

Vantage Infrastructure Holdings Limited and subsidiaries (“Vantage”)

Vantage Infrastructure

ESG and Sustainable Investment Policy

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| Version: | 2.0 |
| Purpose: | To outline Vantage’s ESG values and commitments and to stipulate the inclusion of sustainable investment practices in our processes |
| Applicable clients: | All Vantage Equity and Debt clients and funds |
| Regulatory references: | N/A |
| Executive responsible for policy: | Senior Partner, Infrastructure Equity Asset Management |
| Executive responsible for ongoing monitoring: | Senior Partner, Infrastructure Equity Asset Management |
| Date approved by the Board: | 25 November 2019 |
| Policy review frequency: | Biennial |

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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. However, the Policy aims at informing Investors, Employees, and Contractors about Vantage’s ESG expectations and fostering a culture of sustainable investing.

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.

When requested by clients, Vantage can make formal commitments in investment management agreements, fund formation contracts or side letters relating to sustainable investment.

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 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, depleted uranium and thorium. 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. More specifically in relation to the infrastructure sector, Vantage does not finance or invest into companies whose main business is the generation of power by coal.

Vantage does not ordinarily invest in companies that it believes do not conform to the aforementioned ESG Values. In addition, Vantage also typically excludes companies that do not demonstrate the ability or willingness to manage ESG risks, unless Vantage believes it can drive improvement through active asset management.

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")¹;
- The Ten Principles of the UN Global Compact²;
- The Equator Principles;
- The EU Taxonomy;
- Global Investor Coalition on Climate Change, Climate Action 100+ and the framework devised by the Taskforce on Climate-Related Financial Disclosures ("TCFD"); and

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

² www.unglobalcompact.org/what-is-gc/mission/principles

- International standards and principles on human rights (including the UK’s 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 map and report contributions of equity portfolio companies against SDGs.

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.

4.1 ESG Integration

Vantage has adopted an active ESG integration approach, 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.

To support its active ESG integration approach, Vantage has developed proprietary risk assessment frameworks to consistently identify, evaluate and manage risks and opportunities across the entire life cycle on both the equity and debt sides. ESG factors are assessed from a materiality and risk to value perspective. The table below outlines a non-exhaustive list of ESG factors Vantage typically considers as part of its screening, due diligence and asset management activities:

| ENVIRONMENTAL FACTORS | SOCIAL FACTORS | GOVERNANCE FACTORS |
|---|--|--|
| <ul style="list-style-type: none"> • Resilience to disaster • Resilience to climate change • Energy usage • Water usage • Waste generation • Resource management • Biodiversity & habitat protection | <ul style="list-style-type: none"> • Health & safety and well being • Employment engagement & working conditions • Diversity and inclusion • Customer satisfaction • Community engagement • Stakeholder engagement | <ul style="list-style-type: none"> • Ownership & control • Board effectiveness • Management performance • Management alignment • Transparency & disclosure quality • Cybersecurity & data protection |

4.1.1 Client engagement and alignment

At the outset of its relationship with an investor, and on a regular basis thereafter, Vantage engages with existing and future clients to understand their ESG approach and strategic ambitions. This allows it to inform its processes and, for mandates, provide tailored solutions to align with clients’ specific requirements.

4.1.2 ESG screening

Vantage systematically screens new investment opportunities against the aforementioned exclusions and non-negotiable values and in line with clients’ objectives. For its equity investments, Vantage typically targets companies with best in class ESG practices or with potential to improve ESG performance through its active ownership approach.

Vantage completes an initial ESG assessment based on the information it is able to collect and identifies specific ESG due diligence items to prepare for the next phase. The investment team also starts engaging with external consultants based on the identified ESG scope.

4.1.3 Due diligence

During due diligence, Vantage conducts a comprehensive assessment of the ESG risks and opportunities and their impact on value and pricing. Vantage and its consultants review the vendor or issuer materials, attend management presentations and site visits and request additional information on specific risk areas.

The findings of this due diligence are presented for approval to the Investment Committee and, where applicable, Vantage's clients.

4.1.4 Onboarding

Following transaction closing, Vantage's equity team establishes an ownership transition plan and engages with management to address the key actions identified during due diligence, including ESG, and to set strategic objectives. Vantage also ensures, where possible, that management is accountable for ESG and is aligned with those objectives.

4.1.5 Ongoing review

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 building ESG capacity within the company, setting targets, leading initiatives and supporting management on key value drivers, monitoring and reporting on the ESG performance of portfolio and individual investment company. 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 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.

4.1.6 Divestment

If an investment was divested, Vantage would highlight the investment company's ESG achievements and performance in the exit documents and, where relevant, consider carrying out ESG vendor due diligence.

4.2 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, including through GRESB.

Vantage also endeavours to continuously improve its own communication of ESG and sustainability matters to its clients. The business strives to deliver best in class reporting and to engage in regular communication on ESG activities with its clients.

Vantage is committed to increase the disclosure of climate-related risks in accordance with the framework devised by the TCFD.

Vantage will publish this Policy and an annual sustainability report on its website.

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

The Board of Vantage is responsible for setting and overseeing Vantage's ESG strategy and connecting sustainability with its corporate purpose. The Board approves the Policy and monitors its implementation.

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 continued development of Vantage's ESG policy, 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.

The investment teams are responsible for identifying and managing ESG risks and opportunities for new and existing investments and reporting them to the relevant investment committee in accordance with the terms of each charter.

Through each of these levels, accountability for ESG is integrated throughout the entire Vantage business and its investment portfolios, with all employees aware of their ESG-related responsibilities.

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 Debt and Equity Investment Committees.

The Policy is subject to review on a biennial 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

| Version | Owner | Review Period | Were Changes Required? | Date Board Approval |
|---------|----------------|---------------|------------------------|---------------------|
| 1.0 | Valeria Rosati | Annual | N/A | 27 February 2019 |
| 2.0 | Valeria Rosati | Biennial | Yes | 25 November 2019 |