

RESPONSIBLE INVESTMENT POLICY

The transformational power of investment



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1. INTRODUCTION AND PURPOSE

Asterion Industrial Partners is an independent investment management firm focusing on infrastructure investments in the European mid-market. Its strategy is mainly focused on the telecom, energy & utilities and mobility sectors, across Iberia, Italy, France, and the UK (opportunistically rest of Europe). Headquartered in Madrid and with presence in London and Paris, Asterion combines transactional and operational experience with an industrial approach and active asset management within an independent and nimble platform. Asterion aims to promote operational transparency, responsible investment practices, best-in-class governance, and a strong culture both for itself and in the companies in which it invests.

This Responsible Investment Policy (hereafter referred to as “the Policy”) describes Asterion’s commitment to integrate a responsible approach to the investment process, as well as the management of its own operations through the consideration of environmental, social and governance (ESG) factors.

2. POLICY SCOPE

This Policy applies to Asterion Industrial Partners SGEIC, S.A., (“**Asterion**” or the “**Company**”), the funds managed by it (the “**Funds**”), and all its employees and parties directly or indirectly involved in the investment process.

This policy is an updated and enhanced version of Asterion’s previous ESG policy. It has been formally approved by the company’s Board of Directors on the 17th of May 2022.

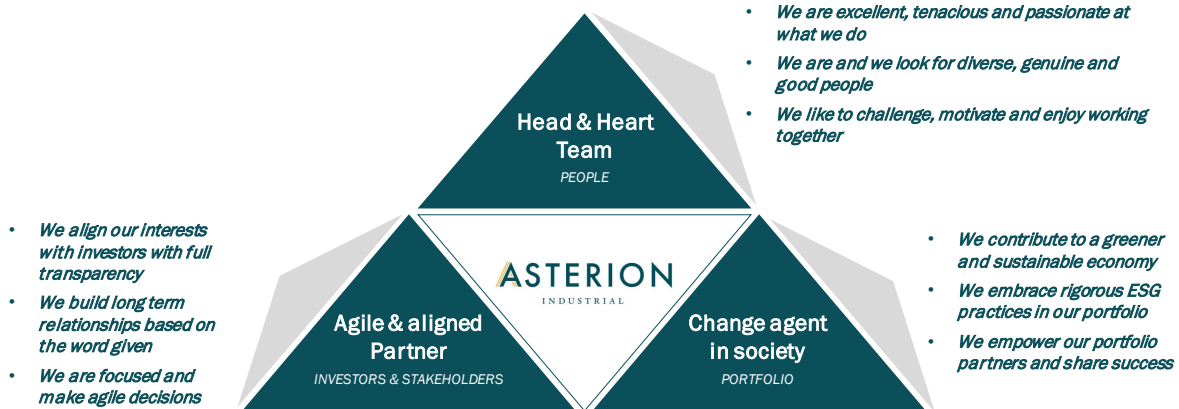
3. OUR COMMITMENT TO ESG

Asterion believes it is its duty to responsibly manage its third-party capital by positively contributing to the broader economy, the environment and society through the management of its portfolio companies and of Asterion as a company itself. To that end, our commitment to ESG management is central to our strategy and fully integrated in all investment processes and operations. Asterion gives us the opportunity to use the transformational power of investment to contribute to improving society while delivering attractive returns to our investors.

Infrastructure assets and businesses provide a critical public service and have a wide-reaching impact on societal development and well-being. In addition to this intrinsic social value, we believe that as investors and owners of these businesses, it is in our hands to promote and further ESG through an active and positive governance model. ESG integration, including the integration of sustainability risks and the consideration of principal adverse impacts on sustainability factors, into the investment process and the day-to-day management of our business and portfolio companies is a fundamental requirement of our business model, in addition to producing differentiated returns for our investors. Results are central to our mandate, but in our opinion the focus on how those results are achieved is equally as important.

The world is facing a growing number of complex global challenges including climate change and social inequality. ESG management is an effective tool for mitigating and managing all relevant sustainability risks that might have a relevant material negative impact on the financial return of an investment, as well as becoming a source of new opportunities and competitive advantage. It is key to the sustainability of infrastructure and provides the necessary capacity to adapt to a changing and increasingly complex environment. In addition, it has been demonstrated that companies with good management of sustainability risks and principal adverse impacts of investment decision on sustainability factors face lower risks and produce higher long-term profitability.

