

SUSTAINABLE INVESTMENT POLICY

Affirming Marguerite's commitment to Sustainable Infrastructure

JULY 2022

Marguerite invests in infrastructure bringing essential environmental and social value to society – and strives to further contribute to the creation of sustainable living environments

Our infrastructure investments intrinsically bring environmental and social benefits: we target the building and expansion of infrastructure that contribute to climate change mitigation and adaptation, circular economy, energy security and improvement of digital and transportation services.

We generate benefits for all stakeholders within our ecosystem: investors, employees, subcontractors, customers, local communities and public authorities.

As an investor in long-life infrastructure, we place emphasis on the resilience of our investments and their benefit to future generations by selecting robust infrastructure investments, anticipating the impact of changing environmental and social conditions and by applying best practices in asset management. We contribute to limiting global warming by selecting and managing investments in line with the **Paris Agreement**.

We believe that sustainability should be systematically included in investment practises to reduce risks and enhance the positive impacts our investments provide for all our stakeholders, citizens, and our planet. We actively promote sustainability targets and methods among all our investments.

In keeping with this ambition, Marguerite has expressed its commitment to 3 core values



Environment

Mitigating climate change and protecting the environment



Society

Promoting social cohesion and access to essential services



Governance

Upholding integrity in business activities

Sustainability considerations are deeply integrated into the investment process, with continuous and proactive management of sustainability issues throughout our ownership cycle

Integrating robust ESG screening, thanks to a framework of **Eligibility Criteria** – a proactive approach to sustainability regulations and continuous engagement with all stakeholders on ESG topics.

Prior to the investment

Our forward-thinking approach anticipates and responds to our stakeholders' expectations and requirements.

Our list of ESG Eligibility Criteria aims at verifying that each new investment systematically complies (or will comply in the future) with investor requirements and a broad set of legal, regulatory, and voluntary constraints:

- Compliance with applicable laws and regulations;
- Exclusion of activities that go against the UN Human Rights Declaration, the ten principles of the UN Global Compact or OECD Guidelines for Multinational Enterprises;
- Verification of the conditions and exclusion lists, both internal and required by our investors; and
- Exclusion of investment partners that will not, or are unable to, comply with this Policy and associated procedures.

We also intend to check the eligibility with EU Taxonomy in order to prioritize EU Taxonomy compliant projects and comply with future investor requirements.

During asset management

A systematic review of all mandatory and indicative eligibility criteria, as well as a voluntary effort to anticipate new regulations, enables Marguerite to meet investor requirements and respect regulatory constraints while complying with the evolving European legal and regulatory framework.

Enhancing Marguerite’s positive impact on sustainable development goals, by quantifying and monitoring potential investments and portfolio investments’ **Sustainability Contributions** to the UN SDG framework (with a specific focus on contributing to SDG 13 – Climate action, and to climate change mitigation and adaptation in line with the EU Taxonomy) and to Marguerite’s core ESG values.

○ **Prior to the investment**

Under the scrutiny of Marguerite’s management and the Investment Committee, we identify and assess the intrinsic positive contributions of potential investments to the UN Sustainability Development Goals as part of the selection criteria, consistent with our values.

○ **During asset management**

We measure the alignment of each investment with Marguerite’s sustainability principles and their contribution to the UN SDG using specific KPIs and take steps to improve their performance.

Managing ESG risks and opportunities while seeking continuous improvement by systematically identifying investment-specific **ESG Focus Points** and defining bespoke action plans, with the objective of improving our investments’ sustainability along their entire lifecycle.

○ **Prior to the investment**

Each investment is unique, in relation to sector, sub-sector or technology, size, location, and impact on, and proximity to, local communities. We choose to scrutinise a broad range of significant non-financial aspects when considering an investment, capturing both the impacts of the investment and its resilience to sustainability factors.

Project-specific ESG Focus Points are based on worldwide recognised standards (UNPRI, GRESB and MSCI), and selected by our investment teams through our bespoke ESG analysis framework:

- **Environmental** (e.g. biodiversity impacts, pollution and environmental degradation)
- **Social** (e.g. impact on local community and employment)
- **Governance** (e.g. compliance with legal and regulatory requirements, board independence, conflicts of interest and transparency)

These ESG Focus Points capture both risks and opportunities, with the intention of substantially improving sustainability outcomes and creating value.

○ **During asset management**

Once the investment is made, we closely assess, monitor and update the ESG Focus Points and corresponding action plans in order to improve the investment’s performance and resilience, as well as its impact on local communities and the environment. Every year, we reconsider the ESG Focus Points categories to capture the most relevant current ESG risks and opportunities.

We value transparency as an integral part of our sustainability principles

All stages

At all stages of our investment process, we disclose to our investors the sustainability-related principles, targets and measurements. We provide them with clear guidance on the investments' contribution to climate, environmental and social targets to ensure the full alignment with their own investment objectives and values.

Our sustainability policy is communicated to investors, and its principles are made public. The ESG screening, assessment of sustainability contributions and identification of ESG Focus Points are an integral part of the investment proposal we submit to our Investment Committee for approval and investor reporting on completed investments.

During asset management, we report regularly to our investors on the progress of ESG action plans and related sustainability contributions, as well as any significant ESG topic.

We publish an annual sustainability report in order to provide a transparent description of our values and ambition, our screening and improvement process and the outcomes of our sustainability efforts.

Marguerite's management is fully dedicated and accountable for the definition, implementation and improvement of the Sustainability Policy

Seek continuous improvement of sustainability principles and ESG reporting at portfolio and investment level, ensuring transparency for our investors (supplementing financial performance with ESG metrics), authorities/regulators, general public and other stakeholders (via public reporting on our website).

Train and incentivise the Marguerite team to ensure sustainability is top of mind in making all our decisions, and to integrate best practices and knowledge, under strong leadership from our management.

Exert influence to promote these values through positive action in the governance of our investments and their management, and engagement with our wide range of stakeholders.

Through this Policy and our alignment with global initiatives, we reaffirm our commitment as a Sustainable Investor

Marguerite is a signatory of the UN Principles for Responsible Investment¹ (the 'UNPRI') and commits to transparency on governance and strategy recommended by the Task Force on Climate-Related Financial Disclosures (TCFD).

The Global ESG Benchmark for Real Assets (GRESB) is an infrastructure investment-specific standard that Marguerite adheres to as a way of monitoring risks, opportunities and progress towards commitments at fund level.

¹ <https://www.unpri.org/pri/what-are-the-principles-for-responsible-investment>

We have also committed to undertake our investment activities consistently with the Equator Principles IV², the OECD Guidelines for Multinational Enterprises³, as well as other ESG policies and standards required by our investors.



Our adherence to sustainability principles goes beyond our investment process and applies to the workplace of Marguerite

At Marguerite, we make it a point of honour to ensure that the sustainability values driving our investment strategy are shared by our people. This is why we offer regular training programmes and knowledge sharing sessions, with a particular focus on ESG best practices.

We work to translate sustainability concepts into concrete actions in our own workplace, implementing internal policies and incentives consistent with our commitments. We see diversity as an asset and inclusion as a duty.

² <http://equator-principles.com/about/>

³ <http://mneguidelines.oecd.org/guidelines/>