

Sustainability Risk Policy Summary

Energy Infrastructure Partners AG

Introduction

Energy Infrastructure Partners AG (“EIP” or “the Company”), a Switzerland-based, non-listed public limited company, is a FINMA-authorized manager of collective assets, focused on long-term equity investments in high-quality, large-scale renewables and system-critical energy infrastructure assets. EIP leverages an extensive industry network, broad transaction experience and partnerships with leading energy companies and the public sector to develop and manage investment solutions for institutional investors globally. EIP’s managed assets’ investor base includes pension funds, insurance companies and large family offices, who are increasingly interested in contributing to security of the energy supply as a pathway to create positive economic, ecological, environmental and social developments, and whose long-term funding needs closely match the energy infrastructure asset class.

EIP contributes to the energy transition and a decarbonized future by managing funds and investment foundations that invest in the energy infrastructure sector. In doing so, EIP integrates sustainability factors into the investment decision-making process. As per Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector, sustainability factors are defined as environmental, social, employee matters and respect for human rights as well as anti-corruption and anti-bribery matters. Sustainability factors can present both risks and opportunities that need to be first identified, assessed and then monitored, managed and/or capitalized upon, as applicable.

It is EIP’s conviction that investors, as long-term stakeholders, benefit when portfolio companies operate their businesses responsibly. Sustainability risks can not only harm the investment and its stakeholders, but also expose investments to material risks (e.g. legal, regulatory, operational or reputational risks), that can materialize in different ways affecting the activities and the value of the investment directly or indirectly (e.g. supply-chain)¹.

Moreover, EIP understands how sustainability risks and opportunities may have an impact on other relevant stakeholders (including, but not limited to, communities) and the environment. EIP expects portfolio companies to have appropriate ESG management systems in place or work towards enhancing these management systems and their implementation in alignment with international good practice and within a reasonable timeline. EIP monitors the implementation of sustainability factors at portfolio level on a regular basis. Also, EIP strives to exercise a positive influence via its engagement and collaboration with portfolio companies, strategic partners, co-investors and other stakeholders to result in enhanced ESG performance across portfolio companies and contribute to generating positive impacts (e.g. contribution to Sustainable Development Goals).

Considering the above, EIP’s Sustainability Risk Policy integrates sustainability risks and, as appropriate, opportunities into its investment decision-making process. The policy also defines the active management and monitoring principles of such risks to establish the necessary risk control. This summary captures the key elements of the full Sustainability Risk Policy.

¹ Regulation (EU) 2019/2088 defines sustainability risk as an environmental, social or governance (ESG) event or condition that, if it occurs, could cause a negative material impact on the value of the investment.

Purpose

The purpose of this Sustainability Risk Policy Summary is to:

- Give an overview of EIP's Sustainability Risk Policy.
- Describe the key principles and governance regarding the integration of sustainability factors and risks in the investment decision-making process of EIP.
- Outline the general approach as well as relevant standards applied when identifying, managing and monitoring sustainability factors and risks throughout the investment lifecycle.
- Demonstrate alignment with Sustainable Finance Disclosure Regulation ("SFDR") through the regulation (EU) 2019/2088 of the European Parliament (and its amendments) and the relevant Regulatory Technical Standards, as EIP AG provides asset management services for an EU-domiciled alternative investment fund manager; and
- Summarize key sustainability commitments (including several voluntary commitments) made by EIP, either directly or via its adherence to certain initiatives, standards and/or associations/entities.

For avoidance of doubt, management of EIP's human resources matters, code of conduct, anti-corruption and anti-bribery matters are covered in detail by other EIP policies.

Scope and target group

This Sustainability Risk Policy Summary is applicable to the Board of Directors, Senior Management² and all employees of EIP as an entity and to EIP's function as delegated portfolio manager of collective assets within Switzerland and abroad.

Governance

EIP's commitment to sustainable and responsible investing is supported through a solid governance structure at various hierarchical levels, defining the associated roles and responsibilities at each level. EIP has a specific policy covering EIP's governance matters. Below is a summary of the key governance elements regarding the Sustainability Risk Policy:

- EIP's Board of Directors approves the Sustainability Risk Policy and any amendments to it. The day-to-day management of EIP is delegated by the Board of Directors to the Senior Management.
- The dedicated ESG Committee and the Investment Committee are responsible for ensuring the Sustainability Risk Policy has been followed in the investment decision-making process.
- The Investments team, including the ESG function, are responsible for the day-to-day implementation of the Sustainability Risk Policy.
- The Head of ESG is the key contact point for any matters regarding the Sustainability Risk Policy.

