

2022

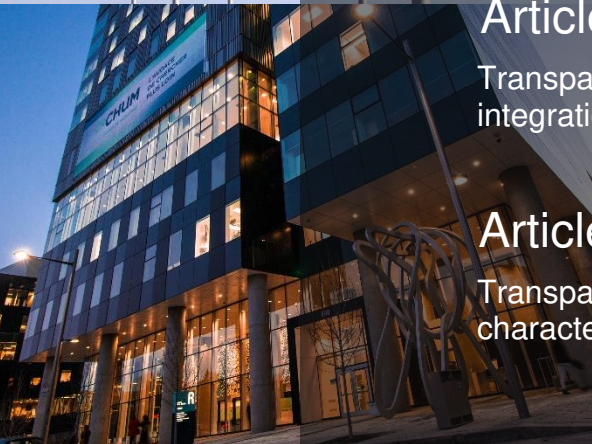
Axium Infrastructure

Website Disclosure for Sustainable Finance Disclosure Regulation (SFDR)

for the year ended December 31, 2022

NOTE: Ce rapport est émis conformément à la réglementation européenne et dans le gabarit fourni, c'est-à-dire en anglais. La traduction est en cours.





Contents

Introduction

Introduction to Axium's portfolio

Definitions

Definitions applicable to SFDR

Article 3

Transparency of sustainability risk policies

Article 4

Transparency of adverse sustainability impacts at entity level

Article 5

Transparency of remuneration policies in relation to the integration of sustainability risks

Article 10

Transparency of the promotion of environmental or social characteristics and of sustainable investments on websites

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The information presented herein was prepared by Axiom and may be based, in part, on information from portfolio investment entities and third parties believed to be reliable and/or assumptions that later prove to be invalid or incorrect. The information contained herein is not intended to be relied upon as the basis of an investment decision, and is not, and should not be assumed to be complete. The contents herein are not to be construed as legal, business or tax advice, and each recipient should consult its own attorney, business advisor, and tax advisor as to legal, business, and tax advice, including advice as to the suitability and/or the appropriateness of any investment in any Fund. Except where otherwise indicated herein, the information provided herein is based on matters as they exist as of the date of preparation and not as of any future date, Axiom disclaims any obligation to update this document. Unless otherwise noted, the information contained herein is unaudited and is not necessarily reported according to established voluntary standards or protocols. Neither Axiom Infrastructure nor its affiliates will accept any liability for the information contained herein.

Portfolio investment information include projections regarding investments that are not yet fully realized, and such information is based on the projected operating results of such investments as contained in Axiom’s business plans for such investments. In considering any result information contained herein, recipients should bear in mind that past result is not necessarily indicative of future results, and there can be no assurance that the Funds or investments by the respective Funds, as the context requires, will achieve, or will continue to achieve, comparable results.



Founded in 2009, Axiom Infrastructure Inc. seeks to invest in core energy, transportation, and social infrastructure assets in Canada, the United States and Europe. Focus is placed on assets that are supported by robust market demand, under long-term contracts with creditworthy counterparties, within concession-based structures or under a regulated framework and deliver services that are essential in nature. The Firm has offices in Montréal, New York, Toronto, and London with over 100 investment professionals and support staff. Focused to date on the North American market, Axiom has broadened its geographical fund offerings. Axiom opened an office in the United Kingdom in 2022 in coordination with the expansion of its open-end fund offering to a global open-end core mid-market platform with a European open-end fund. The inclusion of this fund within the Sustainable Finance Disclosure Regulation (SFDR) will occur in the subsequent reporting cycles, as the disclosure obligation sets out a reporting reference period between 1 January 2022 to 31 December 2022. As of the time of reporting on the Principle Adverse impacts, only assets in North America were present in the funds marketed in Europe. New European acquisitions will be disclosed in the 2023 reporting cycle.

The below information has been developed in accordance with Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (“SFDR”) and Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (“EU Taxonomy”). Axiom’s funds are aligned with Article 8 of the regulation, which promotes environmental and social characteristics. It is important to note that the below information provides only a high-level overview and is not exhaustive of all sustainability related activities the firm engages in. In addition, although regular subsequent disclosures will be published to provide the most up-to-date information, the data is subject to change over time with the growth of the portfolio through new acquisitions. Metrics are reported to comply with the requirements of the SFDR and they are based on information provisioned by Axiom’s operating partners.

