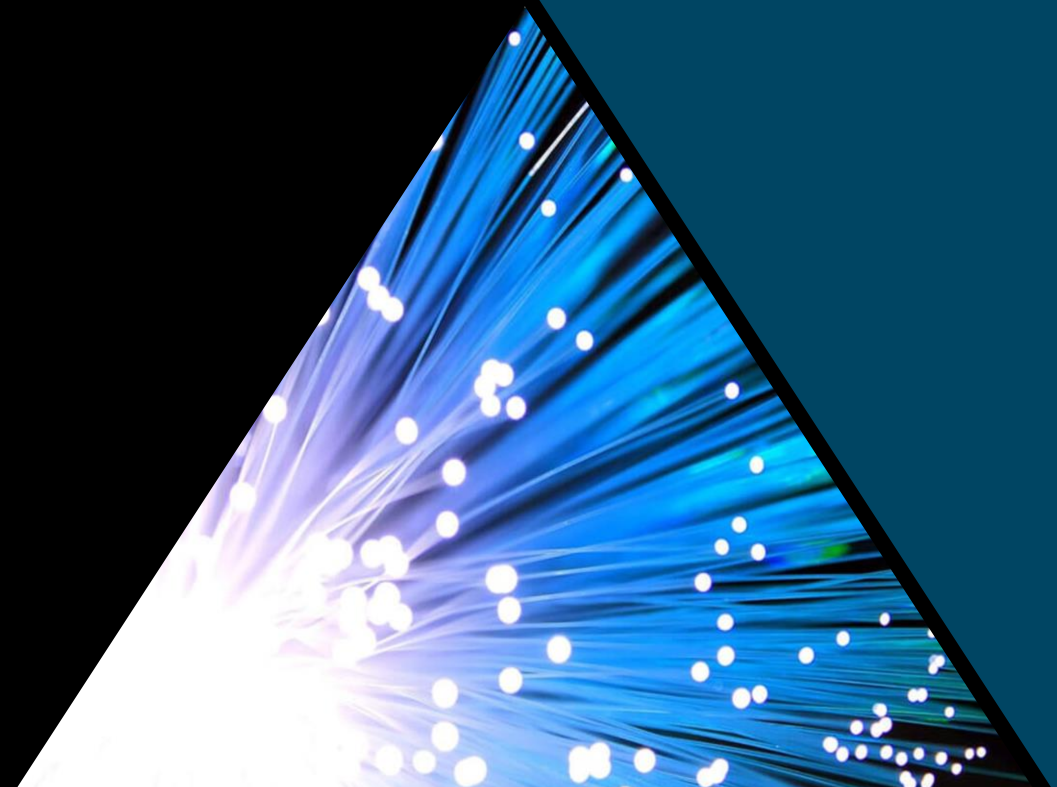
ANTIN
INFRASTRUCTURE PARTNERS

RESPONSIBLE INVESTMENT POLICY

2023



Founding principles and objectives

Antin is a long-term investor committed to using environmental, social, and governance (ESG) principles as a tool for value creation, in terms of both mitigating risks and seizing opportunities. The cornerstone of our Responsible Investment (RI) Policy hinges on integrating ESG considerations into our investment process. Throughout the investment cycle, we strongly believe that engaging in ESG matters allows us to diminish business risks, boost productivity, reduce costs, and grow revenue in our portfolio, and, in turn, meet our fiduciary responsibilities.

We also affirm that awareness of ESG topics amongst employees and stakeholders produces a real and positive change in the way people work. Establishing and maintaining trusting relationships with all actors in the investment process is of key importance to us, and going hand-in-hand with this notion is our belief that being a good corporate citizen is good business practice and creates long-term value for our investors.

For these reasons, ESG values continue to be one of the core aspects of our overall investment strategy and remain a priority in our investment committees, at portfolio review committee meetings, and in discussions with management, boards, investors, and shareholders.

