

Summary only - Comprehensive Annual ESG reports and policies available to investors.

Responsible investment:

Cube Infrastructure Managers (“Cube IM”, “the Manager”) aims to ensure long-term regular yield and above-market returns to investors, while contributing, at its level, to a sustainable development by providing essential services to local communities in Europe. As long-term investors (holding periods generally between 7 and 10 years), the Manager believes that addressing ESG issues will lower the risk of investments and enhance returns.

Fiduciary duty:

Commitment to ESG is both a moral obligation and common sense for all persons. As such, it is largely embedded in the values shared by the Manager Team members. It is also a responsibility for all assets owners and asset managers. Cube IM has always considered its commitment to ESG as a fiduciary duty. It takes of course a pragmatic operational approach to the different ESG issues, which are not goals per se, but a way to better control risks and generate long-term value.



For Cube IM especially, commitment to ESG is a strong necessity given i) its long-term timeframe (paramount as often actions on ESG aspects take a few years to yield sound results) and ii) its strategy oriented towards sustainable growth.

Placing a significant weight on holding sectors, which are environmentally friendly and contribute to shifting to a low carbon economy, is therefore a sensible selection criterion.

Shifting to a low carbon economy does not necessarily mean low carbon emission in absolute terms (e.g. renewables) but is rather measured by the avoided impacts, which broaden the practical scope. Another obvious challenge is to address the current and future needs of the populations. Indeed, the value of infrastructure does not lie in cubic meters of concrete but rather in the services it renders to the communities (and thus in the people who deliver them). It is therefore important to identify sectors/activities, which fulfill and are expected to keep on fulfilling the needs of the population. The performance of infrastructure sector relies not only on the productivity of its tangible assets but also on its human capital (including the tacit knowledge, shared values and beliefs, routines, etc. which are heterogeneous and attached to the organization). Human capital is obviously central in public transport

or energy efficiency companies, which employ large workforces - but also in other sectors where corporate culture will drive innovation and innovation will drive growth and value creation.

Industry:

Signatory of:



A signatory of the UNPRI (score of A+) the Manager is committed to investing in low-carbon impact sectors (principle 1) and to monitor (principle 3) and enhance the ESG aspects of the funds' portfolio companies (principle 2). The UNPRI transparency reports are publicly available.



G R E S B
INFRASTRUCTURE

As a result of Cube IM's actions, its UNPRI scores have reached A+/A+ in the past two years.

Cube IM UNPRI scores 2016	Cube IM UNPRI scores 2017	Cube IM UNPRI scores 2018
Strategy and Governance: B Direct - Infrastructure: B	Strategy and Governance: A+ Direct - Infrastructure: A+	Strategy and Governance: A+ Direct - Infrastructure: A+

Cube has joined the GRESB Infrastructure in 2015 as one of its first members and has contributed to the work groups defining the relevant indicators for the different infrastructure subsectors. Aurélien Roelens was nominated in 2018 by the GRESB in the Infrastructure Benchmark Committee - Europe and will represent Cube II.



Cube IM also participate actively to UN PRI events, major environmental events (eg COP 21 recently), specific workgroups (GRESB), specific industry events and academic work, pursuant to principles 4, 5 and 6.

Cube IM's team recurrently attends the SWEN ESG Best Practice Honours, where it was nominated three years in a row in the Brownfield Infrastructure category. Cube IM was deeply honoured and humbled to receive the prize in 2018.

Commitment to better infrastructure:

Cube IM's commitment to make better infrastructure for society is also a differentiating feature. Indeed, Cube IM's team, notably due to the professional experience of the four Managing Partners has a large track record working in infrastructure corporates and in / with the public sector. From this differentiating experience stems a careful societal approach when it comes to the infrastructure sectors' development. For instance, The Manager is convinced that i) a high quality next generation infrastructure is an absolute necessity to reduce the digital divide and foster the economic development of less dense European territories, which otherwise will experience a new rural exodus, and that ii) the most effective way to provide European citizens, public administrations and businesses with the necessary ultrafast symmetrical connectivity at attractive prices is to use open-access networks which, thanks to non-discriminatory access and pricing to all Internet Service Providers ("ISP"), foster the emergence of new ISPs and a stronger competition between those ISPs on content and price for the benefit of all aforementioned end-users. The team tasked with the telecom sector development engages with governments, regulators, local authorities, ISPs and industry groups such as the FttH council, the INCA, the CMG, Digiworld, etc. to help the rise of this model in Europe. These actions are fully aligned with the European Commission Digital Single Market Strategy, which endorses open science and open access to scientific results and targets providing European science, industry and public authorities with excellent digital infrastructure - supercomputing and data storage. In line, with these longstanding

actions, Cube IM has been recently appointed as manager of the Connecting Europe Broadband Fund ("CEBF") by the European Investment Bank and the European Commission. Thanks to this much needed financial instrument, Cube IM will be able to further foster the emergence of open-access networks across Europe, which ultimately will contribute to shape the industry.

