TELIOS INVESTMENTS

ESG INTEGRATION POLICY

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1 OVERVIEW

Our mission is to deliver solutions and services to meet the unique investment objectives of our clients through a process that seeks to integrate all the material factors that can impact the long-term risk and return implications of an investment.

Telios Investments S.a.r.l. ("**Telios**") makes sustainability a strategic factor in the investment advisory activity. We believe that by incorporating environmental, social and governance ("**ESG**") factors into our investment analysis, we will be able to achieve long-term performance through risk mitigation, identifying growth opportunities and recognizing the financial value of intangible assets, while striving to achieve positive outcomes for society and the environment.

This policy embeds any ESG related rights and obligations as may be imposed and in accordance with applicable rules, notably:

- Luxembourg law of 17 December 2010 on undertakings for collective investments, as amended
- Luxembourg law of 12 July 2013 on alternative investment fund managers, as amended
- Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("**SFDR**"); and
- Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

Under SFDR, "**sustainability risk**" is defined as an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the relevant investment, whereas "principal adverse impact of investment decisions on sustainability factors" (PAI) are impacts of investment decisions that result in negative effects on sustainability factors (i.e. environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters).

Telios is a signatory of PRI (Principles for responsible investment). PRI is an initiative, promoted by the United Nations, that aims to foster sustainable approaches in the financial sector and into investment processes.

2 SUSTAINABLE APPROACH

Our approach to integrate ESG into our investment process for all our equity, fixed income, infrastructure and real estate funds can be divided into 4 steps:

2.1 Avoid

We avoid target companies or assets that conflict with our principles and values. Due to their activities, standards or characteristics, we exclude them from our investment universe. We choose to only invest in companies with sustainable business models that exhibit long-term growth perspectives. All investments are examined for adverse impacts and adherence to global norms on environmental protection, human rights, labour standards and anti-corruption. Furthermore, we apply binding negative company-wide and norm-based screening to exclude certain sectors and activities, including but not limited to companies that:

- Have significantly and repeatedly breached one of the principles of the United Nations Global Compact;
- Are significantly exposed to controversial activities such as, but not limited to, tobacco, thermal coal, weapons and unconventional oil and gas production, or companies that manufacture, use or possess anti-personnel landmines, cluster bombs, chemical, biological, white phosphorus, depleted uranium and nuclear weapons, or companies or assets that are exposed to countries considered as highlight oppressive regimes.

2.2 Analyse

During the pre-acquisition phase, we analyse both financial and ESG drivers. By evaluating the ESG profile of target investments, we analyse and assess the sustainability risks and opportunities that may affect said target investments as part of the investment due diligence process. On certain occasions, the ESG review might be complemented by that of external advisors in order to better measure identified areas of ESG risks and opportunities uncovered during the due diligence.

Once a target investment is deemed appropriate, measures are taken to ensure a thorough ESG knowledge of the target investment and work on an ESG action plan.

The latter would generally include:

- A clearly defined set of key ESG drivers that could create value or avoid risk of value destruction, also potentially beyond a financial dimension
- Put in place an action plan to leverage those drivers over a multi-annual period
- Identify ESG KPIs (Key Performance Indicators) to follow the action plan

2.3 Engage

On an ongoing basis throughout the life of the investment, we actively engage, monitor and support ESG-related issues. Amongst others, this includes implementation of ESG related investments and initiatives to reduce the direct or indirect environmental impact of business operations, actively monitoring on governance and social issues, exercising shareholder voting rights and helping implementing best practices.

The key ESG action specific to each target investment is to be discussed at the investment committee level of the investment advisor at least once per year.

2.4 Communicate

We communicate our actions and achievements with our stakeholders. Progress on the ESG action plan is actively monitored and reporting is duly carried out throughout the investment period. Moreover, we provide full transparency related to ESG issues through our website, where we publish fund documentation (as the case may be), reports, policies and insights from our experts.

3 OUR APPROACH (PRI PRINCIPLES)

When integrating ESG into the investment process, our approach is in line with the Principles for Responsible Investment's (PRI) definition1: "the systematic and explicit inclusion of material ESG factors into investment analysis and investment decisions."

Please refer to Table 1 below for the definition of E, S & G as defined by the PRI, of which we are a signatory since 2019.

We have also included the guidance from PRI on what constitutes ESG integration in Table 2. ESG integration can be applied across all asset classes, as it has been proven to work equally well in fixed income and equity markets.