As long-term investors, we hold the conviction that sustainable development and ethical investment are essential to long-term value creation. Since the inception of the fund, Axiom has embedded the United Nations Principles for Responsible Investment (UN PRI) in its Investment and Restriction Guidelines and became an official signatory in 2019. Our ESG practices have evolved and are embedded in all aspects of the investment process, including post-acquisition asset management. Axiom welcomes the application of the SFDR to comply with regulatory obligations and to illustrate the sustainable impacts made through the firm’s investment decisions.

DEFINITIONS

“**Sustainability risk**” means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment”. As such, ESG and sustainability are used interchangeably throughout the presented disclosure.

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32019R2088>

“**Financial product**” means an alternative investment fund (AIF). Axiom is an AIF manager, hence is a financial market participant (FMP) required to report under the regulation. The ongoing reference to financial products listed throughout the below disclosure will be used to outline Axiom’s funds.

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32019R2088>

Note: The Country Funds together with the Feeder Funds are collectively referred to as the “**Funds**”, “**Fund II**” or the “**Partnership**” and, each individually, a “**Fund**”. For additional acronyms and definitions used throughout this report refer to the “Appendix I – Glossary” section of the disclosure.

ARTICLE 3 Transparency of sustainability risk policies

By their very nature, infrastructure assets are expected to be in existence for a long period of time, spanning decades. Axiom is a buy-and-hold investor aiming to own infrastructure assets for their full lifecycle and as a result, sustainability risks, including climate-related concerns, must be embedded in the decision-making processes during the ownership and management of infrastructure projects. Axiom's Investment Restriction and Guidelines, while embedding the UN Principles for Responsible Investment, also include exclusions of non-environmentally friendly projects and investments where management does not demonstrate strong and healthy labor relations. ESG is considered at every phase of the investment process and policies and guidelines are in place to help integrate and mitigate sustainability risks, including;

- › ESG Policy/ [ESG Charter](#)
- › [Net Zero Strategy](#)
- › Responsible Contractor Policy
- › Diversity & Inclusion Policy
- › [Human Rights Statement](#)
- › Code of Conduct/ Code of Ethics (the "Code")
- › Anti - Corruption Compliance Policy
- › Information Systems and Cyber Security Policy
- › ESG Technology Refresh and Reuse Policy

ARTICLE 4 Transparency of adverse sustainability impacts at entity level



2022 Principal Adverse Impact Statement

For more information on Axiom's considerations of principal adverse impacts of investment decisions, see the following [statement](#).

ARTICLE 5 Transparency of remuneration policies in relation to the integration of sustainability risks

Axium believes that ESG integration in its business and activities is the responsibility of all employees, including executive members. Axium integrates a set of ESG-related targets in its incentive remuneration process which represents 10% of the annual bonus. These cross-departmental objectives focus on pertinent ESG initiatives used to ensure risks are mitigated, opportunities realized, and priorities understood by all employees. This remuneration process is consistent with the integration of sustainability concerns throughout the organization.

ARTICLE 10 Transparency of the promotion of environmental or social characteristics and of sustainable investments on websites

Summary

Axium remains focused on creating long-term value for its Limited Partners, all the while bringing about meaningful ways to support the social, economic, and environmental needs of the communities we work in. The role of private capital investment in infrastructure remains central. Axium continues to support this critical area of project finance to build resilient infrastructure systems that support economic and social objectives.

The environmental and social characteristics of Axium's funds are well defined through its 4 pillars for responsible investment. These include Human capital, Protection of the environment, Respect for the communities in which we operate and Innovation and energy efficiency. These overarching themes serve as the basis of Axium's annual ESG reporting and provide a structure through which impacts, progress and initiatives are disclosed on an annual basis. These 4 pillars align with the following environmental and social characteristics of Axium's financial products;

- 1. Climate Action:** Climate action supported through the development of renewable energy, transmission & battery storage projects. *(Relating to Axium's pillars: Protection of the environment & Innovation and energy efficiency)*
- 2. Community Development:** Supporting the communities in which we operate through services provided in the healthcare, transportation, and education sectors. *(Relating to Axium's pillars: Respect for the communities in which we operate & Human capital)*

Each of Axium's funds marketed in Europe are based on investments in Country Funds (AIC II and AIUS) with underlying assets that are located in North America. The following financial products (i.e., alternative investment funds or AIFs) registered in targeted countries in Europe under the Alternative Investment Fund Managers Directive (AIFMD);

- › Axium Infrastructure NA IV Limited Partnership (AINA IV)
- › Axium Infrastructure Canada II (Intl) Limited Partnership (AICII Intl)
- › AxInfra US III Limited Partnership (AxInfra US III)

The subsequent information outlines investments in North America only, as details on European assets will be included in the 2023 reporting cycle. As of December 31, 2022, Axium's managed Funds have approximately C\$10.3 billion in Assets Under Management. Axium's Canadian and US investment portfolio focuses on mid-market core infrastructure assets with a favourable positive environmental profile. Subsectors and asset profiles are detailed [here](#).

