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Meridiam
for people and the planet

Structure of sustainability information in the annual report in accordance with v of article d. 533-16-1 of the code monetaire et financier applicable to organizations with a balance sheet total of more than 500 million euros subject to both the provisions of article 29 of the loi relative a l'energie et au climat and the provisions of article 4 of regulation (EU) 2019/2088 of the european parliament and of the council of 27 november 2019.

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INFORMATION PURSUANT TO **ARTICLE 29** OF THE ENERGY AND CLIMATE LAW



ENTITY'S GENERAL APPROACH TO ENVIRONMENTAL, SOCIAL AND GOVERNANCE CRITERIA

Summary of the approach

Responsible investment is an essential part of the strategic positioning and management of Meridiam funds. Since its creation in 2005 and the launch of its first fund, Meridiam has ensured that its investments achieve the highest environmental, social and governance (ESG) objectives. In 2019, Meridiam positioned itself as one of the first French companies to change its by-Laws to become a French Benefit Corporation (Société à Mission) within the meaning of the French law, and in doing so, Meridiam reaffirmed its commitment to balancing profit with achieving positive impact.

Meridiam places ESG quality considerations at the heart of its activities. As an investor in long-term infrastructure projects, ESG and sustainability

considerations are essential due to the very nature of the projects. Rigorous risk identification is a fundamental step in the project evaluation process, and Meridiam commits itself only when the ESG and sustainability factors are in line with its commitments and the general interest of the communities the project is intended to serve.

Following its change of status to a French Benefit Corporation, **Meridiam reinforced its sustainability strategy by defining 5 pillars based on the SDGs** most relevant to its role as a long-term infrastructure asset developer, investor, and manager. These 5 pillars, presented in the table below, set the long-term, measurable key objectives of Meridiam's long-term sustainability strategy. To achieve these



1. Deliver resilient infrastructure & develop sustainable cities.



Resilient infrastructure and Sustainable Cities



2. Accelerate energy transition



Clean and affordable energy



3. Avoid & reduce emissions



Climate strategy



4. Promote good work conditions, inclusion, diversity & gender equality



Decent work, inclusion, and gender



5. Protect & enhance biodiversity



Biodiversity



5 objectives, Meridiam is equipped with a variety of tools, notably its tailor-made proprietary ESG/SDG contribution analysis tool, Simpl.®. Complimenting the ESG/SDG efforts are specific climate stress tests and carbon-related methodologies, including a carbon footprint evaluation tool and CIARA (Climate Impact Analytics for Real Assets), all developed by Carbone 4, a specialized French consultant. This approach is part of Meridiam's ISO 9001 investment and portfolio management process. As a reminder, the ISO 9001 certification is an international standard for quality management and provides guarantees in terms of organizational quality within the company.

These ESG and SDG priorities are translated into operational terms by an internally developed ESG/SDG approach to analyze and monitor all investment opportunities. This strategy **applies to all funds and throughout the lifecycle of all assets**. It is based on a selective filtering ahead of investments, via exclusion and restriction lists, followed by a positive selection of resilient infrastructure projects that answer the needs of local communities. The approach is based on international standards, such as the UN Principles for Responsible Investment (UNPRI) and the Equator Principles. Meridiam's approach further considers the ESG criteria of major financial development institutions such as the International Finance Corporation (IFC), the World Bank, the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD). By integrating the UN-SDGs to its procedures, Meridiam is reinforcing the rigorous impact evaluation, assessment, and monitoring of its projects. Additionally, it ensures consistency with

Meridiam's sustainability strategy and objectives, and it captures the positive contribution of these assets on issues such as health, education, water, sanitation, energy, urbanization, environment, and social justice.

Content, frequency and means used to inform stakeholders

Investors are aware of Meridiam's ESG/SDG procedures for the conduct of all its activities, as well as key ESG issues related to the investments themselves. In addition, Meridiam's ESG and SDG commitments are public and accessible on Meridiam's website, this includes the Sustainability Charter as well as Meridiam's Sustainable Risk Policy which includes its Principle Adverse Impact Policy describing in detail the approach to identify and manage ESG risks and concerns related to every investment opportunity. Meridiam considers investor concerns in determining ESG criteria for its investment and asset management process as well as their increasing commitments to contribute materially to international sustainable development goals. Meridiam ensures compliance with their requirements to produce follow-up reports, whether it be through documented ESG indicators or the frequency with which information is disseminated.

At predefined frequencies, Meridiam issues several reports wherein investors are informed of the ESG and SDG indicators that are monitored.

» These reports include:

- **Quarterly reports**, which include a specific note on ESG and SDG issues for each asset.
- An annual ESG/SDG report titled "**Impact Report**", which includes a presentation of Meridiam's approach and policy on these aspects and an analysis of selected qualitative and quantitative ESG/SDG indicators with a monitoring of performance over time.
- A **TCFD report** covering Meridiam's climate-related approach as well as quantitative metrics is also made publicly available and updated on a yearly basis.
- A **Mission report** produced every year is published on Meridiam's website to report on the evolution of Meridiam's performance towards attaining its mission objectives as set through its French status of Société à mission.
- **Periodic reports** in line with the SFDR are shared on a yearly basis and allow for a close monitoring of the funds' performances in relation to pre-set sustainable objectives or E&S characteristics, as well as the 14 mandatory Principle Adverse Impact indicators.
- An **online dashboard** presenting financial and extra-financial performance tailored to investors' specific participations is made available.



Other ESG/SDG monitoring reports are prepared according to the requirements of certain investors and for specific funds, as is the case for the Meridiam Infrastructure Africa Funds where the ESG performance of each project is presented, as well as the ESG performance of the fund.

Entity's adherence to charters, codes, labels, or initiatives regarding ESG

- Meridiam became a Société à Mission under the French law in 2019, this implies publicly affirming its raison d'être, as well as one or more social and environmental objectives that it sets itself the task of pursuing within the framework of its activity. These elements must be recorded in the company's articles of association and declared to the registry of the commercial court. Additionally, the execution of the mission and set objectives are verified by an independent third-party organization (OTI) every two years.
- To further align its ambitions on all continents Meridiam SAS obtained the B-Corp Certification in 2022. This is a designation that Meridiam is meeting high standards of verified performance, accountability, and transparency on factors from employee benefits and charitable giving to supply chain practices and input materials.
- Meridiam is also a Net Zero Asset manager signatory thus committing to carbon neutrality by 2050. In addition, Meridiam is a signatory of the Task force on Climate-related Financial Disclosures (TCFD) and as such commits to publicly report on its climate-related management practices and data following the TCFD reporting guidelines.
- As a signatory of the internationally recognized Principles for Responsible Investment (UN-PRI) since January 5, 2011, Meridiam publicly demonstrates its commitment to responsible investment by committing to integrating ESG factors into investment decision making and reporting transparently on its practices on a yearly basis. In 2021, Meridiam received the following ratings:
 - > Investment and stewardship policy: 96%
 - > Infrastructure: 96%
- Meridiam's Green Impact Growth Fund ("GIGF") has an environmental impact-oriented approach by investing in Greentech innovative SMEs at growth operating solutions contributing to the ecological and energy transition. GIGF is certified by Greenfin. Created by the French Ministry of energy transition, the Greenfin label guarantees the green quality of investment funds and is aimed at financial players who act in the service of the common good through transparent and sustainable practices.

INTERNAL RESOURCES DEPLOYED BY THE ENTITY

Financial, human and technical resources dedicated to integrating ESG criteria into the investment strategy

In 2016, Meridiam formally established a full-time ESG and Sustainability team. Composed of ESG, climate, and sustainability specialists, the team acts as a bridge between Meridiam's sustainability strategy, Meridiam's management, and Meridiam's investment teams. In 2022 the team was composed of four full-time ESG/SDG specialists, but Meridiam holds everyone responsible for the integration of ESG and SDG themes within the investment process, including in our relationships with investors and throughout asset management. Ongoing trainings and support enable continuous skill improvement of employees. When necessary, Meridiam partners with technical experts for ESG evaluations as part of due diligences, to evaluate the carbon footprint of projects, and to measure the positive impact of investment opportunities and assets within the SDG framework.

