

## Responsible Investment Strategy

### Introduction

Axium Infrastructure is an independent fund manager dedicated to investing in core energy and utilities, social, and transportation infrastructure assets led by a team with deep sector expertise. Established in 2009, The Firm has offices in Montréal, Toronto, Vancouver, New York, and London with over 115 investment professionals and support staff. Focused until recently on the North American market, Axium has broadened its geographical fund offerings to include Europe. Axium Infrastructure focuses on middle-market assets both in operating and greenfield projects at the late stage of their development. Axium Infrastructure seeks assets supported by robust market demand, under long-term contract with creditworthy counterparties, within concession-based structures or protected under an established regulated framework. Axium Infrastructure invests mostly in majority or joint control situations.

As a Firm with a “buy-and-hold” investment strategy, Axium views responsible investment synonymously to sustainable investment. We believe that environmental, social, and governance (ESG) issues constitute foundational elements to any sustainable investment strategy and that good ESG practices will improve the risk profile of our portfolio while contributing to sustainable fund returns. This has been fundamental to our investment philosophy since the Firm’s inception, and the reason why we have included the Principles of Responsible Investment as an Appendix to our contractual Limited Partnership Agreement in all Funds that we manage.

This Responsible Investment Strategy builds on Axium Infrastructure’s ESG Policy and details how responsible investment principles guide our due diligence process, asset management practices, engagement with stakeholders, and overall operations.

### Responsibility and Oversight

The Board of Directors and senior executive-level staff have the ultimate responsibility for all responsible investment and ESG matters. The President and CEO, Pierre Anctil, the President and COO, Stéphane Mailhot, and the Chief Responsible Investment Officer, Suzanne Leblanc, hold responsibility and accountability regarding this Responsible Investment Strategy. As stewards of all responsible investment initiatives, the Responsible Investment Committee will review and suggest amendments periodically.

Accountability for responsible investment matters extends across all Axium team members and departments beyond the responsible investment team, as it relates to their positions. In the oversight and management process, emphasis is placed on the flow of information within and between various offices and functional groups. This approach unifies Axium’s governance process to ensure the responsible investment strategy and its related practices are upheld, and corporate agility is maintained. This structure to Axium’s governance practices allows for increased collaboration to occur, bringing diverse perspectives to decision making, and promoting synergies across committees.

Furthermore, all employees are responsible for taking ESG matters into consideration as it applies to each of their positions. This is reinforced through the inclusion of ESG criteria in the corporate performance objectives within the bonus structure of the firm.

### Screening and Due Diligence

ESG issues, and notably sustainability factors, are taken into consideration in the due diligence process for all the investments we make. Axium leverages its own ESG evaluation grid tailored to its sectors of investment structured around specific themes considered to be material. This is used to conduct proper due diligence and to prepare the section addressing ESG issues, including climate change considerations, in documents presented to the Investment Committee. As part of the due diligence process, Axium conducts stakeholder analysis and engagement with relevant parties to gain an understanding of the potential acquisition. As per the Funds’ Investment Restrictions and Guidelines, Axium excludes investments we consider to be non-environmentally friendly. As of now, this means excluding investments in coal and oil sands.

It is also important to note that, in the past, Axiom has invested in natural gas generation facilities in locations where such investments have contributed to reduce the intensity of GHG emissions per MWh. In these regions, natural gas generation helped provide a reliable baseload and contribute to the transition towards a carbon sober energy sector. As of 2024, Axiom does not intend to invest in new natural gas generation facilities other than in situations where a utility project would be partly powered by natural gas, in which case we would have a decarbonization plan in place at the time of acquisition.

In parallel, limits have been set to reduce the Funds' exposure to natural gas-fired power generation facilities. When announced in 2020, the limit was set to no more than 20% of portfolio NAV for each country-level Fund, down to 15% by 2025 and 10% by 2030. As of December 31, 2024, gas-fired generation facilities made up 10.5% of AIUS LP (US Country Funds) and 8.5% of AIC II LP, under the current limits. Our European fund, set up in December 2022, excludes investments in gas-fired generation altogether.

Axiom Infrastructure believes that the very nature of its infrastructure investments has the potential to bring a positive contribution to United Nations' Sustainable Development Goals (SDGs). Axiom includes a review of the potential contributions of each opportunity we analyze towards the SDGs during its due diligence process.

### Greenfield Energy Efficiency Opportunities

Axiom's managed funds invest in a mix of operational and late-stage greenfield development infrastructure assets. For construction and redevelopment projects, we aim to meet regional environmental standards and pursue energy efficiency initiatives. In the social sector, Axiom invests mainly in the construction and redevelopment of long-term care facilities, and the construction of university campus housing facilities. In these instances, Axiom's strategy seeks to understand the energy efficiency and other environmental considerations of the project and will evaluate opportunities to improve performance.