No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

Environmental or social characteristics of the financial product

The environmental and social characteristics of the financial products include,

1. Climate Action

(Relating to Axiom's pillars: Protection of the environment & Innovation and energy efficiency)

For Axiom, renewable energy has always been an investment focus, making it aligned with our ambition to achieve Net Zero by 2050 or earlier. Axiom invests in energy such as renewables, battery storage, regulated utilities, electricity transmission and distribution and district energy. Our renewable energy portfolio contributes to the fight against climate change by reducing the need for carbon intensive energy sources and building greater capacity for clean energy solutions. Additionally, asset performance through innovation and energy efficiency is a central element to investment decisions. In order to develop a decarbonization plan and achieve our Net Zero by 2050 ambition, Axiom has set two quantified 2030 interim targets validated by the Net Zero Asset Managers initiative (NZAM). The NZAM signatory disclosure is available [here](#) and the targets include;

- › The 50% reduction in tCO₂e/C\$m covers 100% of Axiom's managed portfolio emissions, **on an absolute basis**.
- › The 30% reduction in tCO₂e/MWh covers all energy generating assets within Axiom's energy portfolio (i.e., solar, wind, hydro, gas-fired generation and applicable utilities), **on an absolute basis**.

From a utility standpoint, all assets within this sector in Axiom's portfolio have initiated stakeholder collaboration efforts to identify pathways for emission reduction strategies. Axiom has pledged to limit its investment to no more than 20% of portfolio Net Asset Value ("NAV") in each country level Fund in natural gas-fired power generation facilities. Additional limits have been set to no more than 15% by 2025 and 10% by 2030. Investment in natural gas energy projects is only considered when they contribute to the transition efforts in regions that have high GHG intensities. Axiom is dedicated to managing this sector in line with its ambition to be Net Zero in order to realize real world emission reductions.

2. Community Development

(Relating to Axiom's pillars: Respect for the communities in which we operate & Human capital)

As managers of infrastructure investments, Axiom pursues business endeavors in a manner that integrates social sustainability concerns. Together with our O&M providers, we contribute to the vitality of communities and are mindful of neighbours and other stakeholders within the area. We believe that the services in which we participate are essential in nature and should be offered to the population in a sustainable manner. With our involvement in the social infrastructure space, we want to provide capital funding to develop a strong and accessible healthcare system. Partnering with Indigenous groups on projects located on their traditional territories has allowed Axiom to incorporate insightful perspectives from traditional knowledge, while facilitating a collaborative long-term business and community relationship.

Axiom's due diligence process includes a review of the potential contributions of each opportunity we analyze towards the Sustainable Development Goals (SDGs) to further evaluate the positive contributions of our portfolio. The infrastructure sectors in which Axiom invests have the potential to contribute to these core SDGs: SDG 3 (Good Health and Well-being), SDG 4 (Quality Education), SDG 7 (Affordable and Clean Energy), SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation, and Infrastructure) and SDG 13 (Climate Action).

Investment strategy

The below information provides a high-level view of the investment strategy used to meet the environmental and social characteristics of Axiom's financial products.

Screening/Exclusions: Each investment opportunity is first screened to exclude any potential investment that does not align with the Funds' Investment Restrictions and Guidelines. Axiom does not invest in projects considered to be non-environmentally

friendly which includes investments in coal power plants, pipelines, and oil sands. In addition, Axiom only considers projects that demonstrate strong and healthy labour relations with employees, with fair wages and employment practices.

Due Diligence: During the investment analysis process, dialogue with all the project stakeholders including, when applicable and to the extent permitted by the vendor process, Indigenous communities, is at the cornerstone of Axiom’s due diligence duty. Axiom looks to its strong network of external partners to accompany us in ESG considerations throughout the process, including overseeing governance structures and compliance history. Axiom has developed internal tools used to evaluate ESG considerations relevant to the assets. In addition, investment opportunities benefit from the involvement of third-party technical advisors and consultants that analyse some of the key issues included in the ESG evaluation grid.