This effort is strengthened with the head of the ESG and Sustainability's position on both the Management Review Committee and the Investment Committee, as well as on the Mission Committee.

In 2022 Meridiam allocated 1.7 M€ towards its ESG and sustainability strategy, this includes the ESG team employees' salary, their social security charges as well as all ESG due diligence, studies, carbon footprints analysis, external support from expert consultants etc., undertaken for that year.

Actions taken to strengthen the entity's internal ESG capacity

Meridium's approach to the environmental and social responsibility, corporate governance, and sustainability consists of engaging all staff, including development and management teams, in proactively evaluating, developing, and integrating ESG and Sustainability, including climate related risks, opportunities, and measures, into our projects and investment opportunities. The participation of all team members in annual official training sessions with Meridium's ESG and sustainability team is mandatory. Similarly, Meridium newcomers receive ESG and sustainability training as part of their onboarding process, and complementary training is given to individuals or teams when deemed necessary.

In addition, the ESG and sustainability approach is a core and mandatory aspect of Meridium investment process, starting with the identification of the ESG and sustainability impact of any new project at preliminary stage. Such preliminary ESG analysis and objective is updated throughout the investment process, including when identifying partners and stakeholders. Each investment process stage has its dedicated and mandatory ESG and sustainability document to be presented in investment committees. After financial close, the ESG and sustainability approach developed during the investment process is transferred to Meridium asset management team, called the Hub.

As mentioned above, Meridium asset management team, the Hub, is designed to facilitate knowledge sharing and good practices among project companies on various topics including ESG and sustainability-related impacts. The Meridium Hub develops deep knowledge (financial, operational and ESG/SDGs) of the projects globally to allow proper steering of the portfolio and quality reporting to management and the investors, with a focus on both financial and non-financial value creation. The "Clubs" are developed in collaboration with and under the supervision of the Hub.

Meridium also maintains a dedicated ESG and Sustainability team who is responsible for ensuring that internal ESG and sustainability procedures are implemented during the investment and asset management process. It is common for Meridium's ESG specialists to follow up with the project companies on the first version of the annual ESG questionnaire. Through these exchanges, the assessment of certain ESG aspects of the project can be improved. The ESG specialists remain available for the project companies to discuss any ESG-related issue, identify solutions, and improve on ESG-related practices.

INTEGRATION OF ESG CRITERIA AT ENTITY GOVERNANCE LEVEL

ESG integration by governance bodies



TOP-DOWN PROCESS

- *Meridium's Mission Committee sets Meridium's sustainability strategy as well as its related targets, and objectives.*
- *Meridium Executive Committee maps a strategy to achieve Meridium's sustainability targets and objectives.*
- *For each investment opportunity, the Investment team assesses and quantify the potential impacts of ESG-related risk through sensitivity and scenario analysis to determine the materiality of these factors and support the design of appropriate*

BOTTOM-UP PROCESS

- *Meridium's Supervisory Board and Meridium's Mission Committee review annually the sustainability metrics and objectives; they monitor the gap between achieving those objectives, and they verify that objectives are being met.*
- *Meridium Executive Committee and Meridium Mission committee review annually the sustainability objectives and related metrics and monitor the gap to achieving those objectives. Meridium Management Review Committee ensures that investments contribute to Meridium's sustainability policy and align with 2-degree warming scenarios.*
- *The Investment Committee and Investment teams follow risk mitigation plans. Parallely, data collected at assets level feeds the strategy and objectives.*
- *Once assets are in portfolio, reviews are conducted, including on ESG-related issues, on a quarterly basis by the project leaders who report to Management.*

ESG integration in the remuneration policy

To ensure a systematic integration of its sustainability strategy throughout the activity of Meridiam and promote ownership of its internal procedures and various tools, employees' performance assessments are also linked to quantitative and qualitative criteria related to the concrete application of Meridiam's sustainability policy at relevant levels. These criteria may include the quality of the ESG and sustainability analysis, the involvement in developing and implementing ESG and SDG action plans and the direct contribution of these actions to Meridiam's mission objectives. Since 2021, a malus has been integrated in all new funds if the team does not reach certain KPIs related SDG targets, including climate-related ones. Meridiam has linked carried interest to SDG performance so as to further incentivize the team to ensure impact targets are achieved.

ESG integration in the internal rules of the Supervisory Board

Meridiam's Supervisory Board fulfils a monitoring and consultative function of the firm's strategy, general development, and business plans. The Supervisory Board ensures the firm's adherence to ESG considerations that are detailed in Meridiam's Sustainability Strategy and Sustainability Risk Policy. ESG criteria are integrated within the Supervisory Board internal regulation.

ENGAGEMENT STRATEGY



Scope of the Engagement Strategy

100% of assets in its portfolio are covered by Meridiam's Shareholder Engagement Policy.

Summary of the Voting Policy

Meridiam considers the exercise of voting rights as an actual management decision that should be performed in the best interest of its investors in accordance with the French Monetary and Financial Code provisions and the recommendations of the professional association(s) to which Meridiam adheres and in accordance with the provisions of Meridiam Code of Ethics.

Meridiam exercises its voting rights within the governance framework of shareholders meetings of the project companies.

Meridiam representative make a pledge to vote in accordance with the following principle regarding ESG aspects, for each type of proposed resolution, as far as possible and in the best interest of the AIFs:

- Meridiam representatives will generally vote for all non-financial decisions that reinforce the sustainability of a given project in accordance with the investment strategy of the relevant AIF and will promote ESG initiatives and developments.

For more information, please refer to Meridiam's Shareholder Engagement Policy.

Assessment of the engagement strategy implementation

As stated in our legally binding **Charter on Sustainable Development**, Meridiam promotes sustainable development towards its stakeholders by:

- Confirming awareness among partners and grantors on ESG and sustainability issues prior to projects procurement process initiation.
- Promoting responsible behavior towards partners in the consortiums and ensuring that their commitments are aligned with our Charter.

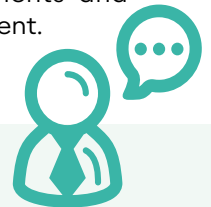
The formalization of our ESG demands towards our partners is a requirement of our procedures found in our commitments associated to environmental and social reporting. As such, Meridiam's approach to ESG management and SDG value creation is systematically incorporated within every project management strategy as agreed upon by the consortium. We establish collaborative agreements with our partners on the ESG measures to be implemented throughout the construction and development phase of our projects as well as the monitoring and sustainable value creation inherent to our procedures. These agreements are formalized in the shareholder's agreement of each project and include specific performance and reporting requirements towards each project company.



At asset level, every year, each portfolio company is required to fill a detailed ESG/SDG questionnaire through Meridiam's reporting platform, Simpl.®, in time for the preparation of the ESG/SDG annual report ("Impact report") that is publicly disclosed in April. Simpl.®, is an efficient monitoring system that gathers operational data on Portfolio Companies on a yearly basis. It enables Meridiam to closely track its assets' sustainability performance. Building on identified performances for each monitored indicator linked to material SDGs, the company develops Asset SDG Implementation Plans on a yearly basis for each asset, composed of identified areas of improvements and relevant and actionable project ameliorations, which are discussed and agreed on with the investee.

Assessment on the exercise of voting rights regarding ESG decisions

In 2022, no resolution or votes regarding environmental, social or governance quality aspects were taken or made during Meridiam's assets boards. Given Meridiam's governance approach regarding ESG, all material decisions are integrated early-on in the investment process of an asset and agreed-upon through specific clauses which ensures Meridiam's relevant commitments and procedures are applied to every investment.