Table 1[2]: PRI's definition of E, S & G

Environmental (E)	Issues relating to the quality and functioning of the natural environment and natural systems. These may include for example: biodiversity loss, greenhouse gas (GHG) emissions, climate change, renewable energy, energy efficiency, air, water or resource depletion or pollution, waste management, stratospheric ozone depletion, changes in land use, ocean acidification and changes to the nitrogen and phosphorus cycles.
Social (S)	Issues relating to the rights, well-being and interests of people and communities. These may include for example: human rights, labour standards in the supply chain, child, slave and bonded labour, workplace health and safety, freedom of association and freedom of expression, human capital management and employee relations; diversity; relations with local communities, activities in conflict zones, health and access to medicine, HIV/AIDS, consumer protection, and controversial weapons.
Governance (G)	Issues relating to the governance of companies and other investee entities. These may include for example: board structure, size, diversity, skills and independence, executive pay, shareholder rights, stakeholder interaction, disclosure of information, business ethics, bribery and corruption, internal controls and risk management, and, in general, issues dealing with the relationship between a company's management, its board, its shareholders and its other stakeholders. This category may also include matters of business strategy, encompassing both the implications of business strategy for environmental and social issues, and how the strategy is to be implemented.

Table 2: ESG Illustration

What does ESG actually mean?	**What does ESG NOT mean?**
• Analysing financial information and ESG information; • Identifying material financial factors and ESG factors; • Assessing the potential impact of material financial factors and ESG factors on economic, country, sector, and company performance; and	• ONLY certain sectors, countries, and companies are prohibited from investing; • Traditional financial factors are ignored (e.g., interest risk is still a significant part of credit analysis); • Every ESG issue for every company/issuer must be assessed and valued; • Every investment decision is affected by ESG issues; • Major changes to your investment process are necessary; and, finally and most importantly,

• Making investment decisions that include considerations of all material factors, including ESG factors.	• Portfolio returns are sacrificed to perform ESG integration techniques.

1 For more information on the Principles for Responsible Investment, visit www.unpri.org
2 Source: Principles for Responsible Investment website www.unpri.org

4 ALIGNMENT WITH THE SUSTAINABLE DEVELOPMENTS GOALS: INVESTMENTS IN CAR PARKS AND SMART MOBILITY INFRA

(a) Climate action and Affordable and Clean energy

Telios advises on investments promoting the transition to Electric vehicles that contribute to make transport in cites cleaner and quieter, enabling cities to develop and grow sustainably and helping reduce the climate impact.

(b) Sustainable Cities and Communities

Off street car parking facilities in inner city centres provide an efficient use of ground space and have a materially lower social impact than on-street parking. Efficient parking is a key element of sustainable mobility and traffic management in congested European cities. Optimised traffic flows to designated car parking spaces can minimize unnecessary traffic spent looking for an available parking space and contributes to lower levels of pollution and better air quality.

(c) Decent work and Economic Growth

Telios advises on infrastructures products to support the real economy. The companies in the portfolio honour working standards and conditions of work. The direct and indirect impacts on employment and on the economic system that the companies generate are monitored.

(d) Industry, Innovation and Infrastructure

Telios promotes investments in new technology and mobility developments with the aim of streamlining and increasing demand for dedicated parking places for existing and new uses, making cities better places to live.

5 ESG STRATEGY

As active investment advisors, we conduct bottom-up analysis across all our investments. We identify the structural levels of sustainable growth and how well a target investment is positioned to take advantage of the opportunities the sustainable transition presents, to deliver positive outcomes for society and the environment.

We therefore consider ESG opportunities, material sustainability risks and principal adverse ESG impacts (PAI) in our selection sourcing process, while sourcing investments and as part of our on-going review of the portfolio of assets.

Moreover, we define our ESG research process through the evaluation of purpose - the impact from the investment advisory activity - and responsibility - the management of ESG risks in achieving the purpose.

5.1 Quantitative Analysis

The ESG profile of target investments is performed through a quantitative analysis, which may be based on available internationally recognised service providers of ESG scores.

5.2 Qualitative Analysis

The Qualitative Analysis shall evaluate and select target investments based on two distinct but related angles:

- The business activities analysis: a strategic assessment of how the investment's direct and/or indirect activities address the key sustainable challenges including, but not limited to, basic needs, empowerment, climate change and resources and waste; and
- The stakeholder analysis: evaluation of how material stakeholder issues are affected and managed, including employees, clients, society and environment.

6 INTEGRATION OF THE ESG POLICY INTO THE AIFM INVESTMENT PROCESS

The policy integrates ESG criteria since the beginning of investment processes, by evaluating possible adverse impact on ESG factors through key activities.