Risk Overview Committee and Investment Committee: Once we have completed our due diligence process, a formal Investment Memorandum that includes a section specifically addressing ESG issues and climate change risks and opportunities is prepared. The Investment Memo is then submitted to the Risk Overview Committee (ROC) that is in place to formalize Axiom’s risk analysis process for new opportunities ahead of the Investment Committee. The ROC reviews key risk factors, including ESG and climate change, amongst an internal cross-functional group including in-house experts in Accounting, Tax, Asset Management, Engineering and Construction, Legal and ESG. This ultimately enables us to build valuable risk evaluations into the foundation of everything we do.

Asset Management: Axiom firmly believes that its hands-on asset management approach is foundational to its management of ESG and climate change-related matters. This asset management strategy adopted by Axiom is strongly positioned to add value by leveraging unique technical, operational and asset management expertise. Regular communication helps increase Axiom’s visibility over operators and asset activities while ensuring the team delivers its expectations in terms of ESG values and practices. Through this ongoing engagement, ESG practices are shared with project operators and monitored on a regular basis. Asset managers have awareness of community relationships and ensure that these ties remain strong in the communities where our projects are located.

Good Governance Practices: Axiom’s team members work with the various partners and stakeholders to achieve good governance and address risk protocols, which can positively impact overall results. Axiom seeks majority positions or selective influential minority positions in assets that enable strong governance rights over strategic, financial, and operational matters. In cases where Axiom has a minority stake, Axiom Infrastructure seeks to obtain appropriate minority stakeholder protections, including board and management representation. Furthermore, our Investment Restrictions and Guidelines, ESG Policy and Responsible Contractor Policy cover good labour practices and other governance issues.

Proportion of investments for financial products that promote E&S characteristics

The subsequent investment breakdown illustrates Axiom’s portfolio as of Dec 31, 2022, based on the Net Asset Value (“NAV”). The proportion of investments made in E&S characteristics are showcased based on the following classifications;

- › **Environmental characteristics** apply to assets that support “Climate Action” (Wind, Solar, Hydro, Battery Storage, Utility & Transmission)
- › **Social Characteristics** apply to assets that support “Community Development” (Social & Transportation)
- › The **Other** category applies to assets that are currently in transition (Thermal & Utility). These assets are being effectively managed in line with Axiom’s Net Zero by 2050 or earlier objective. While they are developing Climate Action Plans and achieving significant emission reductions, they have not been included in the above classifications, as they are still transitioning. Axiom is dedicated to supporting our partners and projects to ensure decarbonization initiatives are effectively considered and applied in the coming years.

AIFMD Registered Alternative Investment

The below diagram illustrates the individual financial products registered in targeted Alternative Investment Fund Managers Directive (AFIMD) countries, along with the sector view associated with the proportion of specific environmental and social characteristics applicable to the funds. The portfolio splits presented are based on the Net Asset Value (“NAV”). This approach was selected based on accounting standards applied which are audited annually and is the best representation of Axiom’s portfolio makeup. The NAV will be used for all reporting metrics including the Principal Adverse Impact indicators and the EU Taxonomy results. Using the NAV, the below illustrates the sector breakdown within the EU marketed funds, expressed as a fund percentage. The environmental, social, and other classifications illustrate Axiom’s view on its ESG contributions to the

portfolio, irrelevant to their EUT alignment status. A separate view of the assets EUT alignment is further demonstrated in the Article 8 Periodic Disclosure & Article 8 Pre-Contractual Disclosure as outlined by the Regulation (EU) 2019/2088.

For the purpose of demonstrating the below proportion of investments for financial products that promote E&S characteristics, the proportionate interest of underlying investments held by private investment entities (as of Dec 31, 2022) include;

- › Axium Infrastructure North America IV Limited Partnership (**AINA IV LP**): The Partnership holds indirectly 13.7% of AICII and 45.3% of AIUS. In turn, via its investments in AICII and AIUS, 19% of the Partnership is exposed to assets held in the Canadian country-level Fund and 81% is exposed to assets in the US country-level Fund.
- › Axium Infrastructure Canada II (Intl) Limited Partnership (**AICII (Intl) LP**): The Partnership holds indirectly 27.7% of AICII. In turn, via its investment in AICII, 100% of the Partnership is exposed to assets held in the Canadian country-level Fund.
- › Axinfra US III Limited Partnership (**AxInfra US III LP**): The Partnership holds indirectly 74.7% of AIUS. In turn, via its investment in AIUS, 100% of the Partnership is exposed to assets held in the US country-level Fund.