Axiom managed funds are aligned with the European Union's Sustainable Finance Disclosure Regulation Article 8 which refers to financial products that promote environmental and social characteristics.

The Firm's strong focus on renewables since the launch of its first fund in 2009 has proven to be an excellent strategy that supports Article 8, climate solutions, and the transition to a low-carbon economy. The alignment of our portfolio with the EU Taxonomy is assessed periodically, with the objective of maintaining or improving overall alignment.

### Asset Management and Monitoring

ESG monitoring is performed throughout the lifecycle of assets in our portfolio. Improvements, adjustments and programs identified during due diligence are implemented, managed and tracked. Axiom believes that its hands-on asset management approach is foundational to its management of ESG and climate-related matters. This strategy is based on the technical, operational, and asset management expertise within the team. Regular communication with operators helps increase visibility over on-site asset activities, helping the Axiom team ensure alignment with our stated responsible investment values and practices. Results are monitored on a regular basis through ongoing engagement between Axiom's asset management and responsible investment team members and onsite operating partners.

An ESG table, based on the ESG grid used during the due diligence phase, is used to capture challenges and/or opportunities. Additionally, a formal annual risk review is conducted for all portfolio assets under management. The Risk Overview Committee (ROC) Chair meets with individual deal teams, asset managers, select ROC members and responsible investment team members to evaluate the current snapshot of risks and opportunities and how they have evolved since acquisition. This engagement seeks to build on the established due diligence process to strengthen the evaluation of risks and opportunities post-acquisition.

Responsible investment monitoring is done by engaging with our operating partners and co-investors, conducting risk assessments, collecting data, and reporting. We assess the sustainability of our investments using credible, pertinent, and recognized frameworks, standards and benchmarks. We measure, monitor, and report on those indicators in a transparent

manner. Axiom's ongoing ESG data collection program addresses mandatory and voluntary reporting requirements of disclosure frameworks including SFDR, TCFD, PCAF, GRESB, and PRI. The indicators include the calculation and monitoring of the GHG emissions of our portfolio, in line with Axiom's ambition to achieve Net Zero by 2050.

### Partnering Approach

Axiom is committed to fostering and maintaining successful partnerships. Building and nurturing positive long-term relationships is deeply rooted in the culture of our organization and forms a central part of our investment philosophy. As such, Axiom will seek groups and partners that share our values, are highly qualified in their field and exhibit proven track records of success and adhering to high standards of integrity and professionalism, supported by policies and practices.

We also aspire to build lasting and respectful relationships with the various stakeholders where we invest. We do so by abiding by requirements linked to our permits and certificates. This may involve monitoring wildlife, following up on successful outcome of mitigation measures, or building partnerships with Indigenous communities. In other words, we strive to have a meaningful presence in the communities where we invest, be respectful of the environment, and be a good neighbour.

We promote the principles of responsible investment with our partners and investee companies and aim to improve and enhance our positive impacts while mitigating the negative ones.

### Promoting Healthy Labour Practices

The health, welfare, and safety of our team members and of workers involved in our projects is a primary objective. We pay attention to the environment, health and safety and labour practices of partners, contractors, suppliers, operators, and maintenance service providers. Considering our commitment to the protection of human rights, Axiom seeks to align with partners that provide a fair and ethical workplace. As specified in our ESG Charter, Axiom will not invest in projects whose management does not demonstrate strong and healthy labour relations. We may conduct site visits and audits, either by our teams and/or by external experts and advisors. Specifically, no investment will be made in projects where union member rights or collective agreements are negatively affected.

Axiom recognizes the value of a diverse and skilled workforce and is committed to creating and maintaining an inclusive and collaborative workplace culture where diversity and inclusion are welcomed and bring diverse perspectives to day-to-day operational matters.

Axiom has a Responsible Contractor Policy, designed to guide, in a manner consistent with the Fund's GP's fiduciary responsibility and prudence in managing the investments of its Fund, the selection of independent contractors who provide construction, repair, maintenance and infrastructure operating services to assets and companies in which Axiom invests. The Policy seeks to ensure that the selection process for Contractors includes, among other things, an analysis of their ability to provide reliable and high-quality services, their compliance with applicable statutes and payment of fair compensation and benefits to employees, as well as their relevant experience, reputation, dependability, and ability to provide cost-efficient services, thereby enhancing the value of the Fund's investments.

### **Conclusion: Responsible Investment, An Ever-Evolving Process**

We are committed to the continuous improvement of our responsible investment practices. Axiom will reach out to subject matter experts regularly to assist with its various business streams, provide quality assurance services, and maintain a good level of knowledge; all contributing to help us create value for our Limited Partners.