Asterion is aware of the great responsibility entailed in managing third-party capital, as well as on the impact its activity has on the broader economy and society. The Company’s approach to the integration of sustainability risks and the consideration of adverse sustainability impacts is central to its strategy and fully integrated in its investment process and operations. Asterion gives us the opportunity to use **the transformational power of investment** to contribute to improving society while delivering attractive returns to our investors. Our values reflect our approach:



Asterion’s investment approach, integrating sustainability throughout the investment decision-making process, goes further. All our investments have as one of their outcome objectives the creation of a positive impact on the environment and society.

4. ESG FRAMEWORK USING INDUSTRY STANDARDS AND GUIDELINES

4.1. Partnerships and alignment with industry bodies



Asterion is a signatory member of the UN’s Principles for Responsible Investment (UNPRI) since February 21st, 2020.



Asterion follows ILPA industry guidelines and best practices to foster transparency, good governance, and alignment of interests with our investors and the market.



Asterion Industrial Infra Fund II FCR has been classified as promoting environmental or social characteristics, so-called “Article 8 product” under Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector (“SFDR”).

4.2. International guidelines as a reference



Asterion’s ESG material topics follow the SASB standards (Sustainability Accounting Standards Board) as a reference guide. These standards focus on financially material ESG issues.



Asterion is committed and aligned with the UN’s Sustainable Development Goals to help address major global challenges.

5. ESG MATERIAL TOPICS

We believe it is important to address sustainability risks and principal adverse impacts on sustainability factors within our investments on a strong basis of materiality, particularly in the context of the relevant sectors and industries within the focus of the mandate. Our analysis extends to the most relevant topics affecting the different industries we invest in, with strong alignment to the abovementioned standards as well as Asterion’s values. Our sustainability objectives and efforts mainly revolve around a list of material topics and potential principal adverse impacts as outlined below:

E	Climate change and low-carbon economy	<ul style="list-style-type: none"> ✓ Control and reduce Carbon and Greenhouse Gas Emissions ✓ Promote energy efficiency and transition to clean energy ✓ Support investments in-line with a low-carbon economy
	Efficient use of resources	<ul style="list-style-type: none"> ✓ Minimize the use of resource input and the creation of waste and pollution ✓ Improve productivity of resources
	Environmental impact on ecosystems	<ul style="list-style-type: none"> ✓ Assess and decrease the physical impact of infrastructure on ecosystems and biodiversity
S	Social progress and human rights	<ul style="list-style-type: none"> ✓ Stimulate economic growth and promote infrastructure as a development driver through mobility, interconnectivity, etc. ✓ Take care of health and safety at work ✓ Ensure sustainable value chains and further human rights and equality
	Diversity and inclusion	<ul style="list-style-type: none"> ✓ Foster diversity in all its forms (gender, background, age, nationality) in hiring and promotion to build a more inclusive culture
	Well-being in the workplace	<ul style="list-style-type: none"> ✓ Initiatives around the work place including fair wage policies, professional training, employee empowerment, health and wellness and work-life balance
G	Transparency, ethics and integrity	<ul style="list-style-type: none"> ✓ Proactive, regular and clear stakeholder engagement and dialogue in adherence with regulation and public policy ✓ Zero tolerance policy towards corruption and bribery ✓ Guarantee Data Privacy and Cybersecurity
	Shared success	<ul style="list-style-type: none"> ✓ Define short and long-term incentive plans for Portfolio companies ✓ Align portfolios with our materiality and SDG's contribution
	Full ESG integration	<ul style="list-style-type: none"> ✓ Apply rigorous ESG policy during full investment life cycle ✓ Develop strong ESG culture in portfolio companies ✓ Monitor and report regularly on ESG Risks and Opportunities

This list of material topics provides the overarching framework for Asterion’s ESG strategy and is also the basis for determining and setting the relevant assessment metrics. Material aspects will be periodically reviewed to ensure relevance, incorporating evolving developments in market industry and regulatory standards and guidelines as well as feedback from investors, which will be gathered through annual surveys.