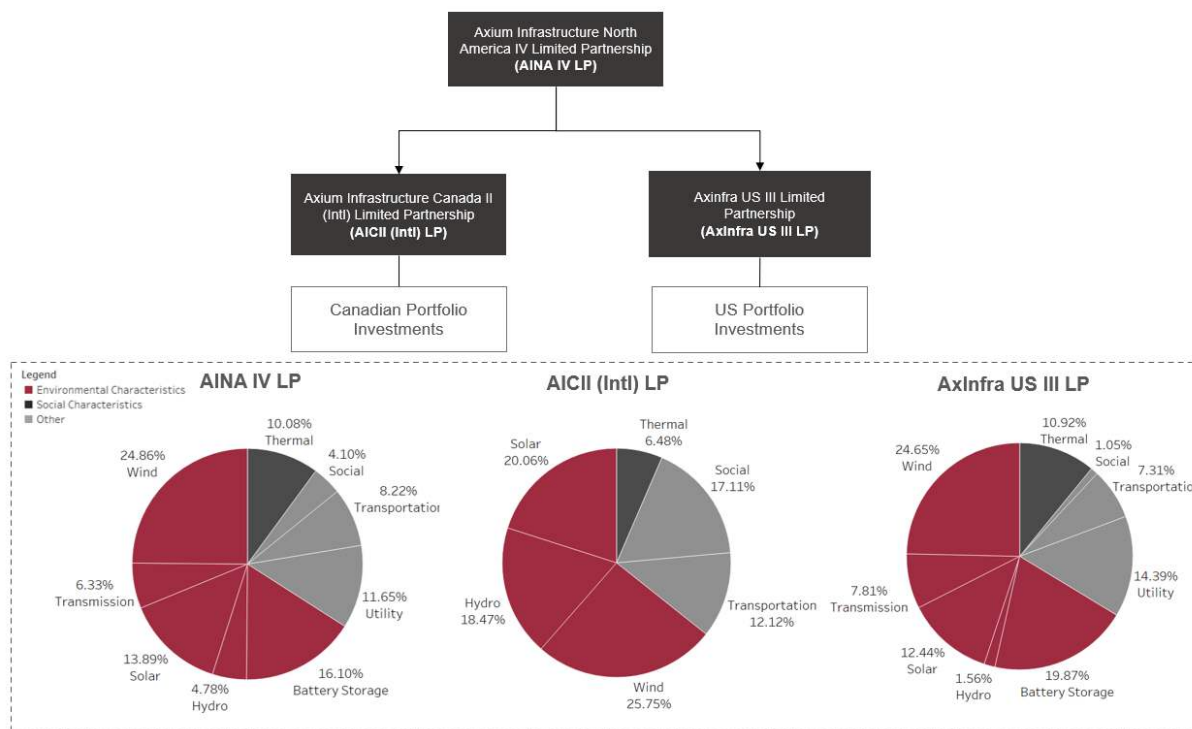


Figure 1: Axium’s Investment E&S Characteristics – AIFMD Registered Alternative Investment

*Both operational and in construction assets are included in the above sector splits that were present in the portfolio as of December 31, 2022.

*New investments made in 2023 are not included.

Monitoring of environmental or social characteristics

The lifecycle monitoring of environmental and social characteristics occurs at all levels of the investment process. Through detailed due diligence, active asset management, engagement with operating partners, a dedicated ESG team and relevant policies, Axium is able to ensure that investments continue to realize positive environmental and social contributions. Ongoing monitoring is in place including a Know Your Client (KYC) analysis, an ESG Grid, the Risk Overview Committee, materiality, and risk assessments, quarterly ESG data collection, monitoring of regional laws, standards, and regulations and where applicable, third-party validation. Reporting on overall achievements towards attaining environmental and social objectives occurs during quarterly reporting to Limited Partners, Annual ESG Reporting, UN PRI, GRESB, TCFD and SFDR/EUT disclosures. It is important to note that these lifecycle monitoring practices are not exhaustive but are only used to illustrate a high-level overview of the ways in which the Firm manages ESG concerns.

The sustainability indicators used to measure attainment of environmental and social characteristics include;

1. Climate Action

- › Annual monitoring of portfolio financed GHG emissions to achieve Net Zero by 2050 or sooner;
- › Annual assessment of portfolio EU taxonomy alignment;
- › Annual monitoring of energy generation and avoided emissions realized by renewable energy assets;
- › Periodic portfolio climate resiliency evaluation and annual monitoring of weather-related impacts; and
- › Ongoing monitoring of applicable environmental permits and when necessary, implementation of mitigation practices to limit impacts on surrounding wildlife and biodiversity.