Strategic sectors – screening and de facto exclusions:

The Manager for any investment opportunity ensures that the investment team avoids investing in sectors, which would not be compliant with Cube IM's ESG Commitments and has identified strategic sectors contributing to the shift towards a low carbon economy:

- Energy: if renewable power plants are part of the strategy, the primary focus has been set on district heating and energy efficiency. Notably centralized district heating systems enable the use of waste heat and facilitate the use of renewable energy sources and the reduction of the heating cost for the end-customer (businesses, social housing, etc.) over the long run. Highly polluting energy production (e.g. power from coal) are excluded
- Public Transport: efficient public transport (buses, regional trains, etc.) provide all citizens affordable means to commute, which is of increasing importance (more mobility, congestion risks in cities, etc.) and participate greatly to the avoidance of GHG emissions (limiting the use of personal cars, etc.), especially as the trend towards greener public transport currently materializes.
- Communication Infrastructure: Our strategy is to focus primarily on open-access networks in semi-dense and rural areas, where the digital divide creates a new exodus for businesses and people from less dense (and more affordable) locations to already congested cities. By encouraging the use of teleworking, e-government services, videoconference, etc. such networks allow the avoidance GHG emissions.

Active role as a Shareholder:

The Manager most often aims at taking co-controlling or controlling positions into the companies. The Manager takes therefore an active role in the development of the portfolio's companies, fully incorporating the ESG dimensions into it from the Due Diligence with the support of external advisors, throughout the holding period. Within the CEBF, clear guidelines have also been set up to adequately keep an active role in ESG issues, even for minority investments.

Responsible investments guidelines:

Cube IM has formalized its ESG Commitments encompassing responsible investment as well as commitments towards its clients, stakeholders and wider society, environment, governance and employees (please see the "ESG Commitments" document on the website) and in 2016 a "Environmental and Social Management System – Responsible Investment Policy and Implementations" ("ESMS") for Cube II. Cube IM's ESMS is notably based on the UNPRI and on the European Investment Bank's (EIB) Environmental and Social Standards (encompassing also widely recognized standards, such as the International Labour Organization Standards). Through Cube IM's ESG Commitments that were implemented in 2014 and the ESMS, Cube IM implements the following:

- Assess ESG issues at the time of investment (an external advisor is retained as part of the Due Diligence process for the assessment and the creation of a medium term improvement plan) – topics addressed are notably:
 - ESG Governance,
 - Business Ethics,
 - Human Resources,
 - Health&Safety (including wellbeing in the workplace),
 - Supply Chain,
 - Environment,
 - Community Involvement,

- Climate-Related Risks
 - Monitor throughout the duration of the investment compliance with the ESG policies directly or with the support of external advisors;
 - Promote compliance with applicable local regulations, and where appropriate, relevant international standards and industry best practices – notably with the ISO norms;
 - Promote compliance with the best practice in terms of procurement;
 - Discuss KPIs and initiatives and encourage ESG best practice at the portfolio companies' Board level and through a continuous dialogue with the portfolio companies' management teams;
 - Promote and maintain the highest standards of integrity and good corporate governance;
 - Encourage portfolio companies to mitigate adverse environmental and social impacts and enhance positive effects on the environment, employees and wider society.

Climate Change:

In line with its environmental commitment and fiduciary duty, Cube IM analyses potential climate-related risks during the Due Diligence phase and its risk management report.

The climate-related risks and opportunities in the portfolio are notably discussed and monitored by the ESG Coordination Team and the ESG Committee (for the Board of Cube IM), liaising with the Investment and Risk Management Teams. The organisation and responsibilities follows the aforementioned organisation and responsibilities, described in the ESMS-RI. Cube IM notably strive to follow the recommendations of the Task Force on Climate-Related disclosures, in order to consider a transition to a lower-carbon economy consistent with a 2°C or lower scenario and, where relevant, scenarios consistent with increased physical climate-related risks.

