

## **Sustainability-related disclosures – Copenhagen Infrastructure Advanced Bioenergy Fund I ('CI ABF I')**

Last updated June 2023

These sustainability-related disclosures have been prepared pursuant to Article 10 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "**Regulation**").

This website product disclosure has been prepared and published based on the facts, information and legislative guidance available on the date hereof. This statement may be subject to changes, updates and general revision in connection with any regulatory developments and following the disclosure of any further legislation, guidance and recommendations concerning the Regulation (including any delegated acts thereto) by the Danish or EU legislators/supervisory authorities. A clear explanation will be published if any changes or amendments are made to the below.

### **Summary**

**Financial product:** The following legal entities Copenhagen Infrastructure Advanced Bioenergy Fund I SCSp, and Copenhagen Infrastructure Advanced Bioenergy Fund I Feeder SCSp as well as any alternative investment vehicles listed in Annex I are part of a whole fund structure (collectively the "**Fund**" or "**CI ABF I**"), managed by Copenhagen Infrastructure Partners P/S, company number (CVR no.) 37994006 (the "**Manager**" or "**CIP**"). The allocation of investors' commitment to each entity is driven by tax, legal and regulatory reasons unrelated to CI ABF I's sustainability objectives. Furthermore, an investor's exposure to the underlying assets of CI ABF I is not affected by the allocation of its commitment to any one particular legal entity comprised by CI ABF I. For these reasons CI ABF I is for the purposes of this website product disclosure deemed to be a single financial product.

At the date of this document, CI ABF I has been assessed as being a financial product referred to in Article 9(2) of the Regulation having a sustainable investment objective (a 'Dark Green' financial product), as its financially-driven objective is to invest in economic activities that contribute to one or more of the following environmental objectives:

- (1) climate change mitigation; or
- (2) increased global renewable energy capacity; or
- (3) increased global renewable energy generation; or
- (4) reduction in greenhouse gas emissions; or
- (5) reduction of waste and promotion of a circular economy.

Several mechanisms are in place, such as setting ESG standards, excluding certain asset classes, covering ESG as part of due diligence processes, having internal ESG support in place, and monitoring sustainability performance of investee companies, seek to ensure that the investments of CI ABF I do not significantly harm these objectives. CI ABF I's investment strategy is to invest in infrastructure assets, activities and businesses related to advanced bioenergy, electrification and other sustainable energy solutions. This strategy is set out in the fund documentation governing CI ABF I, which is binding and used to select investments to attain CI ABF I's objectives. CIP monitors the objectives through structured reporting from investee companies, and uses industry-standard methodologies to calculate relevant sustainability indicators. CI ABF I currently expects to use at least the following sustainability indicators to measure the attainment of the environmental objectives:

- Renewable energy capacity (MW)
- Renewable power generation (GWh)
- Estimated CO<sub>2</sub>e emissions avoided (tCO<sub>2</sub>e)
- Estimated tonnage of feedstock converted to bioenergy

CIP conducts ESG-specific risk assessments as part of its due diligence processes. CI ABF I currently does not invest in listed securities and therefore has not implemented a policy on how to integrate shareholder engagement in its investment strategy. CI ABF I's objectives are to be attained through CI ABF I investing according to its investment strategy and applying the abovementioned sustainability indicators.

### **No significant harm to the sustainable investment objectives**

Several mechanisms are in place seek to ensure that investments in the Fund's portfolio do not significantly harm any sustainable investment objective, including the environmental objectives that the Fund seeks to pursue. Investments made by CI ABF I are governed by a Responsible Investment Policy which, among others, mandates responsible environmental impact management, protects key social objectives such as human and labour rights, and restricts CI ABF I from investing in controversial weapons that would ordinarily breach humanitarian principles. The Responsible Investment Policy is guided and informed by a number of international voluntary and regulatory frameworks, such as the UN Principles for Responsible Investments (UNPRI), OECD Guidelines for Multinational Enterprises, UN Guiding Principles on Business and Human Rights (UNGPs), IFC Sustainability Framework and Industry Sector Guidelines, and others.

Adherence to the Responsible Investment Policy for CI ABF I is stated in the investment policy section of the Limited Partnership Agreement governing investments made by the Fund (the "**LPA**"). CI ABF I is also specifically excluded from investing in nuclear or coal-fired generation, and the Fund is restricted from investing in nuclear weapons or weapons that would ordinarily breach humanitarian principles.