Our commitments

Antin frames its RI Policy around the six principles of the United Nations-supported Principles for Responsible Investment (PRI), which we believe provide an important universal framework through which signatories can work together, learn from each other, and form a collective voice on ESG issues. As such, we commit to:

1. Incorporating ESG issues into our investment analysis and decision-making processes.
2. Being active owners and incorporating ESG issues into our ownership policies and practices.
3. Seeking appropriate disclosure on ESG issues by the entities in which we invest.
4. Promoting acceptance and implementation of the PRI within the investment industry.
5. Working with other investors to enhance our effectiveness in implementing the PRI.
6. Reporting on our activities and progress towards implementing the PRI.

Responsible investment governance

On a day-to-day basis, the implementation of Antin's RI Policy is led by our five-member Sustainability Team headed by Félix Héon (Sustainability Director).

On a monthly basis, our Sustainability Team reports to Antin's Operational Sustainability Committee, which is responsible for overseeing sustainability progress throughout the organisation as well as for providing strategic guidance and direction on all sustainability-related matters, including responsible investment. This Committee is currently composed of Alain Rauscher (Managing Partner and Chief Executive Officer), Mark Crosbie (Managing Partner), Mélanie Biessy (Senior Partner and Chief Operating Officer), Sébastien Lecaudey (Senior Partner and Head of Investor Relations), Wendy Ng (Chief Compliance Officer), and Alex Kessler (Partner and Head of Performance Improvement).

Antin also formed a Sustainability Committee at Board level, chaired by Dagmar Valcarcel, Independent Director sitting on the firm's Board of Directors. Members of this committee meet at least bi-annually to oversee the implementation of Antin's sustainability strategy, which covers responsible investment.

Delivering on our commitments

1. Incorporate ESG issues into our investment analysis and decision-making processes

Asset selection and origination

We maintain an exclusion list of areas we refuse to invest in, including weapons manufacturing, tobacco production and distribution, prostitution, coal-based businesses, gambling, pornography, drugs- and alcoholrelated activities, and any operations involving serious or systematic human rights violations.

During the initial screening of potential investments, we first ensure that a target company does not operate in any of the sectors on our exclusion list. We then carry out an analysis to identify key ESG risks likely to have a material impact on its financial and operational performance, and flag areas to be further investigated throughout the acquisition process.

ESG due diligence and deal execution

After submitting a non-binding offer, we conduct due diligence to assess a target company's exposure to ESG risks identified during the first phase of the acquisition process, as well as the policies, procedures, and processes it has in place to mitigate these risks. Because we are committed to working with companies to optimise ESG potential and enhance value creation, a deficient ESG track record will not automatically exclude a target company from further consideration, especially if we believe that there is opportunity for substantial improvement, and if we see that its ESG management approach is aligned with ours.

2. Be active owners and incorporate ESG issues into our ownership policies and practices

Business transformation and value creation

Antin takes an active role in the companies in which it invests. We aim to acquire majority stakes, and when minority stakes are acquired, we seek to acquire the same rights as larger investors by way of board representation and a list of reserved matters to ensure we retain joint control over the company. Involvement at the highest level allows us to address ESG risks and opportunities directly with our portfolio companies and initiate change where required.

Post-closing, we thoroughly review a new portfolio company's performance in managing ESG issues material to its business and stakeholders, building up on due diligence conducted during the acquisition process. Results of this review are used to highlight areas of progress and establish an ESG action plan for the portfolio company. Progress towards implementing this plan is monitored throughout the holding period, during regular meetings and site visits.

3. Seek appropriate disclosure on ESG issues by the entities in which we invest

During the holding phase, we periodically monitor the ESG performance of our portfolio companies as part of the risk management process. ESG issues are specifically itemised for discussion at our quarterly Portfolio Review Committee (PRC) meetings, and, where required, addressed directly with our portfolio companies during board meetings.

Moreover, we implemented a comprehensive ESG survey which must be completed by all our portfolio companies annually. This survey, which is regularly revised and updated, includes both generic and company-specific questions in a wide range of ESG areas, including climate change, resource efficiency, environmental pollution, health and safety, human capital management, community engagement, ethics and governance, data security, and responsible sourcing.