Ongoing engagement with portfolio companies

EIP believes it is necessary to engage with target and portfolio companies (and other stakeholders, as appropriate) throughout the investment lifecycle as this does not only lead to better due diligence and asset monitoring outcome but also may lead to enhanced ESG performance and, ultimately, to value adding practices and initiatives. Moreover, a robust performance from an ESG perspective would generally lead to better positive environmental and/or social impacts.

² Senior Management is composed of two Managing Partners, the Chief Financial Officer and the Chief Operations Officer.

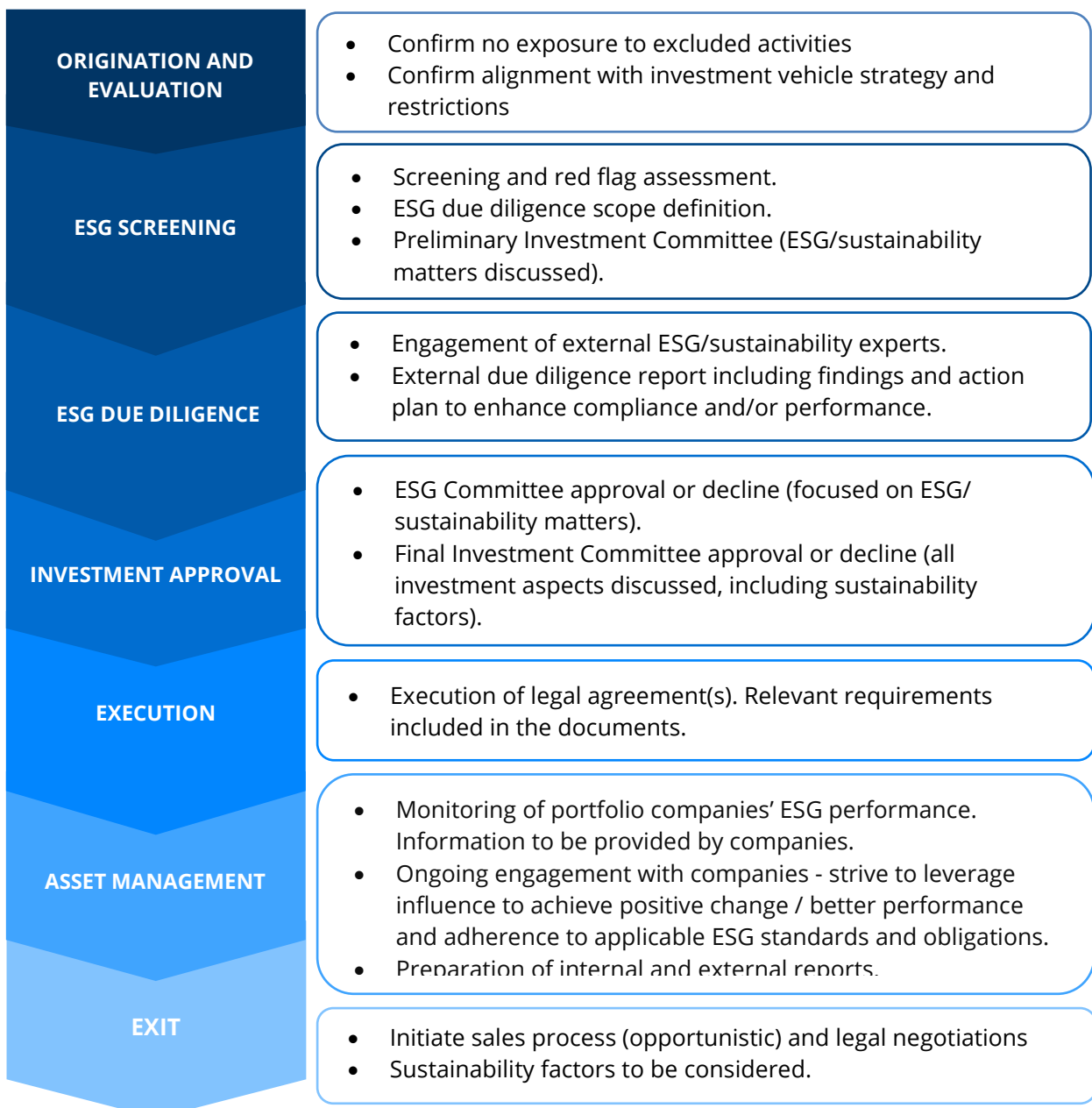
Integration of sustainability factors in the investment decision-making and investment management process

- **In-house ESG expertise**

EIP has a fully dedicated and experienced in-house ESG function that works closely with the rest of the investments team to ensure robust management of sustainability factors (including risks) at due diligence and asset management processes. Furthermore, the ESG function delivers internal training on ESG and sustainability to other teams to ensure full integration of ESG and sustainability across EIP.