Cube IM invests primarily in sectors, which are aligned with the objectives of the transition to a lower-carbon economy and present more opportunities than risks if adequately managed. The climate-related risks most often, in the case of Cube's portfolio, are not linked to adverse climatic events, but to potential tightening the environmental regulations. For instance, In the case of the public transport platform: regulations will shape the future of the bus activity and need to be anticipated (electric bus pilot projects, etc.) to turn those risks into opportunities. Not anticipating these regulations could cause Cube's public transport portfolio companies to lose their competitive advantage and hence their contracts at renewal. On the contrary, being able to anticipate these regulations or willingness from the local authorities to provide greener services, fast and ahead of the market, would result in a better positioning and enhanced growth. Increasing resource efficiency (ecodriving) also proved to be a source of economies. Similar examples can be found across the portfolio's companies. For instance, Idex had put great R&D efforts (over the 2011-2018 Cube I's holding period) to move from gas-fired district heating networks to greener district-heating networks. Those greener district-heating networks made the best out of the available local resources (river, lake, etc.), pioneered in France the incorporation of green energies such as biomass, geothermic energy, CSP and were increasingly smarter (using any node of the network as a cold or heat source: e.g. a datacenter can be a heat source for the rest of the network). Cube IM has though identified some risks linked to adverse climatic events and mitigate them at the portfolio's company level. An example of acute physical risk from weather event can be found for dst telecomunicações. Indeed global warming may be the cause of occasionally hotter and dryer summers in southern Europe, hence increasing the likelihood of forest fires. This is a risk well identified for dst telecomunicações infrastructure, which partly relies on poles in rural areas. This risk is taken into account when designing networks (avoiding crossing wooded areas, having back-up power sources at PoP level, etc.).

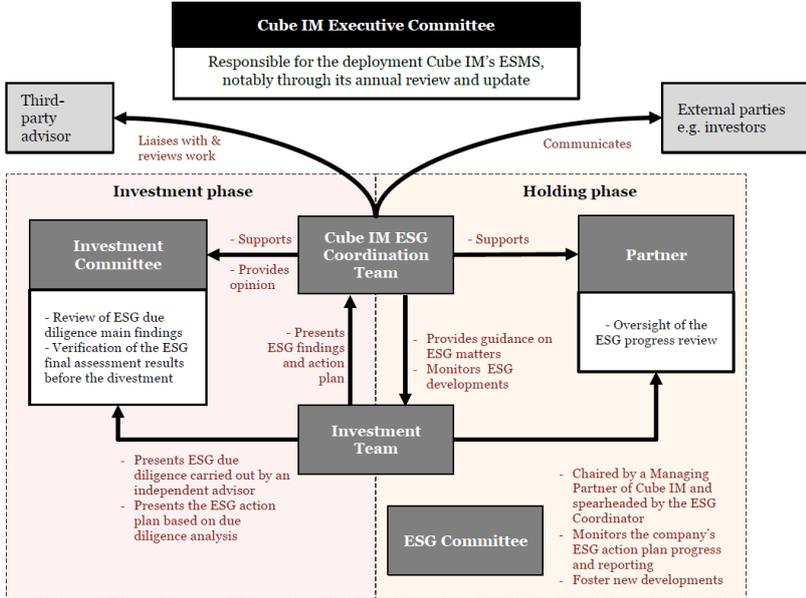
Organization and allocation of responsibilities:

In 2017, the Manager appointed an ESG Committee, which meets at least twice a year, comprised of the four Managing Partners and the ESG Coordinator (all voting members). The ESG Committee is completed by the rest of the ESG Coordination Team and is sometimes completed by an external guest

with relevant expertise on key ESG topics. The ESG Committee supervises, on behalf of Cube IM's Board of Directors, the progress achieved on ESG issues, and fosters new developments.

The ESG Coordination Team is led by Aurélien Roelens, an Investment Director, responsible for Cube IM's ESG initiatives since 2010 (the "ESG Coordinator"), under the direct supervision of Renaud de Matharel, Managing Partner and CEO of Cube IM. Since July 2017, four team members have been given responsibilities to closely monitor certain sectors and foster the development of best practices across the portfolio companies in each sector. The ESG Coordination Team supports the other members of the Investment Team from the Due diligence phase through the holding period (allocation of responsibilities is further described later in this report). The ESG Coordination Team also monitors and acts on ESG topics in the corporate life of the Manager and provides ad-hoc training to other team members. The ESG Coordination team also helps defining ESG objectives, which are ultimately translated into specific objectives and incentives for the Manager Team member.

