date it only applies to certain sectors and may not be relevant for all types of companies (for example recommendations for SMEs tend to focus on emissions scopes 1 & 2 that often represent <2% of total emissions).

The Manager seeks to work with each of its portfolio companies to build coherent and tailored climate roadmaps, adapted to the specifics of the business/sector. The Manager aims to take concrete actions that could have a meaningful impact but has not yet formalised a decarbonation strategy. This practical way forward should help the Manager build the foundations for defining a strategy to test feasibility of alignment with the Paris agreement along the investment cycle.

BIODIVERSITY ALIGNMENT

For some assets the Manager already identified potential externalities, such as leaks from storage, degradation for green field renewable projects or accommodation adaptation to surrounding biodiversity. The Manager has taken steps to assess, monitor, prevent and/or remediate (as the case may be) impacts on surrounding biodiversity.

The Manager has opened the discussion with the portfolio companies since 2022 by including SDG target 15.5 relative to habitat degradation, biodiversity and species loss, in the annual ESG questionnaire. Two questions are covered; one on the materiality of the topic for the company, the other on whether the company operations are located close to areas of high biodiversity. The Manager aims to strengthen its approach in 2024 by following the guidelines published by France Invest on biodiversity integration and management for PE as well as the TNFD Framework and its recommendations for identifying and reporting on nature related risks.

INTEGRATION OF ESG CRITERIA IN RISK MANAGEMENT

The Manager recognizes climate change as a transversal material factor for the portfolio companies and its strategy focuses on assessing climate-related risks to improve long-term viability of the investments; and recognizing potential environmental impacts of assets and deploying, where possible, mitigation. Pre-investment, the Manager internally performs a high-level climate-related risks and opportunities analysis based on the following:

- Direct and indirect physical R&O associated with severe climate events that could damage the infrastructure or specific events such as epidemics or heat waves.
- Regulation R&O that can emerge with new national or European policies designed to support the transition to a lower-carbon economy, more stringent emissions reductions requirements, etc.
- Technology R&O that entail breakthroughs in innovation with regards to renewables, storage or carbon capture technologies, leading to reduced costs.
- Market R&O associated with changing customers preference, growing trends for less carbon-intensive technologies, value chain localization and monitoring, changes in capacity markets.
- Reputational R&O linked to increased expectation on restrictions, high public pressure and scrutiny, and rising expectation from all stakeholders.

For more information, please refer to the Manager's Sustainability Charter, available on its website (revised in Q3 2022)

In Q2 2023, the Manager has been testing a provider innovative solution providing carbon, climate & nature data to help decision-making during sourcing, due diligence and holding. The tool, built on public databases (IPCC, CDP, etc.) as well as the provider's teams (scientists and experts including climatologists, hydrologists, geologists, agronomists, ecologists, specialists on climate adaptation and GHG experts), maps existing climate physical and transitional risks, as well as biodiversity risks for precise locations.

The Manager observes a link between ESG-related actions and profitability in some of its portfolio companies (e.g. water leakage/energy consumption optimization) but has not as of today identified observable and accurate general parameters for measuring the impact of sustainability linked factors on the valuation of the portfolio companies.