



COPENHAGEN INFRASTRUCTURE PARTNERS

**Sustainability-related disclosures – Copenhagen Infrastructure Growth Markets Fund II SCSp; Copenhagen Infrastructure Growth Markets Fund II Feeder SCSp ('GMF II')**

Last updated: November 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 Growth Markets Fund II SCSp and Copenhagen Infrastructure Growth Markets Fund II Feeder SCSp as well as any alternative investment vehicles listed in Annex I are part of a whole fund structure (collectively the "**Fund**" or "**GMF II**"), 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 GMF II's sustainability objectives. Furthermore, an investor's exposure to the underlying assets of GMF II is not affected by the allocation of its commitment to any one particular legal entity comprised by GMF II. For these reasons GMF II is for the purposes of this website product disclosure deemed to be a single financial product.

At the date of this document, GMF II has been assessed as being a financial product referred to in Article 9(2) of the Regulation having sustainable investment as its objective, since 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) Climate change adaptation.

Several mechanisms are in place which seek to ensure that GMF II's investments do not cause significant harm to any sustainable investment objective, including the implementation of CIP's Responsible Investment Policy which sets out the Fund's responsible investment approach. The Responsible Investment Policy guides CIP throughout the investment process by describing key ESG principles and procedures which are intended to support CIP's value creation objectives. CIP has also developed fund-specific ESG and Climate Standards that set out its expectations of, and are applicable to, project, platform or investee companies (as appropriate) and suppliers (where relevant). CIP's Responsible Investment Policy and the Fund's ESG and Climate Standards underpin the pre-investment diligence and asset management processes, and each include expectations that incorporate consideration of certain adverse impacts indicators and alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights as set out in further detail below.

GMF II's investment strategy is to invest in energy infrastructure including offshore wind, onshore wind, solar PV, hydro PV, biomass power generation, waste-to-energy and other renewable thermal generation assets,

transmission and distribution, and other energy assets like reserve capacity and storage<sup>1</sup>. This strategy is set out in the fund documentation governing GMF II, which is binding and used to select investments to attain the sustainable investment objective. CIP monitors this objective through structured reporting from investees, and uses industry-standard methodologies to calculate relevant sustainability indicators. GMF II 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)

CIP conducts a pre-investment assessment of potentially material ESG risks for all investments prior to the final investment decision. GMF II currently does not intend to invest in listed securities and therefore has not implemented a policy on how to integrate shareholder engagement in its investment strategy. GMF II's sustainable investment objective is to be attained through investing according to its investment strategy and applying the abovementioned sustainability indicators.

---

<sup>1</sup> See Clause 3.1 of the LPA.

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

Several mechanisms are in place which seek to ensure that GMF II's investments do not cause significant harm to any environmental or social sustainable investment objective, including the environmental objectives that the Fund seeks to pursue. Investments made by GMF II are governed by a Responsible Investment Policy which sets out its responsible investment approach. Adherence to the Responsible Investment Policy for GMF II is stated in the investment policy section of the Limited Partnership Agreement governing investments made by the Fund (the "**LPA**"). GMF II is also specifically excluded from investing in nuclear, oil, 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, GMF II is governed by a set of environmental, social and governance ("ESG") and Climate Standards. The ESG and Climate Standards, specifically drafted for the Fund, establish standards which are intended to support CIP to seek to ensure that the Fund's investments do not significantly harm any sustainable investment objective, including the environmental objectives that GMF II seeks to pursue. The environmental section of the ESG and Climate Standards outline the Fund's expectation of compliance with applicable host country laws and regulations, CIP's Biodiversity Action Plan as well as relevant binding international conventions for the protection of the environment. The social section of the ESG and Climate Standards requires compliance with applicable host country laws and regulations as well as alignment with relevant binding conventions relating to social issues such as health, safety, security, labour rights, cultural heritage, stakeholder engagement, and human rights. Expectations of alignment with internationally recognized human rights are also detailed here, including, at a minimum, those expressed in the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labor Organization's Declaration on Fundamental Principles and Rights at Work.

The Responsible Investment Policy and the Fund's ESG and Climate Standards underpin the pre-investment and asset management processes, and are 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 (UNGPR), IFC Sustainability Framework and Industry Sector Guidelines.

CIP and/or any third-party consultants engaged by CIP shall consider indicators for adverse impacts on sustainability factors for each investment through a combination of the processes set out below:

1. A pre-investment assessment of potential material ESG risks is performed for all investments prior to the final investment decision, including an assessment of the principal adverse impact indicators ("PAI") as set out in Table 1 of Annex 1 of Regulation (EU) 2022/1088 and any relevant indicators in Tables 2 and 3, or any internal documents which reflect, operationalise or incorporate such indicators (e.g., CIP's Responsible Investment Policy and the Fund's ESG and Climate Standards). This includes pre-investment screening and due diligence processes.
2. Where appropriate, and depending on what is possible given the local regulatory context of each investment, developing mitigation and/or management plans for relevant potential adverse impacts at the investment level.
3. Monitoring of relevant potential adverse impacts of investments through yearly reporting (as appropriate).
4. Responding to incidents relating to relevant potential adverse impacts by leveraging the relevant control mechanisms, e.g., through the Fund's position on the board and/or steering committee, if applicable.