Furthermore, Asterion’s sustainable investment objectives are aligned with the UN’s Sustainable Development Goals to help address major global challenges. Its most direct impact is related to SDG 9, which is focused on "building resilient infrastructure, promoting inclusive and sustainable industrialization and fostering innovation". Nevertheless, and without disregarding the rest of objectives, Asterion’s strategy will focus on three additional SDGs, which we intend to strongly align ourselves with and continue to promote as long-term goals of our activities. These SDGs are:



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.



Take urgent action to combat climate change and its impacts.



Reduce inequality within and among countries.



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable, and inclusive institutions at all levels.

Additional information on the above SDGs can be found on <https://sustainabledevelopment.un.org/>.

6. ESG INTEGRATION IN OUR GOVERNANCE

Implementing a sustainability strategy in a company requires organizing structures and processes that ensure investment decisions are made according to the defined ESG criteria. Asterion is focused on systematically integrating ESG, including the integration of sustainability risks and the consideration of principal adverse impacts on sustainability factors, into the investment process through the following organizational, risk management and governance structure and processes:

- **Investment Team:** responsible for including ESG in the due diligence analysis of an investment opportunity as well as identifying and monitoring ESG targets as part of the post-acquisition plan within portfolio companies. ESG is integrated and forms part of the analysis presented to the Investment Committee. When necessary, external experts may be hired to assist with this ad-hoc analysis.
- **ESG Team:** led by the ESG Manager, it is responsible for leading and coordinating all ESG activities at Asterion, working closely with the investment teams and reporting to the Investment Committee.
- **Investment Committee (IC):** It is responsible for the supervision, approval, review, and update of Asterion's ESG strategy and its implementation in the context of investments. As the ultimate decision-making body on investments, portfolio and exits, subject to final approval by the Board of Directors of Asterion, the IC will take into consideration sustainability matters in the same way as any other factors (financial, operational, strategic) and may request additional information on specific ESG topics. When necessary, external experts may be hired to assist with this ad-hoc analysis.

Within the IC, one of the Partners will be specifically focused on overseeing the Company's ESG strategy and, as "ESG Ambassador", will coordinate and lead all communications to investors and other stakeholders on these matters.

Asterion's goal is to continue to make sustainability an integral part of the Company's culture, extending responsibility throughout the organization. To this end, all team members have been involved in creating the Company's ESG strategy.

The team will be provided with ongoing training on how to better integrate ESG in the overall investment approach as well as on the evolving ESG initiatives around the Company. Furthermore, the team's incentives will be linked to the delivery of the risk adjusted ESG strategy, including sound and effective risk management with regard to sustainability risks, among other things.

7. APPLICATION TO THE INVESTMENT PROCESS

Asterion, through its active asset management strategy, is well positioned to significantly improve awareness of the importance of ESG and to implement processes and measures to improve sustainability-related matters within its portfolio.

During the various stages of the investment process, Asterion will consider all relevant ESG themes, including the integration of sustainability risks and the consideration of principal adverse impacts on sustainability factors, as part of a comprehensive review of an investment opportunity:

1. Pre-Screening: Exclusions
2. Due Diligence
3. Decision Making: Investment Committee
4. Post-Acquisition & Reporting
5. Incident Management
6. Exit

According to the classification by the European Sustainable Investment Forum (Eurosif) of the different applicable ESG strategies, Asterion, as a participant in the European financial markets, follows the suggested recommendations in an effort to achieve long-term sustainable returns and provide stable, well-functioning and well governed social, environmental and economic systems. Among these strategies, and in line with Asterion's approach to ESG and its industrial, hands-on and active asset management, Asterion applies specific ESG selection criteria & screening, an exclusions list, and ESG integration and engagement practices, all around the theme of sustainability.

7.1. Pre-Screening: Exclusions

As part of the firm's strategy, Asterion focuses on infrastructure investments in the European mid-market, mainly focused on the telecom, energy & utilities and mobility sectors.

