

## **Global Infrastructure Partners Environmental, Social and Governance (ESG) Policy**

**First issued 2010, Latest Revision October 2022**

### **Mission Statement**

Since our formation in 2006, Global Infrastructure Partners (“GIP”) has recognized the link between strong Environmental, Social and Governance (“ESG”) practices and positive financial performance at both the GIP and the portfolio company levels. Consistent with GIP’s fiduciary responsibility to its limited partners, GIP’s policy embraces ESG for the entire life cycle of an investment, from incorporating ESG factors into each investment decision, to managing the risk and value opportunities while the asset is under management, to preparing the asset for exit. It is GIP’s policy to operate in a safe and responsible manner, respecting environmental, health, safety, labor, social, corporate governance and business integrity concerns. Accordingly, GIP has formally adopted the following ESG policy, which defines GIP’s approach to integrating ESG considerations and value creation opportunities in its portfolio investments.

GIP is committed to being best-in-class in ESG practices. To demonstrate our commitment, GIP became a signatory to the United Nations Principles for Responsible Investing (“UNPRI”) in 2020, providing third party assurance internally and externally of our ESG performance. While GIP has always been aligned with the UNPRI principles through incorporating ESG considerations into our investment analysis, decision-making and ownership policies and practices, we believe that officially applying these principles reinforces our long-held commitment to ESG and leads to better quality investment outcomes. As part of this commitment, GIP will continue encouraging our portfolio companies via its active ownership and stewardship approach to advance GIP’s ESG-related principles in a manner consistent with their fiduciary duties.



GIP endeavors to keep abreast of developments in ESG through participation in industry group roundtables and leading collaboration with peers. GIP recognizes the importance of industry leadership on climate action, and as part of our commitment to mitigate the impacts of climate change, GIP has aligned itself with leading organizations focused on climate change. GIP’s affiliations with global industry bodies and best practice standards are outlined in Appendix A. In accordance with this policy, any political influence is aligned with our commitment to sustainable finance and the six Principles of the UNPRI.

### **Scope**

This ESG policy applies to the management company, Global Infrastructure Management, LLC, and to its relevant portfolio investments across all relevant asset classes (including equity and credit), industries and countries in which the firm invests.

In instances where GIP’s ability to influence ESG considerations in the portfolio investment is limited

(for example, where GIP is a minority equity owner), GIP will encourage those portfolio companies to consider relevant ESG principles through Board and committee participation, as well as operational involvement and monitoring. The following are the key elements of GIP’s ESG priorities for a strong and comprehensive ESG program:

Key Elements of GIP’s ESG Focus		
 Environmental (E)	 Social (S)	 Governance (G)
<ul style="list-style-type: none"> <li>▪ Environmental Policies and Procedures</li> <li>▪ Environmental Data Collection &amp; Reporting</li> <li>▪ Environmental Permitting and Restrictions</li> <li>▪ Environmental Concerns, Liabilities &amp; Contaminated Land</li> <li>▪ Climate Impact of Company Operations</li> <li>▪ Energy Management – Energy Use and Conservation</li> <li>▪ Impact of Climate Change (Transition and Physical Risks on Company)</li> <li>▪ Air, Water and Noise Pollution, Prevention &amp; Abatement</li> <li>▪ Hazardous Storage, Handling and Disposal / Recycling</li> <li>▪ Biodiversity Impacts</li> </ul>	<ul style="list-style-type: none"> <li>▪ HR Policies and Procedures</li> <li>▪ Work Place Health and Safety</li> <li>▪ Employee Training &amp; Development</li> <li>▪ Employee Relations, Engagement &amp; Well-Being</li> <li>▪ Diversity, Inclusion &amp; Pay Parity</li> <li>▪ Labor and Working Conditions (non-discrimination, sexual harassment, child labor, modern slavery)</li> <li>▪ Public &amp; Workforce Grievances, Complaints &amp; Liabilities</li> <li>▪ Community Health &amp; Safety</li> <li>▪ Community Engagement &amp; Social Projects</li> <li>▪ Land, Resettlement, Cultural Heritage</li> </ul>	<ul style="list-style-type: none"> <li>▪ Corporate Governance Management</li> <li>▪ Anti-Bribery and Corruption Policies &amp; Risks</li> <li>▪ Whistle-blower Policy and Hotline</li> <li>▪ Workforce Compliance Training</li> <li>▪ Compliance with Law</li> <li>▪ Reputational Risks</li> <li>▪ Data Privacy and Protection</li> <li>▪ Security (Physical Security, Crisis Management Program)</li> <li>▪ Cybersecurity</li> <li>▪ Stakeholders (Governments, Suppliers, Customers)</li> </ul>

## ESG Strategy and Objectives

The objective of GIP’s ESG strategy is to deliver long-term sustainable investment outcomes through incorporation of ESG risks and opportunities into every step of analysis and decision-making. Consistent with GIP’s fiduciary responsibilities to its investors and stakeholders, GIP’s ESG objectives include:

- a) Detailed assessment and inclusion of ESG risks and considerations into investment analysis to enhance our investment decision-making;
- b) Deepening our understanding of ESG impacts (including climate change) on value and investment performance;
- c) On-going training of GIP investment and business improvement professionals on the ESG due diligence process and the importance of factoring ESG considerations into the overall investment approach;
- d) Active management of ESG integration across portfolio companies post-investment and expansion of ESG engagements with portfolio companies and management;
- e) Promotion of an investment approach benefiting all stakeholders, society and the environment;
- f) Commitment to transparency and timely reporting / disclosure of GIP’s ESG initiatives and progress; and
- g) Development and enhancement of our ESG approach to proactively respond to emerging ESG trends and adopt new best practices.

## ESG Governance: Roles and Responsibilities

GIP has a dedicated ESG Team with responsibility for implementing GIP’s ESG Program. GIP’s ESG Committee manages GIP’s ESG policy and programs, sets strategy and goals, reviews progress and implementation, develops training and manages internal and external reporting. This cross-

functional ESG Committee, supplemented by ESG working groups, consists of professionals from various disciplines across GIP, including members from GIP's Legal, Investor Relations, Business Improvement, Risk, and Investment Teams. The ESG Committee reports to the Office of the Chairman, which reviews the progress of ESG metrics and initiatives. The Office of the Chairman approves GIP's ESG policy and programs.

GIP is committed to taking a leadership role on transparency and disclosure and reports its approach to responsible investment via this ESG policy, on its website, provides periodic briefing papers and detailed communications to investors, annual reports and responding to ESG questionnaires. GIP is also participating in the annual PRI reporting framework and will provide the PRI assessment to investors on request.

### **GIP's Approach to ESG Integration**

GIP seeks to thoughtfully integrate and manage ESG considerations throughout the life-cycle of an investment. Our approach incorporates (i) screening of the investment opportunities based on GIP's ESG investment guidelines and Exclusions List, (ii) identification and assessment of the ESG risks and opportunities applicable to a new investment during due diligence, (iii) performance improvement of a portfolio company across a range of ESG factors post investment, and (iv) sale of an investment. We will have variations in our investment approach and integration of ESG depending on type of investments (e.g., industry sector, geography, equity / credit, ownership structure / influence). Our materiality-based approach ensures we consider the key factors for a sector and country, allowing us to concentrate on what is most critical throughout the investment life-cycle. Primary responsibility lies with the Investment Team as these considerations support investment decisions. Together with our Business Improvement Team, the Investment Team continues to keep these issues and considerations front of mind through the life of the investment for the good of our stakeholders and investments themselves. GIP ensures that partners are committed to ESG excellence and requires that our investment and business improvement professionals receive training on our ESG policy and related factors.

As part of the investment process and to align with its fiduciary obligations to LPs, GIP follows a strict conflict of interest policy. To limit the impact, all potential conflicts of interest are required to be disclosed to GIP's Office of the Chairman prior to making any investment decision.

#### *a. Pre-Investment Process:*

At the very early stages of the investment analysis, GIP considers ESG factors and risks associated with a target portfolio company when evaluating whether to invest in a particular company or business. Our screening focuses on the assets, as well as the partner organizations and wider commercial relationships. The Investment Team performs detailed due diligence in order to identify and manage the ESG risks and opportunities, with the assistance of the ESG Team, the Business Improvement Team and the Legal Team. Our ESG analysis is based on our internal ESG materiality assessment framework, which uses qualitative and quantitative performance standards and benchmarks. The analysis assesses the risk of a target's vulnerability to ESG regulatory, market or operational forces (including climate change), changing ESG technologies, market economics or

interruptions to business due to physical damage to facilities. As appropriate, third-party environmental, legal, operational, and other technical consultants are engaged to assist with due diligence and evaluate the status of governance and compliance with applicable ESG laws.

Climate change is a critical issue that poses a significant challenge to businesses and society. In our investment analysis, we incorporate a qualitative view of how the investment fits within the decarbonization risk assessment framework. This framework seeks to address the key decarbonization and climate change considerations that could impact the potential investment and relevant sector. At due diligence, GIP assesses the climate-related physical and transitional risks and opportunities of each investment and if appropriate, undertakes scenario analysis to evaluate and address the impacts of climate change and decarbonization trends in our investment process, aligned with the Task Force on Climate-related Financial Disclosures (“TCFD”).

The results of the ESG review are incorporated into the Investment Committee Memorandum. When material issues are identified, they are included in detailed discussions with our Risk Officer and the Investment Committee. Our Head of ESG attends all our Investment Committee meetings to ensure ESG considerations are fully understood and comparatively assessed, playing a similar role to our Risk Officer but for ESG. Where management or performance of a material issue is considered to need improvement, should the investment move forward, GIP will work with company management to develop an action plan to improve the ESG performance and enhance the value of the company.