In addition to its investment policy scope, CI ABF I is governed by a set of environmental, social and governance ("ESG") Standards. The ESG Standards, defined for the Fund, establish standards which are intended to ensure that the investments of CI ABF I do not significantly harm any sustainable investment objective, including the environmental objectives that CI ABF I seeks to pursue. The environmental section of the ESG Standards requires compliance with applicable host country laws and regulations, as well as relevant binding international conventions for the protection of the environment. The social section of the ESG Standards requires compliance with applicable host country laws and regulations as well as relevant binding conventions relating to social issues such as health, safety, security, labour rights, cultural heritage, stakeholder engagement, and human rights. Compliance with the core labour standards of the International Labour Organisation is expected.

In addition to the abovementioned documents, CIP utilises the following mechanisms and procedures to ensure that the investments made by CI ABF I do not significantly harm any sustainable investment objective, including the environmental objectives that it seeks to pursue:

- 1) An assessment of potential material ESG risks is made for all investments prior to final investment decision ("**FID**"), including an assessment of indicators for principal adverse impacts ("**PAI**") as set out in Annex I of Regulation 2022/1288 ("**SFDR Level II**"), or any internal documents which reflect, operationalise or incorporate such indicators (e.g. Responsible Investment Policy and CI ABF I ESG Standards)
- 2) Excluding coal-fired and nuclear-fired power plants and choosing not to pursue investments that do not materially align with CI ABF I's defined ESG Standards

- 3) Due diligence conducted or arranged by CIP's investment team
- 4) Internal ESG-specific resources dedicated to supporting investments made by CI ABF I
- 5) Mitigation and/or management plans covering sustainability objectives at the investee company level
- 6) Incorporating contractual clauses covering minimum standards of conduct on investee companies in alignment with CIP's Responsible Investment Policy and CI ABF I ESG Standards
- 7) Prioritising sustainability-related topics at board meetings and/or steering committees of investee companies where CI ABF I is represented, and exercising voting rights in favour of sustainability-related topics
- 8) Monitoring of sustainability performance of investee companies through mandatory reporting
- 9) Responding to sustainability incidents through CI ABF I's position on the board and/or steering committee of the investee company if applicable

Principal adverse impact indicators are considered through the lens of material ESG risks, such as environmental, health and safety legislation and enforcement, human and labour rights risks, corruption risks, and are operationalised through several procedures and relevant documents described in the section above. In connection with investment opportunities reaching a FID, CI ABF I applies the indicators for adverse impacts on sustainability through:

- 1) Conducting an assessment of potential material ESG risks for all investments prior to final investment decision. This includes pre-investment screening and due diligence processes, which are led by CIP's Investment Team and supported by CIP's ESG function, and where relevant by external advisors.
- 2) Mitigation and/or management plans for relevant potential adverse impacts at investee company level
- 3) Monitoring of relevant potential adverse impacts of investee companies through reporting on either monthly, bi-monthly, quarterly or yearly basis.
- 4) Responding to incidents relating to relevant potential adverse impacts through CI ABF I's position on the board and/or steering committee of the investee company if applicable

CIP's Responsible Investment Policy and the CI ABF I-specific ESG Standards are intended to be aligned with the 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 on Fundamental Principles and Rights at Work and the International Bill of Human Rights set of guidelines (the "**Guidelines**").

### **Sustainable investment objective of the financial product**

CI ABF I has as its sustainable investment objective to invest in economic activities that contribute to one or more of the following environmental objectives:

- (1) Climate change mitigation; or
- (2) increased global renewable energy capacity; or
- (3) increased global renewable energy generation; or

- (4) reduction in greenhouse gas emissions; or
- (5) reduction of waste and promotion of a circular economy.

CI ABF I currently expects to use at least the following sustainability indicators used to measure the attainment of the environmental objectives:

- Renewable energy capacity (MW)
- Renewable power generation (GWh)
- Estimated CO<sub>2</sub>e emissions avoided (tCO<sub>2</sub>e)
- Estimated tonnage of feedstock converted to bioenergy

### **Investment strategy**

CI ABF I will invest in infrastructure assets, activities and businesses which may include advanced bioenergy, electrification, and other sustainable energy solutions.