Investment strategy decision-making

As part of its investment process, Meridiam systematically applies its sectoral exclusion and restriction list to all opportunities: they guide the investment decision-making, the risk assessment, and the corresponding measures. Examples of sectoral disengagement include projects related to the extraction, processing or production of coal, oil and other fossil fuels, projects using coal as the main energy source or dedicated to transporting coal or fossil fuels, etc.

Additionally, Meridiam investment strategy focuses both on ESG risk management and extra financial value creation through the application of its ESG-SDG procedures detailed in Meridiam's **Sustainability Risk policy**. These also guide investment decision-making and provide a framework for Meridiam to ensure that its investments achieve the highest environmental, social, and governance (ESG) and sustainability objectives.

EUROPEAN TAXONOMY AND FOSSIL FUELS

EU Taxonomy alignment

Meridiam is currently calculating the eligibility of its assets with regards to European Green Taxonomy on an asset revenue, CAPEX and OPEX basis. With recent clarification on the technical criteria and the regulatory demand being pushed to 2023, Meridiam leveraged on its most recent ESG reporting campaign in Q1 2023 to gather data at asset level that would allow for a more granular assessment of its activities' alignment. A first estimation of Meridiam's portfolio's alignment will be available in Q1 2024.

Investments in fossil gas and/or nuclear energy related activities

Meridiam does not invest in projects or companies active in the fossil fuel industry.



ALIGNMENT WITH PARIS AGREEMENTS

Meridiam climate strategy was formalized in 2019 when Meridiam officially became Société à Mission and became a Net Zero Asset Manager signatory. Meridiam's climate strategy is based on the reduction of its investments' carbon footprint and on delivering low carbon and resilient infrastructure. From this strategy two specific objectives are derived.

The overarching objectives of this strategy are:

- **to avoid emissions and**
- **to reduce emissions.**



Our objectives are realized through two practical climate targets:

- **Align all Meridiam funds to the Paris Agreement (align portfolio with temperature nearing 2°C).**
- **Be carbon neutral by 2050 in tCO₂e/\$m invested with an interim target of a 50% reduction in scope 1 and 2 of 100% AUM by 2030.**

All assets in portfolio's temperature are assessed using the CIARA methodology developed by consultant Carbone 4. Meridiam helped initiate the creation of a geographic and asset type sensitive methodology to assess the temperature of infrastructure portfolios. With the participation of AFD, La Banque Postale Asset Management, EIT Climate KIC, Generali Global Infrastructure and Meridiam, Carbone 4 launched the 2-infra challenge. The goal of the initiative was to develop a methodology designed specifically for private equity infrastructure investors. The work conducted through the 2-infra challenge initiative enabled Carbone 4 to add the real assets dimension to its CIARA methodology, a powerful tool used for the evaluation of portfolios' climate indicators (<https://ciara.carbone4.com/>). For Meridiam, assets are measured against a two-degree warming trajectory, to align our investments with the goal set by the Paris Agreement.

The ambition of the 2-infra challenge methodology is to check the alignment of an infrastructure portfolio with a given climate scenario, considering the evolution of both assets' performance and scenario pathway.

The output for the analyzed portfolios is surplus or avoided emissions compared to the reference low-carbon trajectory. That indicator is expressed in tonnes of CO₂e/year and corresponds to the asset weighted average of the average annual deviations from the trajectory over the cumulated period considered. The emissions avoided or in surplus relative to the trajectory are calculated for each asset and then summed, resulting in the portfolio scoring.

Then, this methodology assesses the gap of each infrastructure asset with a 2-degree scenario and provides a dynamic assessment of each asset in each portfolio. It allows Meridiam to identify which assets are at risk or not within a low-carbon trajectory and enables the targeting of mitigation measures when appropriate.

The 2-infra challenge methodology focuses on more than 60 infrastructure asset types, including energy (Solar PV, wind onshore, hydro, or geothermal facilities), mobility (roads, railways, metro, train stations, airports, ports), water (distribution, wastewater) and waste management (sort out, incineration, composting, landfill/storage) infrastructures. 42 countries are covered by the methodology, in the EU and across the Mediterranean Rim regions. It also covers parts of North America – USA and Canada and most African countries.

The objective here is straightforward: reaching an alignment to the 2°C trajectory at each fund level. The assessment of all assets in portfolio will help stir effective decarbonization pathways which will feed into specific action plans defining decarbonization initiatives at each asset level?, this complements the ESG-SDG performance analysis undergone on a yearly basis which give rise to asset specific SDG implementation plans.

» The methodology is characterized by the 7 following features:

- » **Bottom-up:** evaluation is done at the asset level and not derived from sector average.
- » **Business adaptable:** depending on data availability and on the stage of the portfolio (that can be either already complete or in a build-up process), two rating approaches can be used: either first order of magnitude, based on easily available financial data, or an accurate and comprehensive rating, based on physical data. In the latter option, the 2-infra challenge model is able to capture assets' production profiles and mitigation actions.
- » **Forward-looking:** evaluation is carried out over a given period of time, to capture the fluctuation in time of both asset performance and scenario parameters. The time period considered for the rating can be configured in the model: it may reflect the asset detention period in the portfolio, its overall economic or effective life.
- » **Homogeneous:** all assets are scored by taking into account the end uses they serve. There is a defined list of end-uses whose forward-looking performance is assessed in the 2°C scenario (e.g. heating, long-distance transport of passengers, specific electricity - see all end-uses in the sections below). Therefore, the assets are not compared simply with other similar assets (a power plant compared with another power plant for instance) but with all existing assets which serve the same end-use in the economy. The weight of end-uses in the production of the asset is used to weigh the final rating of the asset. This enables to homogeneously compare assets in different sectors.
- » **Portfolio-driven:** the model provides a consolidated vision of alignment at the portfolio level, that has its own rating, obtained through the aggregation of the ratings of all underlying assets.
- » **Greenfield and brownfield differentiated:** assets are rated differently depending on whether they relate to greenfield or brownfield infrastructure. Greenfield refers to newbuilt assets or existing assets that have undergone a major refurbishment whereas brownfield applies to existing infrastructure. A greenfield asset, obviously, is supposed to deliver a carbon performance superior to that of a brownfield asset, as it arises in a world of greater carbon constraint.
- » **Scenario modular:** any temperature scenario, any region and any asset type can be plugged into the model. For the 2-infra challenge project specifically, Carbone 4 has developed an exclusive partnership with Enerdata in order to build realistic low-carbon scenarios with a country-level granularity.

For more information on the 2-infra methodology, please refer to the methodological guide available on [Carbone4 website](#).

Meridiam portfolios' temperature assessed through the 2-infra methodology on a yearly basis is published both in its Impact Report and in its TCFD Report.

> In 2022, Meridiam global temperature alignment was assessed at 2.1°C.



ALIGNMENT STRATEGY WITH LONG-TERM BIODIVERSITY OBJECTIVES

Among Meridiam's five pillar sustainability strategy, one pillar is dedicated to biodiversity preservation and enhancement. In fulfilment of this pillar, Meridiam tracks biodiversity indicators through the Simpl.® proprietary tool. The indicators track information for species affected both on land and underwater. Further, biodiversity considerations are built into Meridiam's investment process from an early stage, along with all other environmental considerations. Through the track of the indicators and the incorporation of biodiversity consideration in the investment process, Meridiam aims not only to develop projects more conscious of and more effective at ensuring biodiversity preservation and enhancement, but also contributing to the ability of already existing assets to improve their contributions toward supporting biodiversity.