2. Community Development

- › Ongoing monitoring of health and safety statistics and performance;
- › Annual evaluation of users benefitting from the portfolio’s infrastructure assets;
- › Where applicable, the use of impact benefit agreements for local communities, including with Indigenous groups;
- › Annual corporate and asset community donations;
- › Ongoing alignment and monitoring of contributions to the SDGs for each investment opportunity; and
- › Quarterly asset-level complaints monitoring to ensure community grievances are effectively addressed.

Additional climate-related and social indicators, including mandatory SFDR metrics have been built into our ESG Data Collection Form. These will continue to be monitored and evaluated in relation to materiality and relevance to our investments. Over time, these are subject to change to integrate evolving data points that will benefit the performance of the funds. These indicators along with monitoring practices allow the Firm to evaluate and manage its exposure to sustainability related risks, while ensuring that positive benefits and opportunities for improvement are realized.

Methodologies for environmental or social characteristics

The methodologies used to measure how the social and environmental characteristics promoted by the financial products are met, include but are not limited to the below governing bodies and frameworks. In addition, Axiom continues to engage with third party experts to ensure best practices continue to be applied, and processes effectively validated.

Climate Action	GHG Emissions Inventory	GHG Protocol & PCAF Methodology
	Net Zero Objective	Axiom’s own methodology supported by the Net Zero Asset Owner Alliance Target Setting Protocol (Second Edition)
	Climate Resiliency	TCFD Recommendations & Paris aligned/IPCC scenario evaluation
	Biodiversity	As mandated by regional laws and regulations
Community Development	Health & Safety	OSHA & CCOHS
	Impact Benefit Agreements	As mandated by agreements, as well as regional laws and regulations
	SDGs	As outlined by the United Nations Development Program

Data sources and processing

Data Sourcing: Axiom’s data collection process utilizes internally developed tools to engage with our partners and O&M providers in sourcing relevant data points. Beginning with the due diligence phase, qualitative and quantitative data is collected when an opportunity is analyzed, and information vetted by subject matter experts. Once the asset has been acquired into the portfolio, our asset management team works directly with our operators in continuous dialogue to ensure data is obtained on evolving ESG topics relevant to the firms’ operations and disclosure needs.

Data Quality: We continue to focus on obtaining real data and avoiding estimates whenever possible. Third party verification is conducted for the greenhouse gas inventory, EU taxonomy, due diligence reports, and annual ESG reporting. When procuring asset-level details associated with qualitative indicators, supporting evidence is requested for confirmation of existing practices.

Process: Internal tools and platforms have been developed to address the unique data collection needs of Axiom’s portfolio.

GHG Inventory: EEM EHS Management (“EEM”) was selected to help develop a GHG inventory data collection tool. O&M providers complete this tool each quarter and the summary portfolio results are aligned with the PCAF framework. Additional validation mechanisms are in place to ensure assets with a similar operational structure and emission profile are consistent in their reporting.

ESG Data Collection Form: Building on the GHG data collection process, in 2021, Axiom developed a supplementary tool to standardize the tracking of ESG indicators beyond GHG emissions data. This form was created to address the mandatory SFDR indicators along with other ESG metrics that are relevant to Axiom’s sustainability objectives and reporting. It is also important to note that certain metrics were tracked prior to the development of this form.

Estimates: As long-term investors, and given our hands-on asset management approach, Axiom is uniquely positioned to have the ability to engage with our partners in an open dialogue when obtaining information pertaining to the asset’s activities. Because of this, Axiom’s ESG data strategy is focused on avoiding the use of estimates wherever possible.

ESG data and metrics will continue to be prioritized by the firm. We are committed to putting in place effective data management practices to facilitate reporting requirements and ESG performance monitoring.

Limitations to methodologies and data

Axiom depends on our operating partners to provide information on data, policies, and processes. We continue to apply best efforts in obtaining ESG data, however, as certain SFDR metrics may be new, limitations to the collection of these KPIs exist. It is important to note the different structures of the investments made, as assets vary between regions, size, operating partners, and sector distribution. Some metrics were introduced for the first time in 2022 and, as such, will require time to refine and build on. We are confident that our partners continue to implement best practices, and with time will be able to disclose on a wider breadth of indicators. These limitations do not affect the social and environmental characteristics of the financial products, as Axiom’s robust due diligence process ensures that portfolio assets abide by all legal and regulatory standards.