- **Sustainability factors in the investment cycle**

EIP integrates sustainability factors throughout its investment decision-making processes and investment management lifecycle. A summary is shown below.



- **Excluded activities**

EIP's managed portfolios / assets have a focus on energy infrastructure assets; therefore, EIP's exclusion list mainly refers to this investment sector and does not include references to exclusions in or linked to other sectors, as these are outside of EIP's strategy and, hence, intrinsically excluded. EIP does not invest in the following:

- Activities deemed illegal under host country laws or regulations or international conventions and agreements that apply to the host country or countries.
- Investments in sanctioned companies³.
- Coal-fired power plants: EIP does not invest directly in companies.
 - o with a strategy that includes the construction and/or operation of new coal-fired power plants;
 - o that have or are expected to have a significant exposure to coal-fired power plants at the point of the investment⁴.
- Companies with significant exposure to exploration, extraction and refining of fossil fuels. This includes unconventional sources such as hydraulic fracking, arctic drilling, oil sands and shale deposits^{5 6}.
- Specific exclusions applicable to investment vehicles / products managed by EIP.

- **Key sustainability factors considered during the investment cycle**

The applicability and materiality of sustainability factors and risks will vary across investment opportunities and assets. Therefore, key sustainability factors are identified, assessed and managed to ensure that the due diligence and asset management phases are appropriately scoped, prioritized and conducted efficiently and effectively.

The identification and assessment of key sustainability factors would generally include (but may not be limited to) the assessment of potential sustainability risks and opportunities in connection with the matters mentioned below (as applicable and relevant to the investment and/or portfolio company):

- | | |
|--|--|
| - Applicable laws and standards | - Human rights |
| - Target company's ESG management systems, governance structures and track record. | - Labor and working conditions (including health and safety) |
| - Climate change | - Impacts on and engagement with communities |
| - Pollution prevention and resource efficiency | - Key and material sustainability factors in supply chains |
| - Biodiversity | - Anti-bribery and anti-corruption. |
| - Gender considerations | |

- **Key reference framework considered during the investment cycle**

In assessing sustainability factors and risks, EIP will consider the applicable local, national and international legislation.

³ Sanctioned means any prohibitive measures enforced by the organizations/states targeted at individuals or countries.

⁴ "Significant" means obtaining more than 5% of the revenue from energy generated via coal-fired power plants.

⁵ "Significant" means obtaining more than 5% of the revenue from these activities.

⁶ For avoidance of doubt, this applies to the target company and its subsidiaries but not the target company's parent company(ies).

Additionally and as relevant, the following relevant standards will be considered during the investment cycle, (i) OECD Guidelines for Multinational Enterprises, (ii) UN Guiding Principles on Business and Human Rights (including the principles and rights identified in the Declaration of the International Labour Organization on Fundamental Principles and Rights at Work), (iii) the International Bill of Human Rights, (iv) International Finance Corporation Corporate Governance Methodology and (v) recommendations of the Task Force on Climate-related Financial Disclosures. As appropriate, other broadly comparable standards may be considered instead of or in addition to the above.

EIP will assess and monitor, at the due diligence and asset management stages, respectively, the target company's / portfolio company performance and, as appropriate, use its leverage (which will vary across the portfolio) to take steps to enhance performance in accordance with good international industry practice and the relevant reference framework.

- **ESG, sustainability and impact tracking**

EIP expects portfolio companies to operate in accordance with good ESG practice, as set out in the reference frameworks relevant to the portfolio and have appropriate management systems in place or plans to implement them within a reasonable timeframe. EIP will monitor portfolio companies' compliance with relevant reference framework, performance and impact via a combination of information review, meetings/calls with companies and relevant stakeholders, site visits and key performance indicator tracking. Selected indicators will be based, to the extent possible, on internationally recognized frameworks and standards.

External reporting

EIP will disclose information on sustainability factors and risks on a regular basis, including:

- mandatory information required by applicable laws and regulations;
- activities and progress towards implementing the UN Principles for Responsible Investment; and
- information to be disclosed to honor voluntary commitments made by EIP.

Internal communication and training

EIP will communicate and deliver training on the Sustainability Risk Policy to all staff, Senior Management and EIP's Board of Directors.

Ongoing review and update

The Sustainability Risk Policy will be reviewed and revised (as necessary) at least once per year as part of EIP's continuous improvement process. Additionally, this Policy will be revised as necessary, and/or as deemed appropriate.

Participation in associations and sustainable finance platforms

EIP, as a signatory and/or member of several voluntary standards and associations, will operate in accordance with the standards it has voluntarily agreed to including those in connection with (i) [United Nations Principles for Responsible Investment](#), (ii) [Swiss Sustainable Finance](#) ("SSF") and (iii) [Asset Management Association Switzerland](#) ("AMAS").