More precisely, Meridiam tracks the following indicators which capture assets' contributions to the conservation effort regarding biological diversity, be it terrestrial or marine biodiversity:

- **Comprehensiveness of procedures in place to minimize, mitigate and address the impact of business activity on nearby coastal environment and on sensitive terrestrial habitats;**
- **Engagement level with relevant stakeholders and/or third-party groups on the ecosystem protection;**
- **Policy and monitoring system in place for marine and terrestrial biodiversity and ecological habitat;**
- **Size of all habitat areas protected or restored compared to the size of the project habitat considered destroyed;**

In parallel, Meridiam has been tracking the progress of the TNFD, the Task Force on Nature Related Financial Disclosure, over the last few years. As the TNFD is nearing the completion of its first set of reporting standards, we are pleased to begin piloting part of their program. Meridiam looks forward to the ability to provide feedback to the TNFD project and to incorporate the new insights

the program will provide for Meridiam's own operations and future investments. Meridiam will work on piloting the LEAP approach and adapting market standard indicators that will allow for a systematized reporting and the evaluation of coherent and impactful objectives.

ESG RISK MANAGEMENT



Meridiam ESG and SDG analysis procedures

The ESG/SDG approach is generalized and systematically integrated into Meridiam's ISO 9001-certified investment and asset management processes.

Each investment opportunity is thoroughly assessed through an initial due diligence analysis prior to investment. The internal analysis is highly attuned to each project type and its location. When ESG concerns are highlighted during this process, risk mitigation procedures are included in the project documentation and specific risk indicators are identified for the implementation of continuous monitoring. Similarly, relevant SDG targets are identified to determine areas of value creation

throughout the development processes and establish performance indicators to enhance projects' positive impacts. The aim is to identify, avoid, minimize, and compensate potential adverse impacts of projects throughout their lifetime.

In general, the methodology used in the ESG and SDG analysis process for investment opportunities is built around two integrated and equally important work streams:

- > **1. the Principal Adverse Impacts Policy (PAIP);**
- > **2. the SDG Positive Screening.**

Principal Adverse Impacts Policy

Meridiam's PAIP provides a set of tools to the investment teams to identify and manage ESG risks and concerns related to every investment opportunity. The PAIP includes the **4 following steps** :

- 1. Eligibility and regulatory check:** Verification of the eligibility of the opportunity against the exclusion list established by Meridiam for its various funds. It also includes ESG framing of the opportunity in regulatory terms.
- 2. Preliminary evaluation:** Initial analysis of risks, whether financial, operational, social, or environmental. The level of risk is detailed for each criterion allowing every investment opportunity to be rated according to its overall risk level.
- 3. Detailed evaluation:** Determination of detailed ESG risks. This can be done by performing a detailed Environmental and Social Due Diligence (ESDD) which can lead to conducting a gap analysis or an Environmental and Social Impact Assessment (ESIA) of the project by a specialized

team of local and/or international consultants. This extensive piece of work may be already available or non-compulsory, but it nonetheless represents an assessment of the potential environmental and social impacts of a proposed project, an evaluation of the alternatives, and a design for appropriate mitigation, management, and monitoring measures. Therefore, if deemed necessary, the investment teams will undertake such detailed studies.

- 4. Detailed implementation plan:** Identification of the ESG mitigation and monitoring strategy. The ESG mitigation and monitoring strategy is mostly defined as part of the ESG risk management plans – the Environmental and Social Management Plans (ESMPs) – following the environmental and social assessment phase.

In addition, Meridiam applies strict compliance and the principle of professional integrity to the conduct of all investments, in accordance with regulatory requirements. To this end, each employee of Meridiam subscribes to the Code of Ethics which includes strict reservations/clauses on the issue of conflicts of interest.

In addition, Meridiam ensures that all partners apply zero tolerance to corruption issues, in line with its anti-corruption policy.

MAIN ESG RISK DESCRIPTION

ESG Risk characterization

The ESG risk assessment and the establishment of avenues for ESG improvement takes place using a set of more than 45 ESG conditions and criteria against which all investments are analyzed, without distinction by sector of activity or asset class. This ESG analysis framework is used to identify the ESG issues and risks that are associated with investments and to determine the risk level of each criterion and the implementation modalities for investment opportunities that will allow these issues to be effectively considered. Each condition/criterion must be documented during the different analysis phases. Here are some examples of analysis criteria:

| ASSET CLASS | EXAMPLES OF PAI RISKS RELATED TO SUSTAINABILITY |
|------------------------------------|---|
| WORKING STANDARDS | <ul style="list-style-type: none"> > <i>Free from exploitation of child labor</i> > <i>Free from forced or compulsory labor practices</i> > <i>Good working conditions, in terms of health / safety and equality</i> |
| LAWS AND REGULATIONS | <ul style="list-style-type: none"> > <i>Legal context and compliance</i> > <i>Procurement procedure</i> |
| ESG CAPACITY | <ul style="list-style-type: none"> > <i>Client's ESG policy and procedures</i> > <i>ESG policy and procedures of Meridiam's Partners</i> |
| ENVIRONMENTAL ISSUES | <ul style="list-style-type: none"> > <i>Impacts on the physical components of the environment</i> > <i>Impacts on nature protection areas and biodiversity</i> > <i>Impacts on fauna, flora, and habitats</i> > <i>Environmental measures</i> |
| SOCIAL ISSUES | <ul style="list-style-type: none"> > <i>Social impacts</i> > <i>Cultural heritage</i> > <i>Interests of stakeholders</i> > <i>Land acquisition and resettlement</i> |
| ENERGY, CARBON, AND CLIMATE | <ul style="list-style-type: none"> > <i>Vulnerability to climate change</i> > <i>Contribution to the fight against climate change</i> > <i>Combined risk relating to the Energy and Carbon market and Climate risk</i> |



Four levels of risk can be identified for each ESG element that will be assessed; the level of risk will vary from "low" to "constraint". The risk assessment itself considers criteria such as the intrinsic value of the component affected by the proposed investment opportunity, the possibility of implementing measures to control and limit the impacts of the asset on this component, the social acceptability, etc. The application of this methodology not only makes it possible to evaluate all the ESG risks of an opportunity but also to understand the context in which it is to take place. In addition, by providing details of the issues related to the asset, the methodology allows for an efficient transition to the implementation phase of the asset, namely the construction and operation of the infrastructure.

Regarding ESG risks, all funds managed by Meridiam integrate all ESG criteria due to the nature of the investment process. Nevertheless, no specific weighting is defined for one category of ESG issues compared to another. The relative weight of the categories of ESG criteria, some examples of which are given above, is therefore the same for each of them. The decision to pursue the development of a potential investment is based on the overall assessment of ESG issues and risks; Meridiam must be confident that it can effectively manage ESG issues to move forward with an opportunity.