CIP will seek to obtain data on adverse impacts on sustainability factors directly from the target investee and/or, where this is not possible, may make assumptions and estimations, including with input from third party advisors. Where data is not available, CIP will seek to ensure adequate processes are in place for data collection. Where CIP identifies material adverse impacts, it will seek to incorporate steps to address, prevent and/or reduce such impacts during ownership but cannot guarantee performance in respect of addressing, preventing and/or reducing such adverse impacts. CIP may, at its discretion, select different "additional" adverse impacts

indicators during the life of the Fund.

CIP's Responsible Investment Policy and the GMF II-specific ESG and Climate Standards are applied to all investments and have been drafted by reference to the principles established in 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**").

CIP will also seek to assess a target's alignment with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises during diligence, including through a review of relevant policies and/or processes. This will be based on CIP's and/or its third-party advisors' interpretation of alignment with these frameworks. Where CIP identifies opportunities to increase alignment, recommendations may be incorporated into asset management and ownership.

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

The sustainable investment objective of the Fund is to invest in economic activities that contribute to climate change mitigation; and/or climate change adaptation through investments in "Energy Infrastructure" as defined in clause 3 of the LPA, which may include offshore wind, onshore wind, solar PV, hydro PV, biomass power generation and waste-to-energy and other renewable thermal generation assets, transmission and distribution, and other energy assets like reserve capacity and storage.

GMF II 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)

### **Investment strategy**

GMF II will invest in energy infrastructure which may include offshore wind, onshore wind, solar PV, hydro PV, biomass power generation and waste-to-energy and other renewable thermal generation assets, transmission and distribution, and other energy assets like reserve capacity and storage.

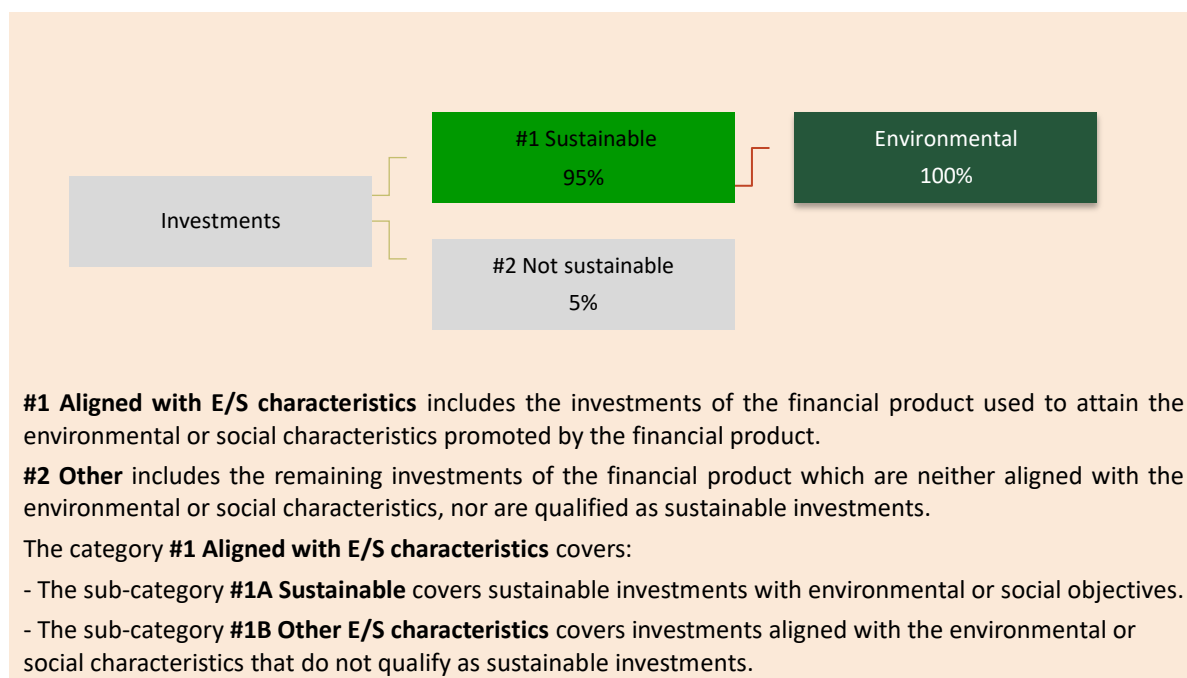
This investment strategy is established in the fund documentation governing GMF II. GMF II is not required to apply any additionally defined selection strategy to attain the environmental objective/s. This fund documentation is the "binding element" of the investment strategy. The investment strategy 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 GMF II decision-making body 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, including in respect of do no significant harm and good governance practices.

