

Responsible Investment Policy

Copenhagen Infrastructure Partners P/S and
Copenhagen Infrastructure Partners II P/S ("CIP")



CIP



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1. Responsible Investment Approach

CIP's objective as a fund manager and signatory to the United Nations Principles for Responsible Investment (UN PRI) is to create sustainable, long-term value for its investors, and CIP recognizes the fundamental importance of environmental, social and governance (ESG) factors – and the integration of these factors in the investment process – on the creation and protection of this value.

Responsible ESG management creates and protects value primarily through selecting and structuring desirable projects with lower risk profiles and avoiding negative return impacts due to unexpected costs and project delays.

As a fiduciary fund manager, CIP is committed to managing ESG impacts in a sustainable and responsible manner.

2. Introduction

This Responsible Investment Policy sets out CIP's responsible investment approach. It shall guide CIP throughout the investment process by describing key ESG principles and procedures which are intended to support CIP's value creation objectives. Additionally, these principles and procedures are intended to support the proper integration of sustainability risks by CIP into its operations. CIP defines sustainability risk as an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Sustainability risks may relate to a wide range of factors, including environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters. This approach will contribute positively to the United Nations Agenda for Sustainable Development, and the corresponding Sustainable Development Goals.

This policy applies to each of CIP's funds under management, and forms part of CIP's existing suite of policies and procedures, including its Code of Conduct for employees. In addition to those policies and procedures, this policy shall be read alongside the fund documentation governing each fund, which sets out the type of assets and activities comprising that fund's investment scope.

This policy does not affect applicable laws and regulations or documentation governing a fund under management, which shall prevail in all cases.

For funds of funds, responsible investment procedures are subject to the procedures of the underlying funds or co-investing fund in the case of co-investments.

CIP is a signatory of



CIP contributes to



3. Responsible Investment Principles

CIP is a signatory to the UN Principles for Responsible Investment and is thus committed to the integration of ESG factors throughout each stage of CIP's standard investment process: investment selection; due diligence and structuring; and investment management during construction and operations.

CIP's responsible investment principles are guided by the following international standards and norms:

- UN Principles for Responsible Investments (UN PRI)
- The Ten Principles of the UN Global Compact (UNGC)
- UN Guiding Principles on Business and Human Rights (UNGPR)
- OECD Guidelines for Multinational Enterprises
- The Equator Principles
- IFC Sustainability Framework and Industry Sector Guidelines
- Good industry practice in the management of HSE issues

The funds invest with equity strategies, credit strategies and fund of funds strategies, investing alongside the equity and credit strategies. The ability of the funds to influence the operations and/or performance of the underlying projects, including on ESG matters, is substantially different for these types of strategies. Consequently, while CIP's ESG focus areas are similar, CIP's practical approach to and implementation of ESG varies based on fund strategy. As a result of this, this Policy distinguishes between situations where the funds invest with a CIP equity strategy or a CIP credit strategy. Fund of funds investing in underlying CIP funds must follow the ESG principles of the underlying funds.

The below overarching ESG principles are expectations of investments made by CIP's funds under management. These principles are defined by the concept of materiality, the investment strategy of the fund, the integration of sustainability risks, and by the nature of the large-scale energy infrastructure projects within the funds' investment strategies:



3.1 Environmental

| Equity-focused funds | Credit-focused funds |
|--|--|
| <ul style="list-style-type: none"> • Properly observe relevant legal and regulatory obligations to assess and identify environmental consequences and issues • Minimize, in accordance with good industry practice, the environmental consequences related to the construction and operations phases of underlying assets, specifically regarding the use of hazardous materials | <ul style="list-style-type: none"> • Assess the environmental impact of the project including adherence to all relevant legal and regulatory requirements as well as observance of good industry practice |



3.2 Social

| Equity-focused funds | Credit-focused funds |
|--|--|
| <ul style="list-style-type: none"> • Identify and assess relevant social and human rights issues of an investment | <ul style="list-style-type: none"> • Identify and assess the project sponsors' approach to handling relevant social, human and employee rights of an investment |
| <ul style="list-style-type: none"> • No engagement in the manufacture of weapons, which in the course of normal intended use would breach fundamental humanitarian principles (e.g., atomic, biological or chemical weapons, cluster bombs or anti-personnel landmines), or in the development, production or storage of nuclear weapons, or in the production of components made explicitly for use in nuclear weapons • Acknowledge and observe fundamental employee rights, including in respect of significant suppliers | |