This investment strategy is established in the fund documentation governing CI ABF I. CI ABF I is not required to apply any additionally defined selection strategy to attain the environmental objective/s. This fund documentation is the "binding element" of the investment strategy. The investment strategy is implemented via a series of investment decision gateways, one of which is the final investment decision gateway. CIP will not present an investment to the CI ABF I decision-making body (which includes investor representatives) for final investment decision unless it falls within the abovementioned strategy.

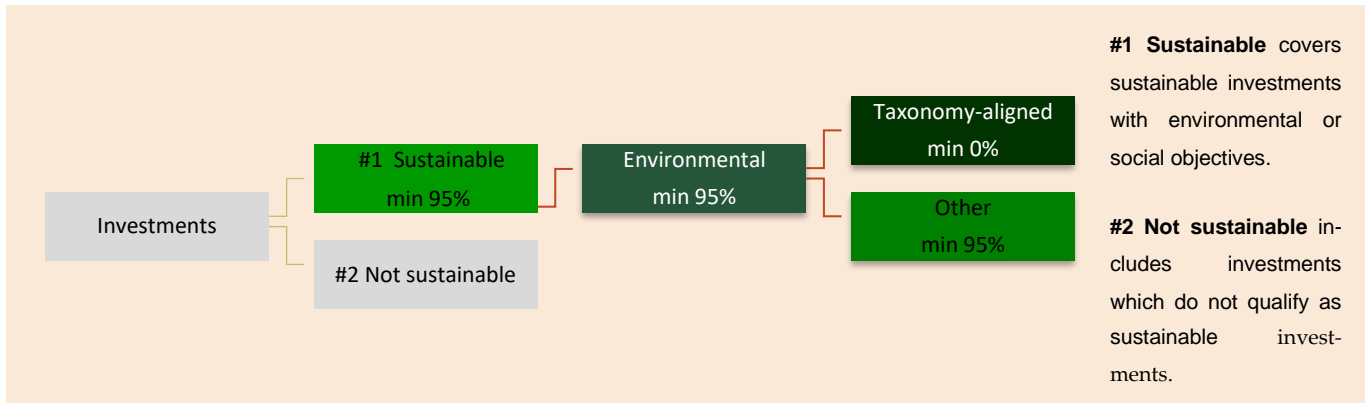
Only investments which follow the procedures set out in this disclosure are expected to be approved by the decision-making body.

CI ABF I's strategy for ensuring good governance practices in investee companies is ordinarily to establish or confirm the governance structure/system whilst developing the energy infrastructure asset, activity or business (as appropriate). Where relevant, CIP uses its "active owner" governance rights to secure the good governance practices of the investee companies in accordance with CIP's Responsible Investment Policy and ESG Standards.

The investment strategy of CI ABF I is further described in the LPA.

### **Proportion of investments**

Each investment made by CI ABF I is currently expected to align with its environmental objectives, and reference is made to the section "*No significant harm to the sustainable investment objectives*" above, which substantially applies to each investment. CI ABF I does not use derivatives to attain the sustainable investment objectives.

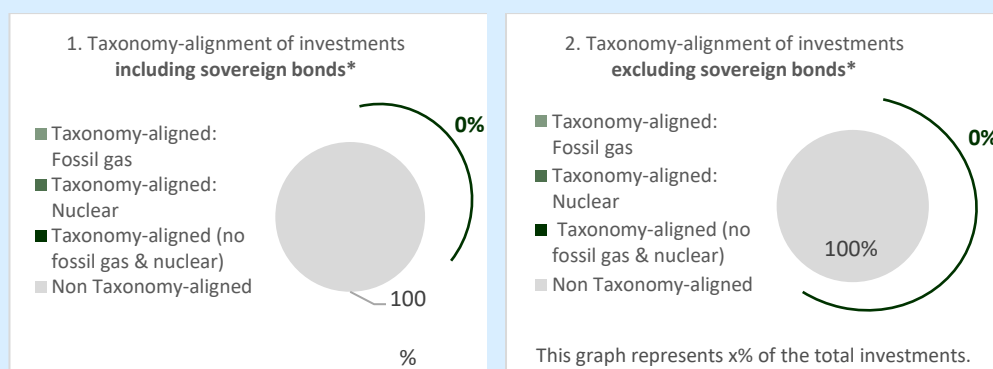


CI ABF I is currently expected to make investments in "Sustainable Energy Infrastructure" as defined in clause 3 of the LPA in accordance with the sustainable investment objectives. The gross asset value (GAV) is used as the basis for calculating the proportion of investments.

