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Economic Infrastructure

Approach to Sustainability
Integration – November 2025

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Contents

Introduction and purpose

3

Approach to sustainability

4



Our investment decisions are grounded in infrastructure fundamentals. Where sustainability factors are material, they are central to our underwriting and asset management strategy.





Introduction and purpose

Scope

Aberdeen Economic Infrastructure is a direct investor in small- to mid-market infrastructure across energy, transport and digital sectors in Europe. Since 2015, our strategy has focused on delivering stable, long-term returns through disciplined investment and active ownership.

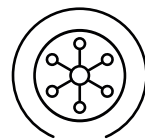
This document outlines our approach to integrating sustainability factors¹ across the investment lifecycle. This document applies to the direct funds and investment management by the Economic Infrastructure team and is reviewed annually.

Our vision and purpose

Our approach is shaped by a clear investment rationale: sustainability considerations can and often do influence asset performance, resilience, and long-term value.

These dynamics are particularly pronounced for the sectors we focus on – energy, transport and digital infrastructure – in the UK and Europe. For infrastructure assets operating in these sectors, sustainability-related risks and opportunities are often inseparable from the core business model of the company. That is why they are simply part of our investment and asset management approach in the same way as any other financially material factor.

Our approach can be summarised under two fundamental principles:

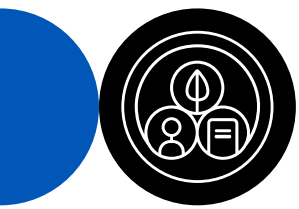


Materiality: Our focus is on financial materiality. However, we also monitor broader sustainability outcomes, recognising that these can serve as early indicators of future financial relevance.



Active ownership: We take a hands-on approach to governance, with board representation and independent non-executive directors across our portfolio. This enables us to work closely with management teams to define and deliver on our business plans.

¹ For the purpose of this document, we follow the definition of "sustainability factors", as provided in EU Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR); notably: "sustainability factors" mean environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters."



Approach to sustainability

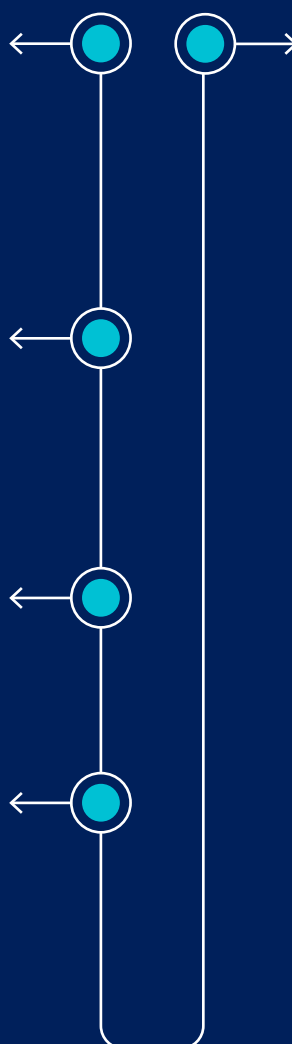


Sustainability throughout the investment lifecycle

Our investment and asset management process integrates the analysis of environmental and social factors, alongside all other material considerations.²

Pre-investment

- 01 Research, insight and industry engagement**
We work with our advisers to monitor sector and policy trends in our key markets. We engage with industry groups and track wider sustainable finance and policy developments.
- 02 Investment screening**
Our screening tool guides us through a list of indicators to efficiently identify any dealbreakers. It informs our view on risks and opportunities, and highlights any areas for detailed due diligence.
- 03 Due diligence**
We define a transaction-specific scope of work as required and engage expert consultants to support and refine our understanding of risks and opportunities.
- 04 Approval and completion**
Prior to review by the investment committee, the team ensures that material risks and opportunities are addressed and mitigated if necessary. Where applicable, we set objectives with management as part of the business plan.



Post-investment

05 Active ownership

Governance

At the outset, we review governance, management structures and remuneration to ensure alignment. We assign responsibility for sustainability to management and the board.

Monitoring and action planning

Throughout ownership, we collect data on material sustainability factors to monitor performance and identify opportunities to create value. This process forms part of the remit of our Asset Management Committee.

Reporting and disclosure

Performance against agreed sustainability key performance indicators is reported to the board of each portfolio company. At the fund level, we report in line with international standards where applicable.

Exit

Our active asset management aims to deliver our business plan and to position assets on a sustainable long-term pathway to maximise value at the point of exit.

² Note that our approach has evolved since the first direct fund was launched in 2015. The pre-investment elements of our approach outlined in this document apply to funds launched since 2025. Previous versions of this approach document are available for prior funds.



Approach to sustainability

Stage 1: Research, insight and industry engagement

We work closely with a network of senior advisers across Europe on an ongoing basis to understand infrastructure market trends and dynamics. We monitor policy changes that affect infrastructure investment as well as market and technological developments. This context enables us to identify and assess opportunities efficiently and effectively and calibrate asset management activities based on the latest trends.