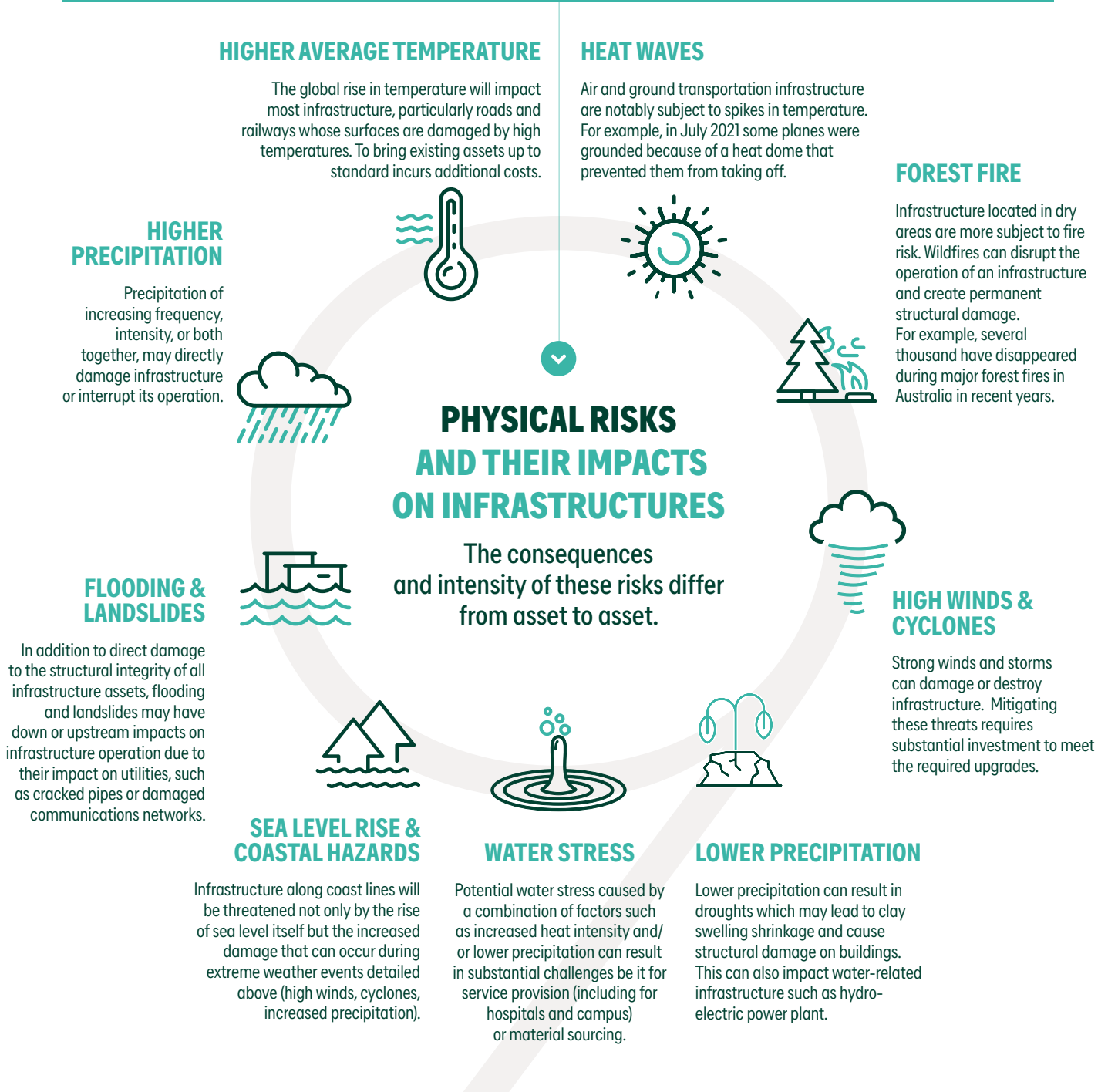
In the asset management phase, i.e., during the construction and operation of the infrastructures, the ESG and SDG analysis is carried out based on detailed criteria whose scope is adjusted according to the type of infrastructure and the issues it generates. More than 200 criteria are used to monitor the implementation of ESG measures and to evaluate the ESG and SDG performance of assets in portfolio.

CLIMATE-RELATED RISK

Meridiam is a long-term infrastructure investor; its assets concession periods can be upwards of 30, 40 even 50 years, as such, climate-related financial risks are material to its activity and systematically considered on a medium and long-term basis. Meridiam has more than 125 infrastructure assets in portfolio and/or in development in Europe, Africa and South and North America operating in the mobility,

social and energy transition sectors. Therefore, physical and transition risks vary significantly from one asset to the next. However, there are underlying common risks that can be considered in public infrastructure and systematically analyzed on a short (<3 years), medium (3-6 years) and long term (>6 years) basis:

Meridiam considers 9 climate hazards associated with physical risks as most likely to damage the infrastructure assets in which it invests.

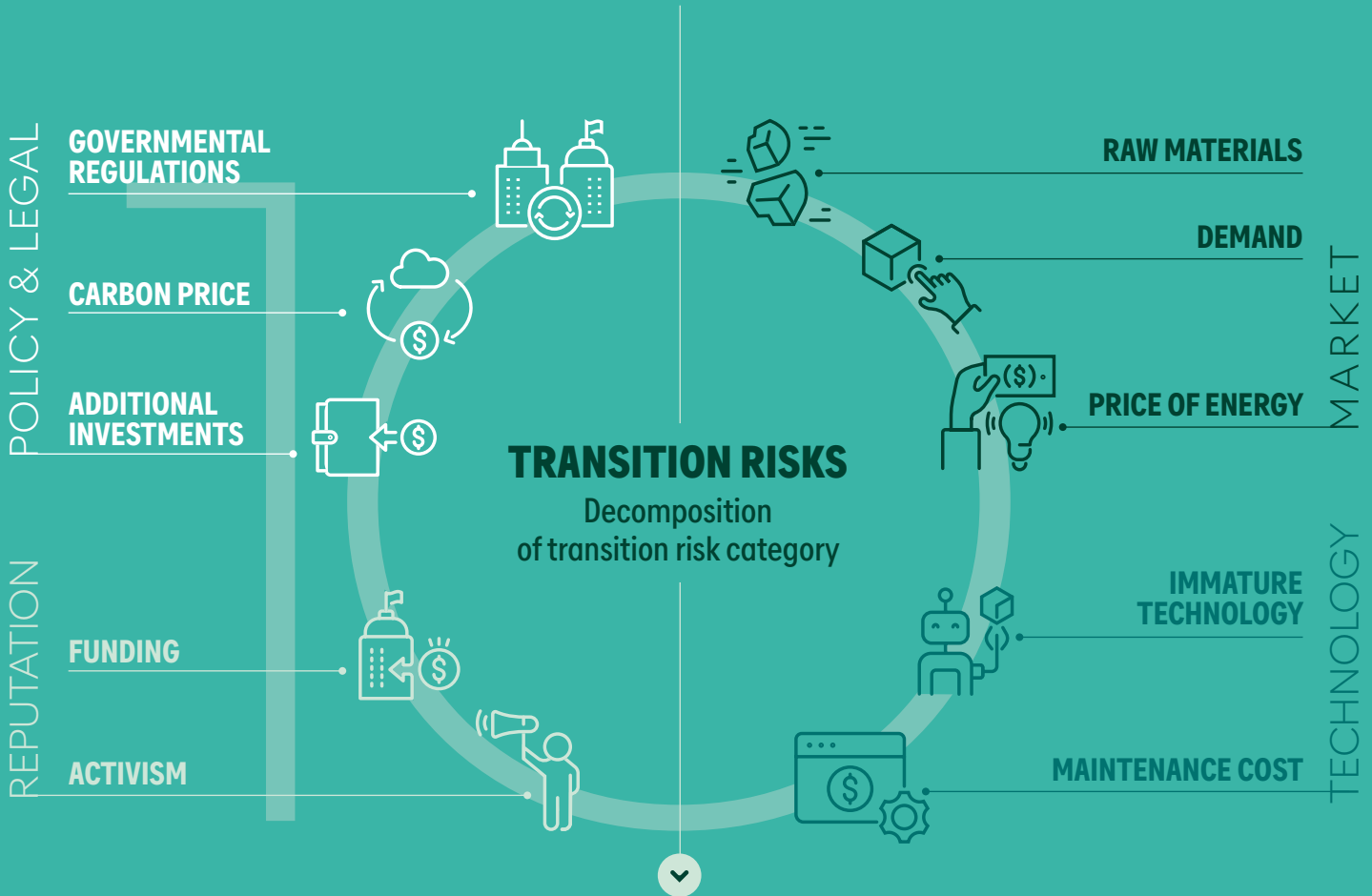


Additionally, transition risks are identified and divided into four main categories further broken down into operational risks' sub-categories, as illustrated on the next page.

TRANSITION RISKS

10 Transition risks are associated with societal and economic shifts toward a low-carbon and more climate-conscious future.

Meridiam analyses transition risks through four main categories: **POLICY AND LEGAL, MARKET, REPUTATION, and TECHNOLOGY.** Each theme is further broken down into operational risk sub-categories.