CIP and/or, as applicable, any third-party consultant engaged by CIP shall assess good governance practices of target investees in pre-investment diligence prior to the final investment decision, for instance, in legal and/or ESG diligence, which is intended to identify material issues relating to sound management structures, remuneration of staff, employee relations and tax compliance. GMF II'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 the Fund's ESG and Climate Standards.

The investment strategy of GMF II is further described in the LPA.

### Proportion of investments

Each investment made by GMF II 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. GMF II does not use derivatives to attain the sustainable investment objectives. The Fund expects to apply the sustainable investment objective to at least 95% of investments by the end of the investment period. The 5% of investments in '#2 Not sustainable' assets are intended to include financial instruments held for cash management and/or hedging purposes.

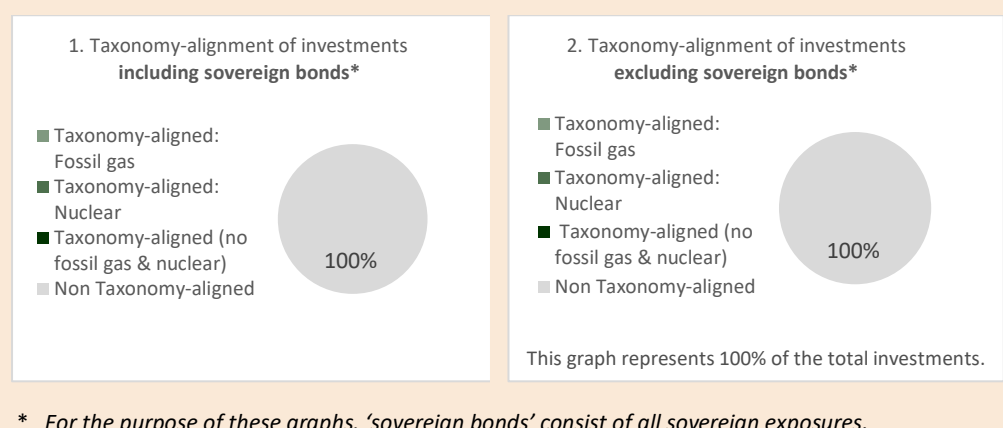


GMF II is currently expected to make investments in "Energy Infrastructure" as defined in clause 3 of the LPA in accordance with the Fund's sustainable investment objectives.

The Fund provides direct exposure to the underlying investments which are managed by CIP in accordance with Investment Strategy of the Fund. The Fund may make investments for liquidity and cash management purposes which will not contribute to the Fund's sustainable investment objective. Where relevant, CIP may conduct a counterparty screening, which ensures that minimum environmental or social safeguards are in place. As these investments are intended only to be made for liquidity management and hedging purposes, these investments are not expected to impact the Fund's ability to achieve the sustainable investment objective. All other investments made by the Fund are expected to comply with CIP's Responsible Investment Policy and LPA, as elaborated elsewhere in this document, seeking to ensure that environmental and social safeguards are met for these investments.

The minimum extent to which the sustainable investments of GMF II 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.

**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.**



### Monitoring of sustainable investment objective

The sustainability indicators used to measure the attainment of the sustainable investment objective are monitored by the GMF II investment team, and if relevant external third-party advisors or contractors, through a variety of processes, including but not limited to:

- 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; and
- 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, including in relation to the sustainability indicators. Among others, 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 team by providing them with guidance regarding incident monitoring and response and suggested ESG implementation strategies and management plans.

### **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 GMF II'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). Figures are expected to include GHG emissions resulting from the development, construction and decommissioning phase, using third-party-verified benchmark estimates of annualised lifecycle Scope 1, 2 and 3 emissions. The GHG emissions from the operation of offshore wind, onshore wind and solar PV assets in the funds' portfolios will be considered to be zero.

Other industry-standard methodologies may be used and will be disclosed, as applicable. The other two 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 sustainability 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 GMF II 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 GMF II ESG and Climate 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**

GMF II 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 GMF II. Each environmental objective is considered

to be attained through GMF II investing according to its investment strategy and applying the abovementioned sustainability indicators.

**Change log**

Version	Date	Change
1	November 2023	
2	January 2024	Update of minimum Taxonomy-alignment commitment from 5% to 0%



**Annex 1 - Alternative Investment Vehicles**

<b>Entity</b>	<b>Registration number</b>	<b>Residence</b>
Copenhagen Infrastructure Growth Markets Fund II SCSp	B278809	Luxembourg
Copenhagen Infrastructure Growth Markets Fund II Feeder SCSp	B2788098	Luxembourg