*b. Post-Investment / Ownership:*

GIP places strong emphasis on the active management of its portfolio companies. Post-closing, GIP works with portfolio company leadership on management of the ESG issues identified during the due diligence process in a 100-day post-close plan. In addition, where possible and practicable, GIP’s ESG Team conducts an in-depth ESG review, in close collaboration with the Investment and Business Improvement Teams and the portfolio company’s management team. The results of the ESG review are used to identify areas of improvement and progress and establish an ESG performance improvement plan to implement priority and ESG value creation projects.

Transparency and influence of ESG performance are typically achieved through Board representation, CEO and senior management dialogue as well as continuous monitoring of ESG risks and opportunities. GIP’s ESG Team establishes a relationship with the portfolio company’s operational and ESG leadership to enable it to support the company with ESG challenges and compliance issues as they arise and to ensure potential ESG market impacts are considered and raised to the relevant decision makers, including the Board. Portfolio company Board members are responsible for ensuring ESG matters are considered and addressed in the context of operational performance, corporate strategy and broader stakeholder relationships. Where appropriate, GIP expects the portfolio company Board to (i) designate an “ESG-Champion” in the C-Suite and (ii) establish an ESG Committee. GIP monitors ESG performance through quarterly and annual ESG KPI’s, audit tracking, project reporting processes, regular board and committee meetings and on-site ESG reviews. Where appropriate, GIP also supports its portfolio companies’ efforts to report externally and internally on their ESG approach and performance on material ESG issues. We continuously review and refine ESG-related metrics and standards in line with industry best practices. GIP

encourages our portfolio companies to improve their climate risk management and actions to be aligned with the TCFD best practice. GIP supports the use of Green / ESG-Linked Financing by our portfolio companies to bolster growth in a fiscally responsible manner. In addition, GIP organizes ESG summits to share best practices and create standards among its portfolio companies.

*c. Investment Exit:*

GIP assesses ESG progress achieved by a portfolio company during the ownership and measures the impacts of various ESG factors nearing the exit phase. This information is incorporated into exit materials to demonstrate the business value created through the focus on ESG.

### **Transparency and Reporting**

GIP is committed to taking a leadership role on transparency and disclosure. As part of being a UNPRI signatory, we will participate annually in the PRI reporting framework and be assessed on our ESG performance and goals. GIP is also committed to aligning its own practices with TCFD. In our Annual Reports, we currently provide our investors information detailing the progress made in further developing our approach to ESG integration and engagement, both at the firm and portfolio company levels. We are committed to providing a detailed standalone Annual ESG Report. In addition, we provide material ESG updates to our investors in our Annual Meetings, LPAC meetings, semi-annual investor meetings and our quarterly investor reports. We also engage with relevant stakeholders in relation to ESG considerations, through written reports or informal verbal reports.

### **Conclusion**

This policy sets forth GIP's on-going commitment to integrating ESG considerations and value creation opportunities in our portfolio investments. GIP will seek to update this ESG policy periodically, as appropriate.

## Appendix A - GIP's ESG Affiliations

	<b>United Nations Principles for Responsible Investment (UN PRI)</b>	<p>GIP became a signatory to the UN PRI in 2020.</p>
	<b>Sustainable Development Goals (SDGs)</b>	<p>GIP is committed to contributing to SDGs that significantly align with sectors in which GIP invests, including Affordable and Clean Energy (SDG 7), Climate Action (SDG 13), Decent Work and Economic Growth (SDG 8), Industry, Innovation and Infrastructure (SDG 9) and Reduced Inequalities (SDG 10).</p>
	<b>One Planet Sovereign Fund Framework</b>	<p>GIP is a founding member of the private equity group supporting the One Planet Sovereign Fund Framework.</p>
	<b>Task Force on Climate-related Financial Disclosures (TCFD)</b>	<p>GIP is a public supporter of TCFD. GIP's investment process and reporting processes are aligned with TCFD and GIP works with portfolio companies to align to TCFD.</p>
	<b>Initiative Climat International (iCI)</b>	<p>GIP is a member of iCI's North American Chapter.</p>
	<b>ESG Data Convergence Initiative (EDCI)</b>	<p>Participant in ILPA's EDCI, a benchmarking effort to aggregate general partner and limited partner ESG data by Boston Consulting Group.</p>
	<b>Him For Her</b>	<p>Member of two organizations which aim to improve board gender diversity.</p>
	<b>Thirty Percent Coalition</b>	
	<b>Global Real Estate Sustainability Benchmark (GRESB)</b>	<p>GIP's ESG policy and approach are guided by responsible investing best practices, including those developed by these organizations.</p>
	<b>World Bank Group</b>	
	<b>International Finance Corporation (IFC)</b>	
	<b>Sustainability Accounting Standards Board (SASB)</b>	