33 TYPES OF ASSETS ARE ANALYSED ACCORDING TO THESE RISK FACTORS

Transition Risks used by Meridiam based on CIARA methodology. For more information about CIARA, visit: <https://ciara.carbone4.com>

In order to take into account all possible climate risks, the energy prices and carbon issues, Meridiam and Carbone 4 developed an assessment for investment teams to complete. For each category, the list of potential impacts is indicative, however allows to ensure that no major issue has been ignored at the "go" / "no go" stage of the investment process. This assessment is divided by sector (transportation, power, energy, environment, communication, social infrastructure) and is structured around three core themes (managing energy supply and pricing volatility, transitioning to a low-carbon economy, preparing for climate change and extreme weather events) broken down by types of activities.

The objective is to identify risks presenting potential negative financial, operational, commercial, or reputational impacts to the project and that may need to be monitored and further analyzed over the investment process. The level and associated probability of such exposure is often difficult to estimate precisely and must therefore be assessed qualitatively based on early-stage information available to the project team.

Based on this assessment, the investment team determines materiality and supports the design of appropriate risk mitigation strategies.

ESG Risks' scope specification

As a long-term infrastructure investor with activities in Europe, North America, Africa, and the Middle East, Meridiam's ESG risk management procedures are an inherent aspect of the investment process and standard infrastructure ESG criteria are systematically analyzed with the same level of scrutiny. A risk level is then attributed to each criterion on a project basis and will determine their respective risk management needs.

ESG Risks selection criteria

The set of ESG criteria analyzed through the risk management procedures during the investment process is exhaustive, with more than 45 indicators (detailed in question H b)) and covers all the relevant ESG risks associated with the development of infrastructure projects. The level of risk associated with each criterion is project dependent and will be qualitatively assessed by the investment team based on available information and reviewed and approved by the management committee. The risk level is updated as necessary during the development of a given project.

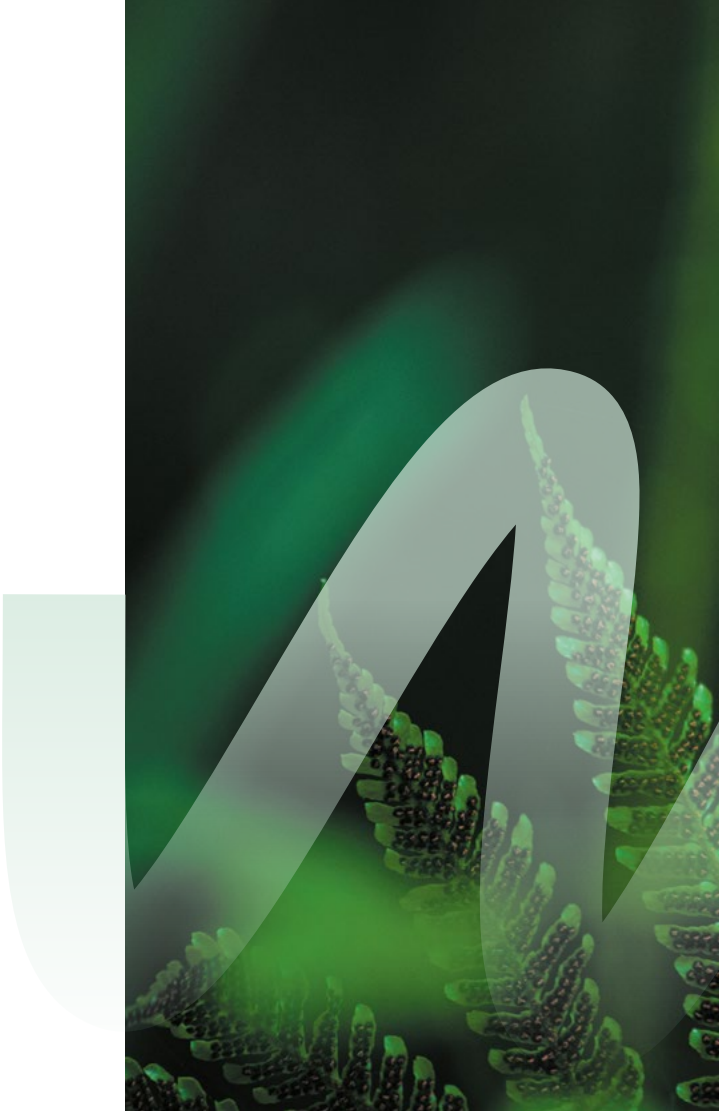
Frequency of ESG Risk management framework review

Meridiam ESG-SDG procedures are reviewed annually.

ESG Risk management Action Plan

Each project is thoroughly assessed through the above-explained initial due diligence analysis prior to investment. All ESG concerns are highlighted during this process, whether they are risks the project may be facing in time or potential impacts the project may generate. Risk mitigation procedures are then included in the project documentation and specific risk indicators are identified for the implementation of continuous monitoring.

For each ESG issue associated with Meridiam's assets, mitigation or compensation measures will be identified. This will be the result of asset specific studies of ESG-related risks, including stakeholders' inputs. During the investment process, if an ESG issue is identified through the opportunity analysis, a specific strategy is designed to address it. This aims to channel the additional work that will need to be undertaken to invest in the asset.



Meridiam will engage with the assets' management teams and their stakeholders to discuss, validate, and optimize the proposed measures, define an implementation plan, and agree on a timeline. This ensures that the proposed measures are relevant, realistic and that the final solution is optimal for all stakeholders.

ESG Risks Financial impact

Climate change presents both acute and chronic financial risks to infrastructure.

- **Acute Risk:** *the increased frequency and severity of extreme weather events may temporarily disrupt infrastructure service delivery more often, decreasing revenues and increasing expenses. Those risks are considered acute as they are emanating from event driven climate change impacts.*
- **Chronic Risk:** *gradual climatic shifts, such as increasing temperatures or changing precipitation patterns may also lead to reduced operational and economic performance over time and increased operating costs. Changes in weather and climate can impact infrastructure design thresholds for safe and efficient operation as well.*



Some of the climate-related financial risks driven by physical risks include:



FINANCIAL IMPACTS

PHYSICAL CLIMATE-RELATED RISKS
EXAMPLES

| | REVENUE | COSTS / EXPENDITURES | ASSETS | CAPITAL & FINANCING |
|--|--|---|---|---|
| | <p>The income derived from normal business activities can be affected by climate-related operational disruptions. For example, high temperatures on an airport's tarmac can affect aerodynamic performance which may require airlines to limit passenger and cargo weight. That can result in operational disruption and revenue loss.</p> | <p>Restoring infrastructure to operating condition following damage from extreme weather events may increase unplanned maintenance expenditures. In addition, adapting infrastructure assets to climate change may require planned and unplanned operational and capital expenditures. For instance, for ports, reinforcing breakwaters and elevating patios to adapt to climate change may increase capital expenditure budgets.</p> | <p>Extreme weather events or temperature variability disrupting operations, service performance, and delivery of infrastructure may lead to a decrease in overall asset value. Furthermore, asset damage from extreme weather events could shorten asset life and increase depreciation rates, thus negatively affecting asset value.</p> | <p>As capital and operational expenditures increase to respond to weather events and adapt to climate change, this may require an increase in debt, given lower cash-flow resulting from higher expenses.</p> |
| | <p><i>Extreme weather events regularly impact revenues, such as recent winter storms in Texas which affected the revenue of transportation infrastructure.</i></p> | <p><i>Multiple projects have been designed to mitigate and adapt to climate change and extreme weather events, such as measures to deal with rising sea levels at the Port of Calais.</i></p> | <p><i>Until today, we have not had any disruption of operation nor service performance due to extreme weather.</i></p> | <p><i>Until today, we have not had any capital or financing issue due to climate change.</i></p> |

Financial impacts linked to ESG risks are at this stage difficult to estimate quantitatively and have to be assessed on a project basis.