The Investment team in charge of the portfolio company jointly with Cube's ESG Coordinator and ESG Coordination Team designs a comprehensive ESG action plan, with the support of a third-party advisor. This action plan is communicated and discussed with the management of the portfolio company to ensure it is understood and will be swiftly implemented.



Progresses on this action plan are then closely monitored by the Investment Manager, with the support of the ESG Coordinator. Regular update on progresses are discussed at the level of the board of the portfolio company. Besides, milestones in the action plan are integrated in the annual variable compensation for the management of the portfolio company. Action plans are regularly updated by the Investment Directors/Managers and the ESG Coordinator. Those updates consider the difficulties encountered and the positive results in a specific company in order to develop and implement best practices across the portfolio.

Understanding and incorporating LPs sustainability preferences:

The Manager is proud to have many LPs, which are at the forefront of ESG commitments. The Manager is keen on maintaining an open and productive dialogue on ESG issues with its LPs and incorporate their sustainability preference into the investment activities, as recently done by Cube II through the clear exclusion of all coal power generation.

Reporting:

The Manager produces an annual ESG report (60-70 pages), who is distributed to the LPs to inform the LPs on the main actions, main DD results, main action plans, progresses, initiatives and potential

incidents and provide a detailed set of KPIs. In addition, some ad hoc reporting are prepared for some LPs as a complement. In addition, Cube II portfolio's companies are reporting to GRESB Infrastructure.

Selected KPIs:

On top of pursuing investments with a positive environmental impact, the Manager encourages the management of its portfolio companies to strive "one step further".

Cube I (2017) tCO ₂ eq	Sector	Scope 1	Scope 2	Scope 1 + 2	Carbon /m€ revenue	Avoided Impacts	Avoided Impacts /m€ revenue
Boreal	Public transport	78 368	21	78 389		46 026	
Hanseal	Public transport	31 473	648	32 121		81 465	
Netinera	Public transport	116 768	73 760	190 528		92 216	
Idex	Thermal energy	752 565	5 558	758 122		55 553	
Taranis	Thermal energy	146 200	276	146 476		(31 361)	
CNIM Dev	Thermal energy	287 060	3 284	290 344		281 631	
Fotosolarium	Renewable energy	0	113	113		2 475	
RPI	Renewable energy	0	1 138	1 138		57 938	
Covage	Telecommunication	329	344	673		46 933	
TOTAL		1 412 763	85 142	1 497 905	865	632 876	330

Weighted Average Carbon Intensity of 865 tCO₂eq/m€ revenue (Cube I; 2017)

Cube II (2018) tCO ₂ eq	Sector	Scope 1	Scope 2	Scope 1 + 2	Carbon /m€ revenue	Avoided Impacts*	Avoided Impacts /m€ revenue
Umove	Public transport	23 416	176	23 592		75 287	
Mekka	Public transport	26 323	403	26 726		118 544	
VFD	Public transport	8 607	46	8 653		9 072	
dst telecom	Telecommunication	191	721	912		30 793	
TOTAL		58 537	1 346	59 883	165	233 696	785

*retreated from 4 732tCO₂ eq due to Scope 3 maintenance for dst telecom

Weighted Average Carbon Intensity of 165 tCO₂eq/m€ revenue (Cube II; 2018)

Weighted Average Carbon Intensity of 160 tCO₂eq/m€ revenue (current Cube I and II portfolios; 2018)

Excluding Savac, Lacroix, CogenPower and G.Network

On the social side, the Manager in companies with growth potential and hence favors the direct creation of jobs. The Manager also strive to monitor social aspects in all portfolio's companies and encourage the management to take measures to enhance working conditions (e.g. additional training for bus drivers to decrease further the work accident rate, etc.).

Cube I and II Portfolio's KPIs	2018	2017	2016	2015	2014
Number of FTEs	9 872	11 962	9 177	9 377	8 897
% of employees who have undergone training during the year	55,1%	56,1%	56,1%	51,2%	45,5%
Average lost days due to work accidents	0,98	1,00	1,68	1,67	1,36
Number of fatal working accidents	1	-	1	-	-
Average lost days due to sickness (excluding maternity leave)	14,22	11,55	14,00	12,41	13,01
Average lost days due to strikes	0,04	0,03	0,04	0,55	0,00

SUSTAINABLE DEVELOPMENT GOALS

The Manager's actions



Energy Efficiency Platform



Public Transport Platform



Communication Infrastructure Platform



Connecting Europe Broadband Fund

