

---

Vantage Infrastructure Holdings Limited and subsidiaries (“Vantage”)

## Vantage Infrastructure

### ESG and Sustainable Investment Policy

<b>Version:</b>	1.0
<b>Purpose:</b>	To outline Vantage’s ESG values and commitments and to stipulate the inclusion of responsible investment practices in our processes
<b>Applicable clients:</b>	All Vantage Equity and Debt clients and funds
<b>Regulatory references:</b>	N/A
<b>Executive responsible for policy:</b>	Valeria Rosati
<b>Executive responsible for ongoing monitoring:</b>	Valeria Rosati
<b>Date approved by the Board:</b>	[27 February 2019]
<b>Policy review frequency:</b>	Annual

---

## Contents

1.	INTRODUCTION .....	3
2.	PURPOSE AND SCOPE .....	3
3.	ESG VALUES AND COMMITMENTS .....	3
3.1	ESG Values .....	3
3.2	ESG Commitments .....	4
4.	ESG INCORPORATION .....	4
4.1	ESG Integration .....	5
4.2	ESG Screening .....	5
4.3	Active Ownership and Investment .....	5
4.4	Disclosure .....	5
5.	ESG GOVERNANCE .....	5
5.1	Internal Accountability .....	5
5.2	Continuous ESG Training and Dialogue .....	6
6.	REVIEW AND COMPLIANCE WITH THIS POLICY .....	6
6.1	Policy Review .....	6
6.2	Policy Compliance .....	6
	APPENDIX 1: Policy History .....	7

---

## 1. INTRODUCTION

Vantage Infrastructure (“Vantage”) is an independent specialist investment manager focused on building relevant debt and equity solutions within the infrastructure sector to address global clients’ needs and create long term value.

Infrastructure assets are often characterised - among others - by their long term nature, provision of essential services to society, relevance to local communities and relationships with a broad range of stakeholders (including political and regulatory).

Given these features, Vantage recognises that sustainability and ESG considerations are inextricably linked to the long term performance (risk and/or return), value and reputation of infrastructure investments. As a result, Vantage considers the integration of ESG considerations in the firm’s investment, asset management and divestment decision-making, processes and practices to be of paramount importance to deliver outcomes in the best interest of investors and other stakeholders.

Vantage’s sustainability mission is to turn the ESG SHOULD into a MUST and the firm’s ESG strategy seeks to do this via a common framework applied across debt and equity businesses and at both manager and investee company levels.

## 2. PURPOSE AND SCOPE

The purpose of the Vantage ESG and Sustainable Investment Policy (the “Policy”) is to set out the ESG philosophy, values and commitments of the Vantage group, that in turn inform the Vantage ESG framework and the firm’s active ESG integration approach.

The Policy applies across the entire Vantage business, including debt and equity investments.

The Policy is not intended to detail the Vantage ESG framework and approach, which are set out in separate documents.

## 3. ESG VALUES AND COMMITMENTS

Vantage’s ESG framework and approach are informed by both the firm’s internal ESG values and the external commitments made to support industry recognised principles.

In the performance of its investment management activities, Vantage has also regard to the ESG policies and principles adopted by its managed clients.

### 3.1 ESG Values

Vantage has identified and adopted a series of non-negotiable values that shall be applied in its investment and asset management processes and within its business:

- We will always act ethically and honestly, and with integrity and professionalism;
- We will comply with applicable laws, regulation and permits in all material respects;
- We will not invest in businesses we consider unethical or socially or environmentally irresponsible;
- We will respect the best interests of local communities and stakeholders impacted by our investments;
- We will not tolerate discrimination and will promote diversity by race, gender, sexual orientation, religion or age;
- We will not tolerate any form of modern slavery or human trafficking; and
- We will ensure investments treat employees fairly and with respect, and provide safe workplaces.

### 3.2 Exclusions

Vantage strictly prohibits investing in companies linked to the use, stockpile, manufacture or trade of cluster munitions, landmines, chemical or biological weapons and depleted uranium. These prohibitions are guided by international conventions, such as the Convention on Cluster Munitions, the International Convention on the Prohibition of the use of, stockpiling, production and transfer of Anti-Personnel Mines, guidance from The United Nations, The World Bank and other global regulations that uphold ESG principles.

### 3.3 ESG Commitments

Vantage recognises the benefit of collaborating with the wider ESG-focussed community to both promote ESG interests and ensure that the firm's own approach to ESG remains current and in line with best practice.

Amongst other initiatives, Vantage is a signatory to the UN supported Principles for Responsible Investment ("PRI"), and is pleased to commit to PRI's six Principles for Responsible Investment (the "Principles"):

1. Incorporate ESG issues into investment analysis and decision-making processes;
2. Be active owners and incorporate ESG issues into ownership policies and practices;
3. Seek appropriate disclosure on ESG issues by the entities into which investments are made;
4. Promote acceptance and implementation of the Principles within the investment industry;
5. Work together to enhance effectiveness in implementing the Principles; and
6. Report on activities and progress towards implementing the Principles.