Furthermore, all of the data that is reported is a snapshot in time and may be subject to change with new acquisitions and evolving practices, regulations and policies. Axiom intends to monitor any changes and compliance with the criteria, thresholds, and regulations to ensure increased transparency in disclosure activities.

Due diligence

An overview of the due diligence processes carried out on the underlying assets of the financial products are outlined in the “*Investment strategy*” and the “*Monitoring of environmental or social characteristics*” sections.

Engagement policies

The integration and interdependence of Axiom’s activities from investment due diligence and acquisition to asset management requires cross-functional support throughout Axiom, its partners, and investors. With a hands-on asset management approach, engagement with all stakeholders continues to be prioritized at every phase of the investment to ensure strategic alignment and implementation of portfolio-wide initiatives to achieve Axiom’s long-term goals.

Relating to our Net Zero ambition, various engagements, and discussions on Axiom’s top GHG emitting assets are planned internally and with our partners to identify current and future emission reduction plans. The necessary engagement priorities have been incorporated in Axiom’s annual bonus structure, as an objective to enhance engagement requirements with high emitting assets and the relevant teams needed to carry out collaborative activities.

To further strengthen this commitment, Axiom became a member of the Net Zero Asset Managers initiative (NZAM) in March 2022. Engagement with leading institutions and international organizations such as NZAM will be essential towards achieving Axiom’s Net Zero ambition by learning from industry best practices, while staying informed and adopting the latest developments within the space. In 2022, Axiom also became a member of the Canadian Renewable Energy Association (CanREA). Becoming a member of this organization allows companies to effectively engage in policy development and get access to critical industry news, data, and market updates. Axiom is determined to continue supporting climate stewardship efforts with the aim of contributing to the energy transition.

Designated reference benchmark

From a GHG perspective, Axiom follows the GHG protocol and the PCAF methodology. Our Net Zero pathway will be developed in line with industry guidance and thus, reference benchmarks for interim milestones will be set with industry standards and the 1.5-degree Celsius pathway. In order to benchmark ourselves vis-à-vis our peers, we participate in ESG assessments from recognized frameworks, such as GRESB, PRI and TCFD. Additionally, we hire subject matter experts to support continued alignment with other organizations and industry best practices which are relevant to the Firm’s operations and performance of our Funds from an ESG and climate change standpoint. The integration of stakeholder insight by experts in their designated fields, investors and consultants allows Axiom to understand viewpoints from a variety of perspectives to ensure we continue to improve our practices.



Appendix I - Glossary

CCOHS - Canadian Centre for Occupational Health and Safety: The Canadian equivalent of OSHA, providing legislation and enforcement as well as resources for employers who need to stay compliant

<https://www.ccohs.ca/#:~:text=Canadian%20Centre%20for%20Occupational%20Health%20and%20Safety>

DNSH - Do No Significant Harm criteria: no measure (i.e., no reform and no investment) should lead to significant harm to any of the six environmental objectives within the meaning of Article 17 of the Taxonomy Regulation

<https://ec.europa.eu>

ESG – Environmental, Social, and Governance (ESG) criteria are a set of standards for a company's behavior. Environmental criteria consider how a company safeguards the environment, including corporate policies addressing climate change, for example. Social criteria examine how it manages relationships with employees, suppliers, customers, and the communities where it operates. Governance deals with a company's leadership, executive pay, audits, internal controls, and shareholder rights.

EUT – European Union Taxonomy: The EU taxonomy is a classification system, establishing a list of environmentally sustainable economic activities.

<https://ec.europa.eu>

GFANZ - Glasgow Financial Alliance for Net Zero: The Glasgow Financial Alliance for Net Zero was launched to unite net-zero financial sector-specific alliances from across the globe into one industry-wide strategic alliance.

<https://www.gfanzero.com/>

GHG - greenhouse gas: A greenhouse gas is a gas that absorbs and emits radiant energy within the thermal infrared range, causing the greenhouse effect.

https://en.wikipedia.org/wiki/Greenhouse_gas

GHG Protocol – GHG Protocol establishes comprehensive global standardized frameworks to measure and manage greenhouse gas emissions from private and public sector operations, value chains and mitigation actions.

<https://ghgprotocol.org/>

GRESB - Global Real Estate Sustainability Benchmark: GRESB is a mission-driven and industry-led organization that provides actionable and transparent environmental, social and governance data to financial markets.