Meridiam attempted to assess whether a correlation between its projects' internal rate of return and sustainability performance existed, but data is still insufficient for a reliable estimation.

LIST OF FINANCIAL PRODUCTS REFERRED TO UNDER **ARTICLES 8 AND 9** OF THE DISCLOSURE REGULATIONS (SFDR)

MERIDIAM'S FUNDS



Meridiam currently manages 11 funds, the details of which are presented below:

| | FUNDS | ASSET CLASS | YEAR OF CREATION | DURATION OF THE FUNDS (YEARS) | GEOGRAPHICAL AREA | TYPES OF SECTORS | AMOUNT OF MERIDIAM'S ASSETS FOLLOWING ITS ESG POLICY (AS A SHARE OF FUNDS, IN %) | SFDR |
|-----|--|----------------|------------------|-------------------------------|---|--|--|--------|
| AMF | Meridiam Infrastructure SICAR | Infra | 2008 | 25 | OECD countries in Europe and North America | Transport - Social | 100 | Art. 8 |
| | Meridiam Infrastructure Europe II | Infra | 2012 | 25 | Europe | Transport - Social - Energy | 100 | Art. 9 |
| | Meridiam Infrastructure Africa Fund ¹ | Infra | 2015 | 15 | Africa | Public utility services and networks - Energy - Transport - Social | 100 | Art. 9 |
| | Meridiam Infrastructure Europe III ² | Infra | 2016 | 25 | Europe | Transport - Social Public buildings - Energy | 100 | Art. 8 |
| | Meridiam Transition ³ | Infra | 2016 | 20 | Europe | Public utility services and networks - Energy | 100 | Art. 9 |
| | Meridiam Infrastructure Africa Fund II | Infra | 2021 | 15 | Africa | Public utility services and networks Energy - Transport - Social | 100 | Art. 9 |
| | Green Impact Growth Fund (GIGF) | Private Equity | 2021 | 12 | Europe | Low carbon economy - Circular economy - Sustainable cities, and smart buildings - Clean mobility, Sustainable agriculture and food | 100 | Art. 9 |
| | The Urban Resilience fund (TURF) | Infra | 2021 | 20 | TURF A: OECD TURF B: non-OECD | Critical resilient infrastructure in cities - Catalyze project preparation at the city level | 100 | Art. 9 |
| | Meridiam Sustainable Infrastructure Europe IV | Infra | 2021 | 25 | Europe | Public utility services and networks Energy - Transport Social | 100 | Art. 9 |
| | Meridiam Sustainable Waste and Water Fund | Infra | 2021 | 25 | Europe | Environmental services | 100 | Art. 9 |
| SEC | Meridiam Infrastructure North America II | Infra | 2012 | 25 | OECD countries in North America and South America | Transport - Social Public buildings | 100 | N/A |
| | Meridiam Infrastructure North America III | Infra | 2017 | 25 | OECD countries in North America and South America | Transport - Social Public buildings | 100 | N/A |

1. Fund subject to Decree No. 2015-1850 of December 29, 2015 applying Article 173 (paragraph VI) of the LTECV of August 17, 2015. 2. 3. Ibid.

SUMMARY OF THE PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS

Summary of the principal adverse impacts on sustainability factors

Meridiam considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of Meridiam.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2022.

Principal adverse impacts of investment decisions on sustainability factors have been monitored for the year 2022 for the financial product and cover:

All the mandatory indicators for principal adverse impacts on sustainability factors listed in Table 1 of Annex I of the delegated regulation 2019/2088 supplementing SFDR as follows :

1. GHG emissions (Scope 1, 2 and 3 – Total GHG emissions)
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector
7. Activities negatively affecting biodiversity-sensitive areas
8. Emissions to water
9. Hazardous waste and radioactive waste ratio
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
12. Unadjusted gender pay gap
13. Board gender diversity
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).



The following relevant additional indicators listed in Tables 2 and 3 of Annex I of the same delegated regulation:

15. Investments in companies without water management policies
16. Number of days lost to injuries, accidents, fatalities, or illness
17. Lack of a supplier code of conduct (Tier 1: SPV's first subcontractors and suppliers of materials and services)

As an infrastructure and long-term asset manager, the principal adverse impacts linked to Meridiam’s activities pertain directly to the characteristics of the natural and social environment in which the project is implemented, its scale as well as the project end-use. Whether the project is a brownfield or a greenfield also influences the significance of the potential impacts and the necessary mitigation measures.

Typically, Meridiam’s activities can be divided into three main categories: sustainable transport, critical public services and innovative-low carbon solutions. These categories tend to have similar and distinct potential impacts that will be managed differently.

Commonly and because of the wide footprint inherent to infrastructure projects in general, there is always a focus on: managing the impacts on biodiversity and the natural habitat as well as the potential social impacts on the communities the infrastructure serves, ensuring sustainable resources’ consumption, and avoiding and minimizing any sources of pollution including noise, water and air pollution.

Some examples of distinct features related to specific asset types might include the following: transportation assets tend to have a bigger footprint as they extend many kilometers and are more likely to impact natural habitats as they cross a variety of areas to provide critical links. As such there will be an emphasis on ensuring natural habitat connectivity and managing impacts such as noise, water and air pollution. Hospitals and schools generally are developed in more urbanized areas with a focus on ensuring resources consumption efficiency and managing waste including hazardous and radioactive waste.

Description of the principal adverse impacts on sustainability factors

Please refer to Meridiam’s Principal Adverse Sustainability Impacts Statement published in the section **Statement on principal adverse impacts of investment decisions on sustainability factors** of Meridiam’s website.

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

As defined in the Principle Adverse Impacts Policy formalized in 2021, the 4-step evaluation of every potential investment opportunity described earlier in this document has been an integral part of Meridiam’s investment process. The recent regulation has formalized the disclosure process, but identifying and managing negative impacts through ESG risk evaluation has been part of Meridiam’s procedures since inception. Meridiam uses specific ESG indicators in the detailed evaluation of potential investments and several of these indicators are directly related to the sustainability of the asset as indicated in the tables below. For example, the impact on the physical environment (air quality, noise, water quality, soil, etc.), the impact on the fauna and flora, the sustainable use of resources or the vulnerability to climate change and climate-related physical risks. It would be challenging to list all the potential PAI and associated management measures for all types of asset classes Meridiam invests in, but below is a table providing a sample of PAI-related issues for some of our asset classes. As showed in the following table, specific environmental and social management plans (ESMPs) are developed to address the PAIs, each containing a detailed description of the adverse impacts it addresses, the measures implemented to limit and/or compensate the impacts, the implementation schedule and responsibility matrix, and the monitoring plan.