3.3 Governance

| Equity-focused funds | Credit-focused funds |
|---|--|
| <ul style="list-style-type: none"> • Exercise voting rights to promote active ownership of an investment • Promote governmental and community relations to the extent relevant • Promote appropriate disclosure and reporting on material environmental, social and governance issues of an investment • Promote effective risk management and identify relevant sustainability risks • Properly observe laws and regulations regarding environmental, human rights and labour rights set out by relevant authorities. This applies to all parties, including by significant suppliers | <ul style="list-style-type: none"> • Assess the project sponsor(s)' approach to and track record in respect of ESG issues and risk management • Seek appropriate disclosure on environmental, social and governance issues • Observance by the project sponsor(s) of laws and regulations regarding environmental, human rights and labour rights set out by relevant authorities |
| <ul style="list-style-type: none"> • No direct or indirect corruption and/or bribery by any of the parties involved in an investment | |

Additional, specific ESG standards will be drafted by CIP in respect of a particular fund, taking into account geographical, technical, legal and other factors relevant to that fund.

Any deviations from the above principles or standards: (i) must not result in a breach of applicable law; and (ii) shall always be supported by and justified in adequate risk mitigation measures and project-specific risk management plans. Deviations may result in actions, such as escalation to relevant decision-making body within CIP.



4. Responsible Investment Procedures

To support the implementation of the principles described in this policy, the proper integration of sustainability risks, and CIP's objective to create sustainable value, CIP shall implement the following procedures throughout each stage of CIP's investment process:

4.1 Investment Selection

In both equity and credit-focused funds and any direct co-investments by funds of funds, CIP's investment team shall only pursue investments in sectors that fall within the scope of the relevant fund's investment strategy. Based on project-specific factors such as geography, project sponsor and technology, CIP's investment team and ESG team will jointly identify any relevant ESG topics for targeted due diligence in connection with early-stage due diligence.

4.2 Due Diligence and Structuring

Prior to final investment decision, CIP's investment team is responsible for conducting the overall pre-investment due diligence. CIP's investment team shall arrange for targeted due diligence to be performed on relevant ESG topics to a potential investment, which shall, as relevant, include an assessment of risks relating to:

- Project, sponsor and/or lender governance, procedures, experience and track record
- Environmental impacts
- Environmental compliance and permitting
- Health and safety and environmental (HSE) standards of the project and suppliers
- Labour standards of the project and suppliers
- Community relations
- Human rights
- Anti-bribery and corruption

CIP may involve external advisors, if relevant, to support its assessment of potential ESG risks or issues identified in the investment process. Material risks or issues identified shall, as relevant, be addressed through defined work-streams and specific engagement (e.g. with lenders and/or sponsors) prior to final investment decision and/or management plans for implementation during the construction and/or operations phases.



CIP's investment team shall, where relevant and considering proposed capital structures, seek to ensure that CIP is represented on the investee company board for equity investments, or otherwise has access to relevant investment information. Additionally, CIP's investment team shall seek to ensure that necessary ESG topics are incorporated in relevant investment-related contracts or facility agreements, including with suppliers.

In connection with the proposal for final investment decision, CIP's investment team will present the relevant decision-making body with key findings and the final assessment of any relevant material ESG risks to the investment, as well as any required mitigation plans in place following final investment decision.

CIP's ESG function shall assist CIP's investment team by providing them with guidance regarding applicable responsible investment principles, identification and assessment of relevant risks, suggested ESG implementation strategies and management plans, and the appropriateness of any mitigation measures.

4.3 Investment Management – Equity Investment Strategies During Construction and Operations

After financial close of an investment, CIP shall continue to act as an active owner of the investment. This shall be done primarily through various initiatives carried out by CIP's investment management team, and if relevant external third-party advisors or contractors, and which shall include:

- Reviewing and responding to periodic KPI and incident reporting provided to CIP by suppliers and other relevant parties
- Responding to incidents regarding ESG topics
- Monitoring of counterparties on an ongoing basis, including of relevant ESG topics and incidents
- Promoting and discussing ESG topics at board meetings and other relevant senior management meetings, as relevant
- Conducting periodic follow-ups of key ESG topics with the investee company

These ongoing initiatives are used to identify areas of ESG risk, performance and progress. Intended key outcomes of such initiatives are to suggest areas for ESG improvement, to reduce the likelihood of ESG incidents and therefore reduce the risk profile of the investment, improve overall asset performance, and promote and integrate ESG topics throughout the asset construction and operations teams, including suppliers.