<https://www.gresb.com/nl-en/>

ISSB - International Sustainability Standards Board: The ISSB is an independent, private-sector body that develops and approves IFRS Sustainability Disclosure Standards (IFRS SDS).

<https://www.iasplus.com>

MS - the Minimum Safeguards : The minimum safeguards referred to in point (c) of Article 3 shall be procedures implemented by an undertaking that is carrying out an economic activity to ensure the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

<https://lexparency.org/eu>

Net Zero: Put simply, net zero means cutting greenhouse gas emissions to as close to zero as possible, with any remaining emissions re-absorbed from the atmosphere, by oceans and forests for instance.

<https://www.un.org/en/climatechange/net-zero-coalition>

NZAM - Net Zero Asset Managers initiative: The NZAM initiative is an international group of asset managers committed to supporting the goal of net zero GHG emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5 degrees Celsius; and to supporting investing aligned with net zero emissions by 2050 or sooner.

<https://www.netzeroassetmanagers.org/>

OECD - Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises: The Organisation for Economic Co-operation and Development is an international organisation that works to build better policies for better lives.

<https://www.oecd.org/>

OSHA - Occupational Safety and Health Administration: Ensures safe and healthful working conditions for workers by setting and enforcing standards and by providing training, outreach, education, and assistance.

<https://www.osha.gov/aboutosha>

Paris Agreement: The Agreement sets long-term goals to guide all nations:

- substantially reduce global greenhouse gas emissions to limit the global temperature increase in this century to 2 degrees Celsius while pursuing efforts to limit the increase even further to 1.5 degrees;
- review countries' commitments every five years;
- provide financing to developing countries to mitigate climate change, strengthen resilience and enhance abilities to adapt to climate impacts.

<https://www.un.org/en/climatechange/paris-agreement>

PCAF - Partnership for Carbon Accounting Financials: PCAF is a global partnership of financial institutions that work together to develop and implement a harmonized approach to assess and disclose the greenhouse gas emissions associated with their loans and investments.

<https://carbonaccountingfinancials.com/>

SBTi - Science-Based Target Initiative: The Science Based Targets initiative drives ambitious climate action in the private sector by enabling organizations to set science-based emissions reduction targets.

<https://sciencebasedtargets.org/>

SC - an economic activity can make a substantial contribution to one or more of the environmental objectives set out in the taxonomy. This means that, based on the technical screening criteria, the economic activity either has a substantial positive environmental impact or substantially reduces negative impacts of the activity on the environment.

<https://ec.europa.eu>

Scope 1 - Covers the GHG emissions that a company makes directly — for example while running its boilers and vehicles.

Scope 2 - These are the emissions it makes indirectly – like when the electricity or energy it buys for heating and cooling buildings, is being produced on its behalf.

Scope 3 - In this category go all the emissions associated, not with the company itself, but that the organisation is indirectly responsible for, up and down its value chain. For example, from buying products from its suppliers, and from its products when customers use them.

<https://www2.deloitte.com>

SDG - The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries - developed and developing - in a global partnership. They recognize that ending poverty and other deprivations must go together with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests.

<https://sdgs.un.org/goals>

SFDR - Sustainable Finance Disclosure Regulation: The SFDR is a European regulation introduced to improve transparency in the market for sustainable investment products, to prevent greenwashing and to increase transparency around sustainability claims made by financial market participants.

<https://eur-lex.europa.eu>

Sustainability - In the broadest sense, sustainability refers to the ability to maintain or support a process continuously over time. In business and policy contexts, [sustainability](#) seeks to prevent the depletion of natural or physical resources, so that they will remain available for the long term. Accordingly, sustainable policies emphasize the future effect of any given policy or business practice on humans, ecosystems, and the wider economy. The concept often corresponds to the belief that without major changes to the way the planet is run, it will suffer irreparable damage.

TCFD - Task Force on Climate-Related Financial Disclosure: The Financial Stability Board (FSB) created the TCFD to develop recommendations on the types of information that companies should disclose to support investors, lenders, and insurance underwriters in appropriately assessing and pricing a specific set of risks—risks related to climate change.

<https://www.fsb-tcf.org/>

UN PRI - United Nations Principles for Responsible Investment: The PRI is the world's leading proponent of responsible investment. It works to understand the investment implications of environmental, social and governance (ESG) factors; and to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions.

<https://www.unpri.org/>