"**LRI Invest SA**" or "**LRI**", acting as alternative investment fund manager (the "**AIFM**") of the relevant alternative investment fund (the "**AIF**") examines each investment or divestment proposal received from Telios acting as the investment advisor of the AIF and makes decisions for the AIF.

The ESG analysis is an integral part of the AIFM's investment process. The AIF investment committee (the "**Investment Committee**") takes account of the investment policy, investment strategy and investment objectives of the AIF, including the ESG criteria applied to the AIF and to the proposed investment.

Initially, Telios prepares the financial and extra-financial information as well as the necessary legal, technical, commercial, environmental, social and governance due diligence checks and provides a summary to the AIFM.

The due diligence process includes, as described in the section above, an in-depth environmental, social and corporate governance (ESG) analysis performed by Telios (and, in certain cases by its external consultants, and/or by any third party appointed by the AIFM) (the "**ESG Aspect Review**"). The ESG Aspect Review is used to identify any significant issues that require a more detailed technical assessment or that need to be handled after the investment.

At the end of the due diligence, the results and the description of the investment opportunity are presented to the AIFM in the form of an investment proposal. The investment proposal (prepared by Telios) and the transaction evaluation documents prepared by the AIFM's portfolio management real assets department (the "**PMRA**") are submitted to the Investment Committee. The body of the AIFM, having examined the documentation provided, approves, or rejects the transaction.

The Investment Committee receives from the PMRA and Telios regular reports on their approach and on the achievement of the predefined ESG indicators.

The AIFM monitors the investments on an ongoing basis in relation to non-financial or ESG performance covering a multitude of areas, including the fund's ability to stay in line with its objectives.

7 SIGNING AND REVIEW OF THE POLICY

After consultation with the AIFM, this Policy is reviewed and approved by the board of directors of Telios and will be subject to an annual review in order to integrate any new guideline or regulation in this matter.

All ESG strategies and procedures adopted will also be reviewed in accordance with any policy changes, financial considerations, and new regulations.

Telios is committed to maintaining its stakeholders informed and updated on policy reviews and updates.

The policy has been approved by the board of directors of Telios on September 1st, 2021.

8 APPENDIX I - ESG ANALYSIS FOR EQUITIES INVESTMENTS

We believe that to deliver long-term value, a company needs to be just as focused on its business practices as on its financial performance. In our view, business practices are a key lever that drives financial return, in the same way that revenues or costs would. Ultimately, we believe that anything a business does needs to be sustainable, or it may face decline.

We see ourselves as part of a wider movement that is helping to shape more responsible corporate behaviour and increase transparency. We view ESG integration as part of expressing our convictions as long-term responsible investors, avoiding negative issues that can damage portfolio returns but also engagement with management to take the right steps towards enhancing their sustainability profile and practices. We actively engage with senior management to discuss any disagreement on votes before making our final decision.

8.1 Financial Analysis

Businesses need to focus on the entire value chain of stakeholders which includes shareholders, regulators, employees, clients, suppliers, the environment and local communities. Our proprietary research generally focuses on companies with long-term sustainable growth that may be established through innovation, changing consumer patterns, regulation and disruption, to mention a few. Looking at these mega trends with an ESG lens is paramount to identifying long-term growth. We seek mainly to invest in companies that have resilient balance sheets, are able to deliver sustainable cash flows, and remain market leaders over the long term.

8.2 ESG Analysis

To complete an investment rationale, full ESG assessment is performed and documented in dedicated notes, that brings together quantitative and qualitative research both from third parties and in-house. The initial step of this proprietary ESG analysis is to consult company reports, third-party reports or through direct company meetings to understand how individual companies are meeting the challenges of ESG related risk. Suppliers, clients and other stakeholders may also be consulted.

We also look at a target company's impact and the sustainability of their business model in the context of the long-term transformative ESG trends. This helps us to understand how well the target company is positioned to take advantage of new opportunities the transition may present. This forward-looking analysis is a critical step in understanding whether the company's performance is repeatable and sustainable over the long term.

8.3 Target Company Valuation

Evaluating all the ESG factors and impact outlook, alongside financial analysis, is part of the fundamental analysis of our team. Our analysts can make the necessary adjustments to financial analysis to arrive at their final company valuation.