To improve the effectiveness of our ESG data collection and monitoring process, we also implemented an online ESG reporting platform. On this platform, our portfolio companies can access our annual ESG survey, report their company's data, upload required attachments, as well as track and monitor progress.

4. Promote acceptance and implementation of the PRI within the investment industry

Antin actively engages with co-investors and sponsors on the rationale for responsible investment and the development of good practices. We have also communicated our RI Policy and ESG expectations to relevant stakeholders (i.e. investors, fellow shareholders, company employees, and other third parties), from whom we have received strong acceptance and support for our initiatives.

Furthermore, our participation in ESG-related industry groups and initiatives, such as Invest Europe's Responsible Investment Roundtable, France Invest's ESG Commission, and the International Climat Initiative (iCI), helps to promote the acceptance and implementation of the PRI.

5. Work with other investors to enhance our effectiveness in implementing the PRI

Antin continually collaborates with peers in order to inform, develop, and promote the widespread adoption of responsible investment practices through various ESG-related industry groups, such as the iCI, Invest Europe's Responsible Investment Roundtable, and France Invest's ESG Commission. We are also an active member of the PRI community, regularly attending and participating in the organisation's events, conferences, workshops, and webinars.

6. Report on our activities and process towards implementing the PRI

Antin provides ESG data and information to its investors through periodic reporting. Our yearly Sustainability Report includes information about our firm's progress towards implementing the PRI principles as well as the ESG performance of our portfolio companies.

We also provide an ESG update at our annual Investor Day and regularly communicate our RI Policy to relevant stakeholders (i.e. investors, fellow shareholders, and other third parties).

A materiality-driven approach

We apply the concept of materiality when determining which ESG issues to address in our portfolio. This approach allows us to remain pragmatic and ensures that our ESG efforts are aligned with what matters the most to our portfolio companies' business and stakeholders.

To assess the materiality of an ESG issue, we consider the various risks that it could pose to a company's business as well as the value creation opportunities it might offer.

Examples of risks that we consider when assessing the materiality of ESG issues include, but are not limited to:

- Compliance risk, i.e., risk of financial penalties, legal issues, or material business loss resulting from the failure to comply with ESG-related laws or regulations;
- Regulatory risk, i.e., risk of a change in ESG-related laws and regulations that could potentially lead to financial penalties, legal issues, or material business loss;
- Business risk, i.e., risk of material business disruption or revenue loss resulting from inadequate or failed internal processes, people, and systems for addressing a given ESG issue (e.g. employee injuries, fatalities, strikes, environmental pollution incidents, business contract loss, etc.);
- Reputational risk, i.e., risk of possible damage to a company's brand and reputation resulting from the failure to address ESG issues perceived as highly important to key stakeholders.

Examples of value creation opportunities that we consider to assess the materiality of ESG issues include, but are not limited to:

- Reduction in carbon emissions costs;
- Reduction in operational costs associated with energy, fuel, and water use;
- Reduction in insurance premium costs associated with employee accidents or environmental or climate change-related threats;
- Reduction in uninsured costs associated with employee accidents (e.g. replacement costs, lost time, extra wages, sick pay, production delays, legal costs, site clearance, accident investigation, etc.);
- Reduction in employee absenteeism costs (e.g. wages paid to absent employees, high-cost replacement workers, administrative costs, etc.
- Reduction in employee turnover costs (e.g. costs of recruiting, hiring, and training new employees, etc.);
- Improvement of brand value and reputation;
- Assurance of social license to operate;
- Enhancement of employee productivity, motivation, morale, wellbeing, and engagement.