CIP's ESG function shall assist CIP's investment management team by providing them with guidance regarding incident monitoring and response and suggested ESG implementation strategies and management plans.



4.4 Investment Management – Credit Investment Strategies Following Closing

After financial close of an investment, CIP shall continue to actively monitor the ESG performance of the investment or rely on equivalent monitoring by the lender, including where available:

- Reviewing and, where relevant, responding to the periodic reporting provided by the project under the relevant facility agreements
- Responding to and engaging with project borrowers and/or project sponsors on relevant ESG issues and incidents

These initiatives are used to identify and assess areas of ESG risk, performance, and progress which can inform any relevant responses.

CIP's ESG function shall assist CIP's investment management team by providing them with guidance regarding any ESG issues during the life of the investment.



5. Engagement Approaches

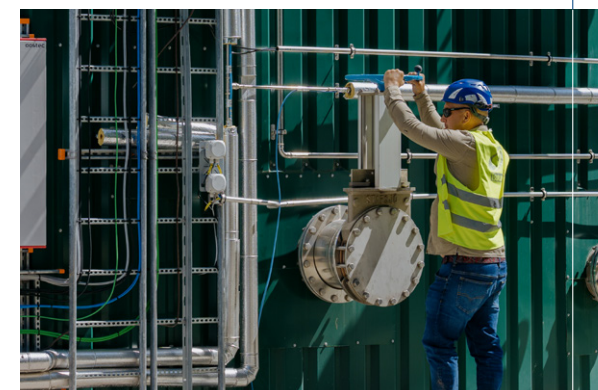
CIP will provide assistance to its funds under management and the underlying investors in such funds in solving relevant issues which may arise regarding human rights, labour rights, environment, climate or anti-corruption.

If CIP has cause to believe that a party to an investment cannot or is unwilling to respect the principles in this policy, CIP shall seek to engage with that party on a commercial basis.

Subject to the specific case, and taking into account CIP's role as a financially focused investor with fiduciary obligations to its funds and its obligation to maximise the value of fund investments, CIP's engagement strategy shall be conducted in accordance with the following key principles:

| Equity-focused funds | Credit-focused funds |
|---|---|
| <ul style="list-style-type: none"> • Determine if the party is able and willing to change behaviour • If necessary, call a 'stop-work' to pursue risk mitigation • Attempt to agree on an 'Action Plan' for remediation, with measures to be taken, responsibilities, commercially reasonable deadlines • Provided a sufficient alternative supplier can be engaged, possible termination of relationship in the case of deliberate and knowing disregard for the principles of this policy, unwillingness to engage or improve and/or inability to improve | <ul style="list-style-type: none"> • Determine if the party is able and willing to change behaviour • Attempt to agree an approach for remediation incl. anticipated deadlines • If, following specific engagement regarding the principles in the policy, CIP determines that a borrower will continue to breach such principles, the funds may, depending on the severity of the issue, consider: <ul style="list-style-type: none"> ◦ seeking early repayment of the facility, either in agreement with the borrower or, if relevant, by enforcing any breach of the facility document, or ◦ seek to sell the investment in the secondary market |

If, following specific engagement regarding the principles in this policy, CIP terminates a relationship with a party to an investment, CIP shall inform the investment committee of the relevant fund about such termination and, to the extent relevant, the engagement steps taken.



6. Tracking and Reporting

CIP provides ESG reporting to its investors in the form of an annual ESG report. The ESG report contains a description of key ESG initiatives undertaken by CIP in the previous year, as well as investment and fund-level ESG KPIs and case examples. If CIP becomes aware of material adverse impacts on human rights, labour rights or environment occurring on an investment, the investment committee of the relevant fund(s) shall, if deemed appropriate and relevant, be informed on the matter at the latest at its next meeting. Upon request, CIP shall assist the investment committee in obtaining reasonable further information and documentation on such event.

CIP also reports and engages on ESG with a wide range of other stakeholders, including regulators, suppliers, communities, and industry.

As an alternative investment fund manager (AIFM), CIP's ESG reporting shall also encompass the sustainability information required by laws and other binding regulations.

7. Amendments

Investments in infrastructure assets are characterised by a long holding period, with ESG and responsible investment considerations evolving and changing over time. CIP will continuously evaluate whether updates, amendments or changes to this Responsible Investment Policy shall be made. CIP will periodically revise this Responsible Investment Policy, at its own discretion, from time to time.

8. Approval

This Policy was last approved by the Board of Directors on April 23, 2024.



Last updated April, 2024

CIP

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