We are members of a wide range of industry groups and committees on sustainability. This includes representation by our Head of Sustainability on GRESB's Infrastructure Standards Committee and on the Institutional Investor's Group on Climate Change (IIGCC) Infrastructure Committee and working groups.

We work proactively with industry stakeholders to improve how sustainability performance is measured and benchmarked and to ensure our approach reflects best practice.

The team is also supported by Aberdeen's central

Sustainable Investment Team, which provides thematic expertise, regulatory interpretation, data guidance and analytics.

Our approach is conducted with reference to the following standards and frameworks, to the extent applicable:

- UN Principles for Responsible Investment
- UN Global Compact
- IIGCC Net Zero Investment Framework
- IFC Performance Standards and similar best practice standards
- The Partnership for Carbon Accounting Financials
- OECD Guidelines for Multinational Enterprises
- The principle of 'do no significant harm', as introduced under the EU Sustainable Finance Framework.





Approach to sustainability

Stage 2: Origination and investment screening

During the early stages of evaluating an investment opportunity, our investment team conducts an assessment as part of our comprehensive deal screening process. This helps confirm the compatibility of the opportunity with the fund strategy, identifies any potential red flags related to sustainability factors and informs the scope of work for due diligence. This stage is supported by a bespoke in-house screening tool, which follows a four-step process:

2a Megatrend alignment

To help our strategy remains resilient and forward-looking, we use a framework to assess the most relevant megatrends influencing the sectors in which we invest. This is now embedded into our origination process. It helps us to identify sub-sector opportunities aligned with long-term drivers of change and to stress-test potential investments against a range of future scenarios. It also informs asset management by highlighting where adaptation or repositioning may be required to preserve or enhance value.

We focus on four core megatrends, each with specific sub-trends that we believe will materially influence infrastructure markets:

- **Environment and Climate:** decarbonisation, physical climate risk, resource depletion.
- **Demographics:** population change, ageing and health, urbanisation.
- **Technology:** AI and automation, connectivity, sustainable technologies.
- **Geopolitics:** energy security, de-globalisation, geoeconomic warfare.

By integrating these themes into our investment criteria – alongside sector targeting, infrastructure characteristics, and return expectations – we aim to enhance the quality of decision-making and ensure our portfolio is positioned to deliver long-term value in a changing world.

2b Minimum Standards

All opportunities must meet all 10 of our minimum standards at investment completion or confirm an ability to meet them post-completion. These standards operationalise good governance and time Do No Significant Harm expectations under SFDR. Failure on any item stops an opportunity progressing past the screening stage.

Minimum standards:

- **Governance:** Independent board with Aberdeen representation and at least one independent non-executive director.
- **Business Conduct:** Counterparties pass KYC, exclusion checks, and meet EU Taxonomy Minimum Safeguards.
- **Disclosure:** Capability to report all applicable SFDR Principal Adverse Indicators (PAIs).
- **Human Rights:** No violations and appropriate policies in place.
- **Health and Safety:** No material unmitigated risks.
- **Climate – Transition:** No fossil fuel extraction exposure or unmitigated transition risk.
- **Climate – Physical:** No significant exposure to acute or chronic hazards under future scenarios.
- **Pollution:** No material risks without remediation or compliance pathway.
- **Resource Efficiency:** No non-compliant waste management practices.
- **Nature:** No significant impacts on protected habitats or species unless mitigated.



Approach to sustainability

2c Promotion of Environmental or Social Characteristics

In addition to meeting all minimum standards, each investment must promote at least one of the following environmental or social characteristic, either inherently or through the business plan during ownership.

- **Essential Infrastructure:** Expands access to critical services
- **Energy Security and Resilience:** Improves reliability and affordability
- **Sustainable Mobility:** Enhances transport options and connectivity
- **Climate – Transition:** Reduces GHG emissions
- **Resource Efficiency:** Applies circular economy principles
- **Nature:** Protects or enhances biodiversity

2d Climate Categorisation

At screening stage, we also undertake an assessment against our climate categories. This enables us to assess each investment's exposure to transition risk and its contribution to climate mitigation, using a structured, decision-useful lens. It also supports alignment with regulatory and market standards, including SFDR, the EU Taxonomy, and IIGCC guidance

Our categorisation framework includes four asset types:

1. **Locked In:** High-risk assets subject to unacceptable transition risk, with no commercially viable transition path. These are excluded from our investment universe and fail the minimum standard test for climate risk.
2. **Essential Improvers:** Assets that are emissions-intensive today and provide essential services but have no realistic short-term alternative. There may be potential for repositioning over time.
3. **Low-Impact Enablers:** Inherently low-emissions assets with minimal transition risk.
4. **Transition-Aligned:** Assets that actively support the low-carbon transition, including:
 - **Transition Leaders:** assets with credible, value-accretive transition plans
 - **Climate Solutions:** assets that directly enable avoided emissions

All future investments will fall into categories 2–4, with an expectation of high proportion in category 4. This ensures that our strategy remains aligned with long-term megatrends – including decarbonisation, energy security, and sustainable technology – while maintaining a clear focus on financial outcomes.