Other than financial instruments held for cash management and/or hedging purposes, CI ABF I expects all of its investments to be sustainable investments with an environmental objective. The minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is currently expected to be 95 %, but may be lower to the extent the Fund makes sustainable investments aligned with the EU Taxonomy. It is expected that 95 % or more of the investments of CI ABF are going to be sustainable investments (the remaining share expected to be financial instruments held for cash management and/or hedging purposes). The Fund provides direct exposure to the underlying investments, which are managed by CIP, in accordance with Investment Strategy of the Fund.

CI ABF I currently expects that only ancillary investments made for liquidity and cash management purposes would be considered as investments that are not sustainable (using the above scheme), and this is expected to be done only to a minimum extent (hereby nominated at 5 %).

**The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

The minimum extent to which the sustainable investments of CI ABF I with an environmental objective are expected to be aligned with the EU Taxonomy is 0 %. Whilst it is expected that the actual alignment % may be higher, to ensure regulatory compliance given the evolving nature of the EU Taxonomy (and to take a precautionary approach for this disclosure), a minimum figure of 0 % has been nominated.

### **Monitoring of sustainable investment objective**

The environmental objectives and sustainability indicators used to measure the attainment of such objectives are monitored by the CI ABF I investment team managing the fund through reporting of required information provided to CIP by each CI ABF I investee company.

### **Methodologies**

Estimated CO<sub>2</sub>e emissions avoided are ordinarily calculated as the difference between the estimated CO<sub>2</sub>e emissions resulting from the operation of investments in CI ABF I's portfolio, and the estimated baseline CO<sub>2</sub>e emissions that would have resulted from the "business as usual" scenario in the relevant countries (assuming recent energy balances). Other industry-standard methodologies may be used. The other three sustainability indicators are standalone figures and do not ordinarily require any calculation.

### **Data source and processing**

In evaluating ESG factors, and in order to attain the sustainable investment objective CIP expects to depend upon information and data provided by a number of sources, including the relevant investments and/or third-party reporting or advisors. This report is approved and checked by a representative or similar from the investee company or relevant contractor to ensure data quality. Data is processed internally at CIP, where data used for one out of the three sustainable indicators, "*Estimated CO<sub>2</sub>e emissions to be avoided (tCO<sub>2</sub>e)*" is estimated.

### **Limitations to methodologies and data**

No material limitations are expected. However, the data provided by the relevant investments and/or third parties may be incomplete, inaccurate or unavailable, and which could cause CIP to incorrectly identify, prioritize, assess or analyze or omit to examine in detail the investee entity's ESG practices and/or related risks and opportunities. CIP does not intend to independently verify all ESG information reported by investments or third parties, and may decide in its discretion not to utilize certain information provided by such investments.

### **Due diligence**

The due diligence carried out on the underlying energy infrastructure investments of CI ABF I typically consists of engaging advisors to assess specific ESG matters (including an assessment of indicators for PAI as set out in Annex I of Regulation 2022/1288, or any internal documents which reflect, operationalise or incorporate such indicators (e.g. Responsible Investment Policy and CI ABF I ESG Standards)), evaluating the capacity of contractors that are expected to provide goods or services to the asset, activity or business, and establishing minimum contractual standards of conduct.

### **Engagement policies**

CI ABF I does not invest in shares that are admitted to trading on a regulated market situated or operating within the EU, and the manager is therefore not required to have an engagement policy. If CIP has cause to believe that an investee company cannot or is unwilling to respect sustainability-related topics, CIP will seek to specifically engage with that party on such matters.

### **Index designated as a reference benchmark**

No index has been designated as a reference benchmark for CI ABF I. Each environmental objective is considered to be attained through CI ABF I investing according to its investment strategy and applying the abovementioned sustainability indicators.

#### Change log

Version	Date	Change
1	10 March 2021	
2	June 2023	Website disclose updated to reflect the SFDR level II requirements

**Annex 1 - Alternative Investment Vehicles**

Entity	Registration number	Residence
Copenhagen Infrastructure Advanced Bioenergy Fund I DK A K/S	43831585	Denmark