9 APPENDIX II: ESG INDEX

ECPI Index family represents one of the widest ESG offer on the market covering main asset classes, geographies and investment themes. Since the launch of its first index in 2001, ECPI has been pioneering the sustainability investment world. ECPI offer is designed to respond to the needs of an ever-growing market for Sustainable Investments. The recourse to EPCI ESG Indices combined with our in-house analysis allows us to provide a forward-looking view of how a target company is managing its stakeholders and therefore its ESG risks and benefitting from opportunities. We strongly believe that a target company that looks after its stakeholders (such as those shown in Figure 1) creates sustainable

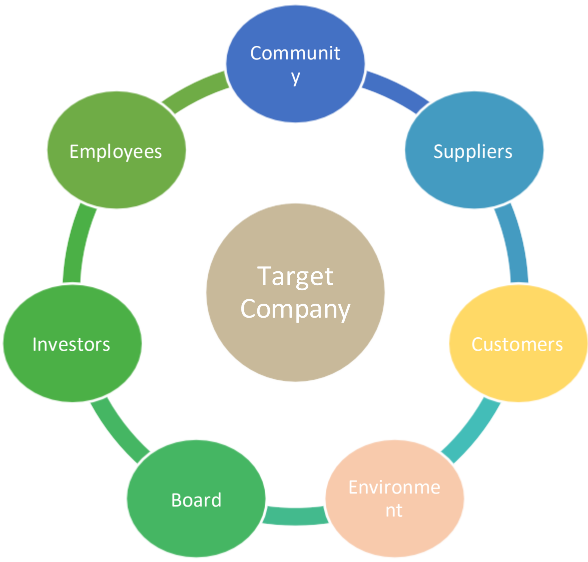

Figure 1: Stakeholders

and positive financial, societal and environmental value. ESG risks are critical to understanding a company's business practices as well as forecasting its financial performance

9.1 **ESG Analysis 4-step process:**

I. **Group**: Target companies are allocated to a specific EPCI ESG Index/ Key stakeholders and risks are identified for each group. Different stakeholders (employees, customers, suppliers, environment, community, board etc.) have different significance depending on sector and geography. Once assembled by common 'materiality', companies are grouped with others that have similar material ESG risk profiles

II. **Collect:** Large amounts of raw data concerning business practices are collected from a range of specialized data sources. Data sources include company reported data and past and present controversies. We utilize the data to compare each company against over 30 identifiable and relevant sustainable metrics ("Indicators") and assess the firm across each of the E, S & G elements (see Table 3 below). Positive and negative sentiment is measured by utilizing alternative data sources that provide signals on emerging risk

Table 3: Comparable Indicators

Environmental	Social	Governance
Carbon Emissions –Direct & First Tier Indirect (tonnes CO2e)	% Employee Satisfaction	% Audit Committee Independence
Carbon Intensity- Direct & First Tier Indirect (tonnes CO2e/USD mn)	Employee Turnover	Compensation Committee Independence
Flaring of Natural Gas	Female Managers	Nomination Committee Involvement
Total Energy Use/Revenues	Average Employee Training Hours	Board Size
Renewable Energy Use Ratio	Lost Time Due to Injury Rate	Independent Board Members
Energy Use Total	Employee Fatalities	Average Board Tenure
Total Waste / Revenues	Chief Executive Salary Gap	% Board Gender Diversity
Waste Recycled /Total Waste	% Gender Pay Gap	Highest Remuneration Package
Accidental Spills	% Customer Satisfaction	Long Term Objective-Linked Executive Compensation
Water Use / Revenues		Sustainability Compensation Incentives

Water Recycled		
Fresh Water Withdrawal Total		

III. **Rank**: The companies are ranked against their peers and given baseline rating. Companies are ranked against peers from similar regions, market capitalization and [EPCI ESG Index] industry group to ensure the least amount of metric discrepancies and biases Based on the above, we provide each of the E, S and G pillars with a score from A-E, before aggregating them to give an overall A-E company score (see Table 4 for A-E rating explanations).

Table 4: Telios ESG ratings

Rating	Explanation
A	Manages their risk effectively that have financial impact and communicates with investors
B	Flaws in management system led & working on improvement following recent financial impact controversies.
C	Aware of future risks but do not have adequate systems to manage impact of future financial material risk.
D	Do not understand & no action taken on recent controversies. Management doesn't understand and not addressing risk
E	Not aware of the risk they are facing and has no management plan in place. Faced with controversies and has no plans

IV. **Analysis:** In-house expertise is applied to existing analysis Company knowledge, gained from firm visits and management meetings, provides insights into how a company's ESG and sustainability policies and practices are supporting long-term strategic goals. We produce an in-house rating (which overrides the baseline rating) as well as a written comment to detail their analysis and qualify their choice. We also conduct forward-looking analysis including trend analysis, to assess the direction of the company towards more sustainable practice Finally, we consider the impact of the company by understanding how a company's goods and services affect society and the environment. This approach leverages the UN Sustainable Development Goals' framework.

This analysis is then incorporated into the valuation analysis and included in the investment process.