Below is a sample of the ESG issues we assess across our portfolio and through our annual ESG survey:

Environment

Climate change

- GHG emissions
- Climate adaptation

Resource efficiency

- Energy use
- Water use

Environmental pollution

- Air, water, and soil pollution
- Waste generation
- Biodiversity impacts
- Noise pollution

Social

Health and safety

- Employee health and safety
- Contractor health and safety
- Customer health and safety

Human capital management

- Labour relations
- Employee wellbeing and satisfaction
- Employee training and development
- Diversity, equity, and inclusion

Community engagement

- Impacts on local communities

Governance

Ethics and governance

- Bribery and corruption
- Fraud
- Conflicts of interest

Data security

- Personal data protection

Responsible sourcing

- Supply chain ESG risks
- Third-party ESG impacts (e.g. suppliers, contractors, etc.)

Incorporating climate change into our investment strategy

We are conscious that our biggest climate change-related impacts lie within its portfolio. Therefore, we consider climate change risks and opportunities for our portfolio companies, from acquisition through to exit. Our firm's policy at portfolio level is to systematically assess climate-related risks and opportunities during the acquisition process and post-closing, and, during the holding period, to measure and monitor progress on climate-related topics and engage with portfolio companies to help them reduce their impacts and improve their resilience.

During the acquisition process

We assess the risks that climate change could pose to a target company's business and the opportunities it could potentially offer using internal tools and frameworks and third-party expertise as needed. If climate change is found to be highly material for a target company, further due diligence is performed to assess the company's performance in addressing climate change-related risks (e.g. changing regulations and carbon pricing mechanisms, technical hazards, sea-level rise, or extreme weather events) and opportunities (e.g. reducing energy costs using more energy-efficient technologies, developing clean products and solutions). The results of this analysis are always documented, and anything material with strategic implications for the target company is communicated to the Investment Committee for consideration before it makes an investment decision.

Post-Closing

Climate change is covered in ESG materiality assessments we perform for all new portfolio companies using our internal materiality assessment framework. When climate change is assessed as highly material for a new portfolio company, we perform an in-depth review of the policies and procedures the company has in place to address climate change-related risks and opportunities, and/or reduce the carbon emissions associated with its business activities. The results of this review are then used to identify key areas of progress within the portfolio company, and to establish a bespoke carbon reduction and/or climate change adaptation roadmap.

Portfolio companies also report on their emissions and on the climate-related initiatives they have implemented annually, through Antin's ESG survey.

Outside of these formalised processes, Antin also organizes regular events to discuss and engage on climate change related topics with its portfolio companies. For instance, in 2022, Antin organised a cross-portfolio ESG seminar that included a presentation of its climate change ambitions, strategy, and roadmap, as well as presentations and discussions from and between Antin's portfolio companies on their own climate related initiatives. This seminar was attended by representatives from 75% Antin's portfolio companies at the time.

Assessing our contributions to the SDGs

All our investments have a significant societal function, and we constantly seek to capture and maximise their positive impacts. We view the United Nations Sustainable Development Goals (SDGs) as an established standard through which we can measure companies' positive contributions. The SDGs also provide a universally recognised framework which we can use to work with companies to enhance their impacts. As such, we are committed to aligning our portfolio's activities with the SDGs.

Modification

The information in this Policy may be subject to change, both within Antin and outside. Antin reserves the right to revise this Policy, at least every year and/or after any significant change(s).

Disclaimer

This document is not a marketing or promotional document and is provided for information purposes only. Any environment, social or governance ("ESG") or impact, targets, programmes, commitments, incentives, initiatives, or benefits referenced in any information, reporting or disclosures published by Antin are not being promoted and do not bind any investment decisions or the management or stewardship of any funds managed or advised by Antin for the purposes of Regulation (EU) 2019/2088 unless otherwise specified in relevant fund documentation or regulatory disclosures. Any measures implemented in respect of such targets, programmes, commitments, incentives, initiatives, or benefits may not be immediately applicable to the investments of any funds managed or advised by Antin and any implementation can be overridden or ignored at Antin's sole discretion at any time and in accordance with relevant sectoral legislation unless otherwise specified in the relevant fund documentation or regulatory disclosures made pursuant to Regulation (EU) 2019/2088 .

antin-ip.com