| ASSET CLASS | EXAMPLES OF PAI RISKS RELATED TO SUSTAINABILITY | EXAMPLES OF ENVIRONMENTAL AND SOCIAL MANAGEMENT PLANS (ESMPS) |
|------------------------------|---|---|
| ROADS | Air quality, Dust, Noise, Waste, Water quality, Soil contamination, Slope stabilisation, Biodiversity, Resettlement | Water quality and wastewater MP, Air emission, noise and dust MP, Biodiversity Action Plan, Resettlement Action Plan |
| AIRPORTS | Noise, Air emissions, GHG, Bird hazards, Soil contamination, Hazardous waste | Water quality and wastewater MP, Air emission, noise and dust MP, GHG emissions reduction plan, Waste MP, Bird hazards MP |
| URBAN MOBILITY | Disposal of batteries, noise and dust during construction and operation | Air emission, noise and dust MP, Waste and hazardous waste MP |
| PORT | Coastal erosion, Waste and hazardous waste, Water quality, Biodiversity | Erosion control and restoration plan, Biodiversity Action Plan, Waste and hazardous waste MP, Wastewater and surface water MP |
| RAILWAYS | Noise and vibrations, Encroachment in natural habitats, Land acquisition and expropriation, Hazardous waste, Water quality | Noise and vibration MP, Biodiversity Action Plan, Land acquisition and resettlement Action Plan, Hazardous waste MP, Water and wastewater MP |
| STUDENT ACCOMMODATION | Disturbances linked to noise and traffic in the vicinity of buildings, Energy and water consumptions | Air emission noise and dust MP, Energy efficiency and consumption MP, Water consumption reduction plan |
| HOSPITALS | Biomedical and hazardous waste, Noise and disturbance due to ambulances and traffic increase | Air emission, noise and dust MP, Biomedical and hazardous waste MP Traffic MP |
| DATA CENTER | Energy consumption, Heat waste and water consumption (for cooling), E-waste, Noise | Energy MP, Water consumption MP, Noise MP, Waste and e-waste MP |
| HYDROPOWER PLANT | Impact of the reservoir on aquatic biodiversity, Encroachment in natural habitats, Riverine erosion, GHG emissions from and mercury bioaccumulation in the reservoir, Land acquisition and resettlement, Water quantity and quality | Biodiversity Action Plan, Soil stability and erosion MP, GHG emissions management and monitoring plan, Mercury monitoring and MP, Land acquisition and resettlement Action Plan, Water MP including climate modelling |
| SOLAR POWER PLANT | Visual impact, Land acquisition and resettlement, Encroachment in natural habitats, Panels disposal | Hazardous waste MP, Land acquisition and resettlement Action Plan, Biodiversity Action Plan, Visual integration plan |
| WASTE TO ENERGY | Air and odour emissions, Traffic increase due to waste transport, Water and wastewater | Air emission, noise and dust MP, Traffic MP, Water consumption and wastewater MP |

All these PAIs are evaluated regarding their level of risk and project-specific measures are taken to address them. Meridiam's approach towards these PAI is to avoid, reduce, and compensate PAI.

Here are some examples:

| | | |
|-------------------|---------------------------------------|--|
| AVOID | Light Rail Transit in Florence, Italy | The project was redesigned when archaeological works unearthed cultural artefacts on the site of the original tramway line. |
| MINIMIZE | Kinguélé Aval Hydropower Plant, Gabon | The initial design was double the actual size in height, energy capacity (MW), height of the dam and surface of retention basin. This meant the basin would have covered the outskirts of a national park. As such, the conception of the project was revised and the project halved in height, energy capacity and retention basin to avoid undue potential negative impacts on natural habitats. |
| COMPENSATE | A5 Ostregion, Austria | The project company protected or restored 267 hectares of green areas that are now under its management. This represents a compensation of 168% of habitat areas that were considered destroyed during the construction of the highway. |



To develop a better understanding of projects and inform the sustainability related risk assessments, teams will carry out site visits, meetings and discussions with other stakeholders, consideration of the site history, and developing a list of action items. As explained above, these measures are compiled in specific environmental and social management plans that detail how each PAI related to ESG and/or sustainability is managed, when and by whom. This allows Meridiam and other shareholders of the project company to track the implementation of each ESG/sustainability measure during the various phases of the project, from construction to operation.

Meridiam monitored the PAIs through its reporting platform Simpl.® which gathers operational data at asset level on a yearly basis as well as through the carbon assessment of each of its assets in portfolio evaluated by an external consultant Carbone 4 following the Principles of the GHG Protocol.

Engagement Policies

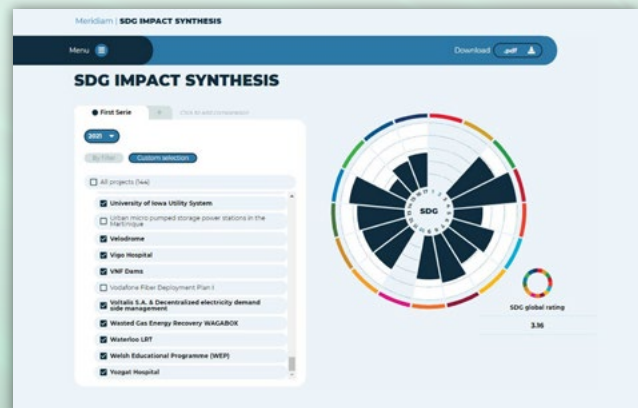
To follow-up and actualize our ESG and sustainability strategy, Meridiam has developed an active, hands-on asset management approach, ensuring an intimate proximity between Meridiam and our assets. Within all project companies, Meridiam will always be an active shareholder, playing a strong monitoring role on how the project is delivered and managed. This helps ensure our investments are managed transparently, especially for ESG and sustainability factors. Specifically, as a member of the project company's board, Meridiam personnel typically have veto powers in relation to the approval of most key decisions of the project company, and Meridiam also focuses carefully on governance and management issues within the project company board. As such, Meridiam ensures that, along with its partners, the project is designed and implemented considering all ESG and sustainability impacts, including climate change risks and opportunities. Meridiam also ensures that each project company has its own environmental and social management plan in place and is responsible for implementing it within its activities. A constructive dialogue with each project company is maintained throughout the construction and operation phases, allowing close monitoring of the implementation of the environmental and social strategies and measures.

More specifically, Meridiam uses Simpl.® to monitor each asset in portfolio on a yearly basis. It tracks and monitors the impact of a project using Meridiam's unique framework of assessment against Environment, Social and Governance targets and the UN-SDGs.

Simpl.® is designed to focus on the pre-assessed core and direct impacts of Meridiam's sectors of activities and uses data and KPIs available at the portfolio company level through an in-depth survey of over 200 indicators per asset class with a data visualization tool to rigorously monitor ESG criteria and identify each investments' relevant contribution to the SDGs. The tool has also developed a set of sustainability indicators related to climate metrics.

The objective is to monitor these indicators throughout the life cycle of a given asset and to ensure its continuous improvement by setting up amelioration plans developed in collaboration with the portfolio company and approved by its board.

simpl.



The formalization of our ESG demands towards our partners is a requirement of our procedures found in our commitments associated to environmental and social reporting. As such, Meridiam's approach to ESG management and SDG value creation is systematically incorporated within every project management strategy as agreed upon by the consortium. We establish collaborative agreements with our partners on the ESG measures to be implemented throughout the construction and development phase of our projects as well as the monitoring and sustainable value creation inherent to our procedures. These agreements are formalized in the shareholder's agreement of each project and include specific performance and reporting requirements towards each project company.

References to international standards

Meridiam is committed to respect fundamental social rights in alignment with OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation (ILO) on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

This commitment is respected throughout the Business Approach:

- > **During the investment process:** Meridiam ensures that its partners respect social standards in their HR policies and consider these risks when selecting main suppliers and subcontractors.
- > **During the asset management process:** Meridiam ensures as a shareholder that social standards are effectively applied by the main contractors and their subcontractors:
 - respect of trade union rights and the promotion of a social dialogue
 - prevention of all types of discrimination and promotion of equal opportunities
 - no use of child labour or of any type of illegal labour
 - acceptable working conditions: remuneration, social security, prevention of violence at work, termination provisions (local workforce)
 - the promotion of health and safety in the workplace including the prevention of occupational accidents and diseases
 - apply the indicators of the UN-SDG tool to measure the involvement level of suppliers and subcontractors on health and safety and child labour monitoring, prevention, and mitigation

Moreover, indicators for principal adverse impacts on sustainability factors are monitored at asset level. Namely:

- > **Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises**
- > **Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises**

Since 2019, Meridiam has also set the objective to align all its portfolios with the goals of the Paris Agreement. To do this Meridiam partnered with Carbone 4* to develop a tailored Climate Impact Analytics for Real Assets' (CIARA) methodology in order to assess its portfolio's alignment.

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