Nevertheless, Asterion takes a holistic view on all sectors and has a specific policy on exclusions as part of the screening process of potential new opportunities. While the list of exclusions does include some sectors that are less relevant to the scope of the mandate, it is aligned with the overall values and cultures of the Company. The sectors and activities that are currently excluded are:

- The production or distribution of tobacco and tobacco-related products.
- The production or distribution of alcohol and alcohol-related products.
- Adult entertainment

- Production or distribution of modern weapons of any kind
- Gambling
- Coal, oil production and nuclear power (unless they represent a very marginal activity within a broader portfolio. In these situations, a case-by-case analysis will be carried out requiring a high level of assurance on the business risks. If after careful consideration and analysis the investment were to be carried out, there will be clear willingness from Asterion to make it greener and reduce its risks and impact on the ecosystem.)
- Companies in tax heavens (according to the European Commission's list of non-cooperative countries) and companies operating in countries covered by international sanctions or demonstrating breach of UN's Global Compact's principles or OECD guidelines

7.2. Due Diligence

The investment team carries out an ESG analysis as part of the due diligence process. Findings and conclusions obtained are included in the investment memorandum presented to the Investment Committee, which will consider these as part of the investment decision making.

We have developed a number of standard check lists to ensure all relevant aspects are taken into account at every stage of the process, including both sustainability risk and material adverse impacts on sustainability factors.

Depending on each situation, the investment team may decide to hire external experts to assist with the ESG due diligence or to carry out specific ESG audits.

In the case where relevant ESG risks are identified, Asterion is committed to carry out additional ESG Due Diligence to allow for better decision making or ensure preventive and corrective measures are put in place, as part of the agreed transaction terms.

7.3. Decision Making: Investment Committee

The Asterion Investment Committee holds the responsibility for the supervision, approval, review, and update of Asterion's ESG strategy and its implementation. ESG-related risks and potential value-add measures are considered as part of the analysis of a transaction and brought to the IC, who take these matters into account alongside other relevant factors.

As the ultimate decision-making body on investments, portfolio and exits, the IC will take into consideration sustainability risks that could cause a potential material negative impact on investment value and sustainability factors in the same way as any other factors (financial, operational, strategic) and may request additional information on specific ESG topics. When necessary, external experts may be hired to assist with this ad-hoc analysis.

Asterion considers as a "sustainable investment" one that contributes to an environmental objective, as measured for example by key resource efficiency indicators, or one that contributes to a social objective, provided that such investments do no significant harm to those objectives and that investee companies follow good governance practices.

Within the IC, one of the Partners will be specifically focused on overseeing the Company's ESG strategy and, as "ESG Ambassador", will coordinate and lead all communications to investors and other stakeholders on these matters.

7.4. Post-acquisition & Reporting


ESG targets for attainment of sustainability investment objectives and indicators for principal adverse sustainability impacts are set for each portfolio company as part of the Post-acquisition Operating & Strategic Targets ("POST") Plan. This POST plan includes targets for the short term (120 days), medium term (6 to 24 months) and long term (over 24 months). Relevant ESG issues from the due diligence findings are formally addressed during those 120 days and then reviewed and monitored over the medium and long-term.

These targets and indicators for principal adverse sustainability impacts are monitored by the investment team through ongoing and fluid dialogue with the management teams, and a selection of quantitative KPIs to measure its progress are reported on an annual basis at least, including relevant sustainability indicators and/or information explaining the extent to which explicit social or environmental characteristics are met, where applicable. Qualitative updates on the evolution of ESG matters are included in the quarterly reporting.

When new ESG opportunities or risks arise at a portfolio company, Asterion will assist management teams in developing action plans to adequately manage them. It is Asterion's intention to discuss ESG matters at portfolio companies' Board of Directors.

Among the different areas Asterion will focus on at its portfolio companies, alignment of interest and shared profit are central principles in line with the Company's values. Asterion will work to align management teams with ESG goals by linking their remuneration structures to their performance where applicable, including sound and effective risk management regarding sustainability risks. Profit sharing is key to Asterion's culture, and we will work to implement it through Management Equity Programs as part of the transaction parameters where possible.