Vantage believes the implementation of these Principles will result in better outcomes for its clients and closer alignment between their and its investment objectives and those of the broader society.

In addition to a formal commitment to the PRI Principles, Vantage's ESG and sustainable investment philosophy also draws from a range of other principles, which are taken into account to inform the firm's broader ESG policy, framework and actions. Most notably, ESG considerations are inspired by:

- the UN Sustainable Development Goals ("SDGs")<sup>1</sup>;
- the Ten Principles of the UN Global Compact<sup>2</sup>;
- the framework devised by the Taskforce on Climate-Related Financial Disclosures; and
- international standards and principles on human rights (including the Modern Slavery Act 2015, the UN's Guiding Principles on Business and Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work).

In relation to SDGs, Vantage believes some goals have particular relevance for investments in the infrastructure industry. As a result, Vantage is committed to periodically reviewing and selecting a minimum of 4 key SDGs, which are most aligned to the firm's values and which Vantage seeks to promote in its managed investments and business as a whole.

## 4. ESG INCORPORATION

Vantage seeks to incorporate the above ESG Values and Commitments into its investment processes and within the running of its own business in the ways set out below.

---

<sup>1</sup> <https://www.un.org/sustainabledevelopment/sustainable-development-goals>

<sup>2</sup> [www.unglobalcompact.org/what-is-gc/mission/principles](http://www.unglobalcompact.org/what-is-gc/mission/principles)

#### **4.1 ESG Integration**

Vantage has adopted an active ESG Integration approach, “360° ESG”, which spans the entire lifecycle of its managed investments, from the initial evaluation of a transaction, through its onboarding and asset management and finally in divestment considerations. The approach is sought to be active, engaging, thorough, practical, tailored and consistently evolving and it is applied across the entire business. The active ESG Integration approach involves also the consideration and management of the impact that ESG factors may have on the expected performance of an investment.

#### **4.2 ESG Screening**

Vantage’s investment process incorporates a robust assessment of the ESG risks and opportunities inherent in each potential infrastructure investment it considers based on that investment’s unique characteristics and circumstances.

Vantage believes this more tailored approach engenders a more accurate analysis of ESG risks and benefits, whilst also providing more considered opportunities to its clients.

#### **4.3 Active Ownership and Investment**

Vantage’s equity asset management team does not take a “broad brush” approach to ESG and sustainability management, but instead tailors ambitious ESG action plans by setting targets, monitoring and reporting on each infrastructure business. Vantage exercises governance rights to influence board and shareholder decision-making, and to achieve outcomes at each business, including ensuring that each company acts consistently with this Policy.

This approach is not limited to Vantage’s equity business but is also adopted by its debt business, believing that it is possible to improve the ESG outcomes of debt investments through active engagement with issuers and sponsors.

#### **4.4 Disclosure**

Vantage believes in the discipline of transparency and disclosure and in encouraging investee companies to benchmark ESG performance and improve disclosure of material ESG issues and actions to stakeholders. Vantage endeavours to continuously improve also its own communication of ESG and sustainability matters to its clients.

### **5. ESG GOVERNANCE**

#### **5.1 Accountability**

Vantage believes in promoting leadership and accountability to make the implementation of its Policy effective across its own business.

A Partner within the Vantage business shall champion ESG and sustainable investment philosophy, policies and practices to ensure senior decision-making accountability.

In addition, an ESG working group - including senior designated representatives from both the debt and equity teams - shall be responsible for the development of Vantage’s ESG framework, approach and toolkits, all of which are designed to ensure broader ESG accountability, consistent implementation and continuous improvement of processes across the business and at the investee company level.

Vantage supports the inclusion of ESG and sustainability actions, targets and KPIs both across its business and within investee companies.

## **5.2 Continuous ESG Training and Dialogue**

Training is an important part of ensuring that Vantage's employees understand this Policy. Accordingly, Vantage shall conduct ESG training, develop an internal ESG and sustainability culture and foster an 'ESG dialogue' externally with investee companies, clients, consultants and other stakeholders.

## **6. REVIEW AND COMPLIANCE WITH THIS POLICY**

### **6.1 Policy Review**

The Policy is subject to the approval of the Vantage Board and the review and endorsement of the Infrastructure Debt and Equity Investment Committees.

The Policy is subject to review on an annual basis or as required to ensure that it remains relevant and current.

### **6.2 Policy Compliance**

The Debt and Equity Investment Committees, as appropriate, are responsible for ensuring this Policy is considered by each committee to the extent relevant in all proposed investment decisions.

---

**APPENDIX 1: Policy History**

<b>Version</b>	<b>Owner</b>	<b>Review Period</b>	<b>Were Changes Required?</b>	<b>Date Board Approval</b>
1.0	Valeria Rosati	Annual	N/A	[27 February 2019]