Stage 3: Due diligence

At this stage, we appoint external due diligence consultants to undertake a detailed assessment of risks and opportunities. The scope of work for sustainability due diligence is tailored to the transaction and is informed by the outcomes of the screening stage.

Given the financial materiality and technical nature of many sustainability factors, this work is undertaken as part of, or in strong alignment with, technical, commercial and legal workstreams. Risks and opportunities are analysed and any implications for cashflow modelling and valuation are considered.





Approach to sustainability

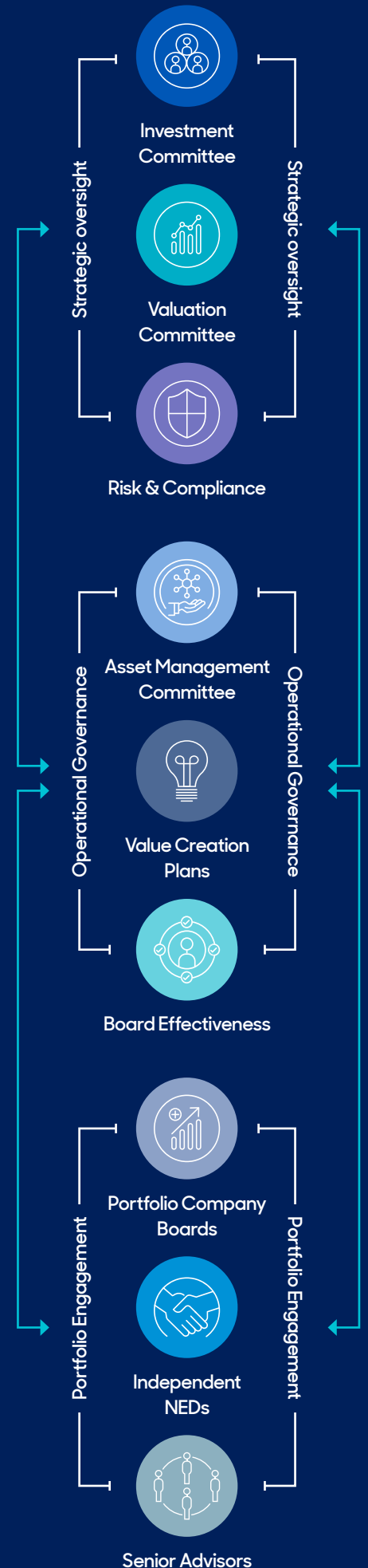
Stage 4: Approval and completion

After deal screening and as due diligence progresses, our IC follows a three-stage approval process:

1. Deal qualification (DQM).
2. Preliminary investment recommendation (PIR).
3. Final investment recommendation (FIR).

At each stage, the deal team presents a paper that details how any material issues and gaps will be mitigated and highlights any outstanding areas for further due diligence before FIR. Throughout this process, we also consult our senior advisory panel, which acts as a sounding board for specific issues.

To receive approval, the deal team must demonstrate to the IC that Fund sustainability requirements have been satisfied and that any material sustainability-related risks and opportunities have been sufficiently addressed in our offer and our business plan. Before completion, we also ensure that, where possible, legal documentation related to the transaction includes any necessary provisions on sustainability and the reporting of data throughout ownership.





Approach to sustainability

Stage 5: Active ownership

Governance

Strong governance and active ownership are central to our philosophy. We take majority or significant minority positions and maintain board representation, supported by independent non-executive directors and senior advisers. This enables us to shape strategy, manage risk, and embed sustainability into operational decision-making.

Our governance framework includes three core committees:

- **Investment Committee (IC)** – Oversees all material investment decisions and ensures sustainability requirements are met pre-completion.
- **Asset Management Committee (AMC)** – Meets monthly to review asset-level performance, sustainability KPIs, and value creation plans.
- **Valuation Committee** – Reviews valuations quarterly, incorporating sustainability factors where relevant.

The Risk & Compliance function supports with oversight and participates in all committees to ensure consistency.

Asset management and reporting

We deploy dedicated asset teams for each investment, ensuring continuity from acquisition through exit. Sustainability KPIs are monitored throughout ownership, with performance reported to portfolio boards and aggregated at fund level. Our data platform supports bottom-up GHG accounting and SFDR-aligned reporting, ensuring consistency with international standards such as TCFD and PCAF. Quarterly reports highlight progress, and annual disclosures provide full GHG metrics and PAIs to meet regulatory and investor requirements.

Exit

Our approach to active asset management aims to deliver our business plan and position assets on a sustainable long-term pathway to maximise value at the point of exit. As part of this, we maintain appropriate information on sustainability factors to provide potential buyers with transparent information as part of vendor due diligence.

Important Information

The value of investments, and the income from them, can go down as well as up and investors may get back less than the amount invested. Past performance does not predict future returns.

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