In alignment with the selected SDGs, Asterion has developed a number of initiatives to be fostered in all its portfolio companies, with the goal of achieving consistency. These initiatives are fostered in all Asterion's portfolio companies, as well as in the management company, in addition to specific actions or targets developed ad-hoc for each of them. These initiatives have been created under the name of "The Asterion Way" and the goal is for them to be enhanced and expanded to include additional topics that are key to Asterion. See below the initiatives that are being put in place as part of this program so far:

The Asterion Way: Initiatives				
Initiative	Explanation	Linked to SDGs	Linked to topic	KPI
Net zero	<ul style="list-style-type: none"> Target to achieve net zero emissions in a number of years for each company Plan to measure, reduce and offset 	 <p>Take urgent action to combat climate change and its impacts.</p>	E	To monitor progress at portfolio level on an aggregate basis
Foster diversity & inclusion (incl Boards)	<ul style="list-style-type: none"> Diversity plan in all portfolio companies Focused on different types of inclusion (gender, age, background, nationality) also with focus at Board level 	 <p>Reduce inequality within and among countries.</p>	S	
Shared success	<ul style="list-style-type: none"> Through implementation of equity programs Including wider employee base 	 <p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.</p>	G	

It is Asterion’s intention to develop specific ESG programs focused on selected material topics in addition to the above to help companies across its portfolio improve and implement best practices.

7.5. Incident Management

Should an ESG incident arise, the investment team will inform the ESG manager and the Investment Committee as soon as they become aware of the issue. After assessing the importance of the incident, Asterion will inform its investors as soon as reasonably practicable, also in accordance with the urgency of the matter. ESG incidents are also included in quarterly reports and Asterion maintains an internal incident register.

7.6. Exit

The progress made due to the implementation of ESG good practices during the investment and asset management phase should be reflected at exit with improved ESG performance contributing to enhanced company value. In this regard, Asterion will communicate to possible acquirers the actions developed and implemented on this front. The ESG annual reports produced during the life of the investment may be used as source of information and evidence of sound ESG management.

Additionally, when required, Asterion will provide information on future actions needed to continue with the implementation of the company’s ESG strategy.

8. ESG APPLIED TO ASTERION AS A COMPANY

In addition to integrating ESG into its investment process, Asterion has sustainability enshrined in its culture and works to apply the same best-in-class standards both at portfolio company level and at Asterion as a Company. An internal set of guidelines have been developed containing initiatives to promote ESG integration within the company and among its employees. We believe

ESG integration is also fundamental to attracting and retaining top talent within an evolving and competitive generation.

These guidelines follow the main pillars of the Asterion culture & values:

- **Head & Heart Team:** initiatives to increase awareness of the team on ESG matters, to improve well-being and work-life balance, to foster ongoing professional and career development and a dedicated commitment to diversity.
- **Change Agent in Society:** initiatives to reduce and mitigate our environmental footprint, to raise awareness among the team and to engage with local communities in infrastructure-related and socio-educational projects.
- **Agile & Aligned Partner:** initiatives to ensure transparency, dialogue, and the highest ethical standards, promote responsible ESG practices with the people we work with (providers, advisors) and become a proactive player in promoting and implementing these initiatives.

We will continue to monitor and update these initiatives to remain current in today's environment as well as focused on ensuring we can retain and promote our culture and values sustainably for the long-term.

9. TRANSPARENT AND UP-TO-DATE INFORMATION

In alignment with Asterion's commitment to transparency, the firm communicates its portfolio's sustainability performance to its investors through the delivery of fund quarterly and annual reports. Further information can also be provided to Asterion's investors upon request.

As a further commitment to transparency, and in order to comply with the European Union's regulation on sustainability-related disclosures in the financial services sector (SFDR), Asterion is committed to periodically publishing the evolution of several KPIs in relation to the ESG performance (known as Principal Adverse Impacts – PAIs) of its investments, making those available through an Annual ESG Report which can be found on the firm's website.

Additionally, as a signatory of the UNPRI, Asterion will complete and disclose a Transparency Report on an annual basis.

Asterion makes a copy of this Policy and any relevant ESG report available on its website (<https://www.asterionindustrial.com/>). For additional information, please contact:

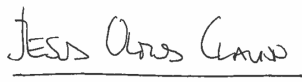
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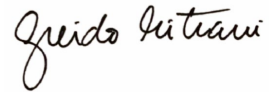
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