



MERIDIAM

SUSTAINABILITY RISK POLICY

Approach for a Responsible ESG and Sustainability Management

Includes the Principle Adverse Impact Policy

Updated May 2025

Port of Calais – France

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Ivato Nosy Be Airport, Madagascar



INTRODUCTION

Responsible investment is an essential part of the strategic positioning and management of Meridiam funds. Since its creation in 2005 and the launch of its first fund, Meridiam has ensured that its investments achieve the highest environmental, social and governance (ESG) objectives. In 2019, Meridiam positioned itself as one of the first French companies to change its by-Laws to become a French Benefit Corporation (Société à Mission) within the meaning of the French law, and in doing so, Meridiam reaffirmed its commitment in 2019 to balancing profit with achieving positive impact.

In this context, Meridiam updated its Principal Adverse Impact Policy (PAIP) to classify the ESG risk of investment opportunities and assets and evaluate their positive impacts using the internationally agreed, referential framework of the United Nations Sustainable Development Goals (UN-SDGs). This document, Meridiam's Sustainability Risk Policy, outlines how ESG criteria and relevant performance measures are considered in Meridiam's investment and asset management process.

More specifically, this document demonstrates how the Meridiam funds also comply with the regulatory requirements for the application of ESG criteria in France¹ and Europe².



Olsztyn Waste to Energy Plant, Poland

¹ Decree No. 2015-1850 of December 29, 2015 applying Article 173 (paragraph VI) of the LTECV of August 17, 2015.

² Regulation (EU) 2019/2088 of the European parliament and of the Council of 27 November 2019 on sustainability related disclosures in the financial services sector (SFDR).



INFORMATION ABOUT MERIDIAM

General ESG/SDG Approach

Meridiam's Sustainability Strategy

Meridiam places ESG quality considerations at the heart of its activities. As a long-term investor in infrastructure projects, ESG and sustainability considerations are essential due to the very nature of the projects. Rigorous risk identification is a fundamental step in the project evaluation process, and Meridiam commits itself only when the ESG and sustainability factors are in line with its commitments and the general interest of the communities the project is intended to serve.

Since its creation, Meridiam has therefore placed the consideration of ESG issues at the heart of its priorities by adopting a Charter on Sustainable Development which focuses on three issues: environment, social, and governance - ESG. In accordance with this Charter, Meridiam commits to:

- Protect the environment
- Respect fundamental rights and develop human capital
- Meet the expectations of the community
- Value the human capital of Meridiam
- Apply the rules of good governance

The [Sustainable Development Charter](#) is available on [Meridiam's website](#)

Following its change of status to a French Benefit Corporation, Meridiam reinforced its sustainability strategy by defining 5 pillars based on the SDGs most relevant to its role as a long-term infrastructure asset developer, investor, and manager. These 5 pillars, presented in the table below, set the long-term, measurable key objectives of Meridiam's long-term sustainability strategy. To achieve these 5 objectives, Meridiam is equipped with a variety of tools, notably its tailor-made proprietary ESG/SDG contribution analysis tool, [simpl](#). Complementing the ESG/SDG efforts are specific climate stress tests and carbon-related methodologies, including a carbon footprint evaluation tool and CIARA (Climate Impact Analytics for Real Assets), all developed by Carbone 4, a specialized French consultant, with the support of Meridiam.

[simpl](#), CIARA, and the other tools are discussed in detail in the following sections. This approach is part of Meridiam's ISO 9001 investment and portfolio management process.



This global responsibility is also central to Meridiam’s commitment to policy makers and public institutions to promote and encourage long-term investment and foster sustainable development.



Ten Merina solar plant - Senegal, Africa

Meridiam’s ESG/SDG Management Approach

These ESG and SDG priorities are translated into operational terms by an internally developed ESG/SDG approach to analyze and monitor all investment opportunities. This strategy applies to all funds and throughout the lifecycle of all assets. It is based on a selective filtering ahead of investments, via exclusion and restriction lists, followed by a positive selection of resilient infrastructure projects that answer the needs of local communities. The approach is based on international standards, such as the [UN Principles for Responsible Investment \(UNPRI\)](#) and the [Equator Principles](#). Meridiam’s approach further considers the ESG criteria of

major financial development institutions such as the [International Finance Corporation \(IFC\)](#), the World Bank, the [European Investment Bank \(EIB\)](#) and the [European Bank for Reconstruction and Development \(EBRD\)](#). By integrating the UN-SDGs to its procedures, Meridiam is reinforcing the rigorous impact evaluation, assessment, and monitoring of its projects. Additionally, it ensures consistency with Meridiam’s sustainability strategy and objectives, and it captures the positive contribution of these assets on issues such as health, education, water, sanitation, energy, urbanization, environment, and social justice.



Mission Committee

A Mission Committee was established to monitor genuinely and analyze rigorously the impact of our investments against the goals within our five-pillar strategy and to set new targets to further improvement. Their purview includes Meridiam's climate strategy and Meridiam's TCFD (Task Force on Climate-Related Disclosures) reporting.

The six-person committee includes representatives of the Supervisory Board, management, staff, and three independent members from the industry. The Mission Committee engages with the Supervisory Board and the employee representative body called the Comité Social et Économique (CSE) at least twice a year.

Sustainability Impact Measurement Platform

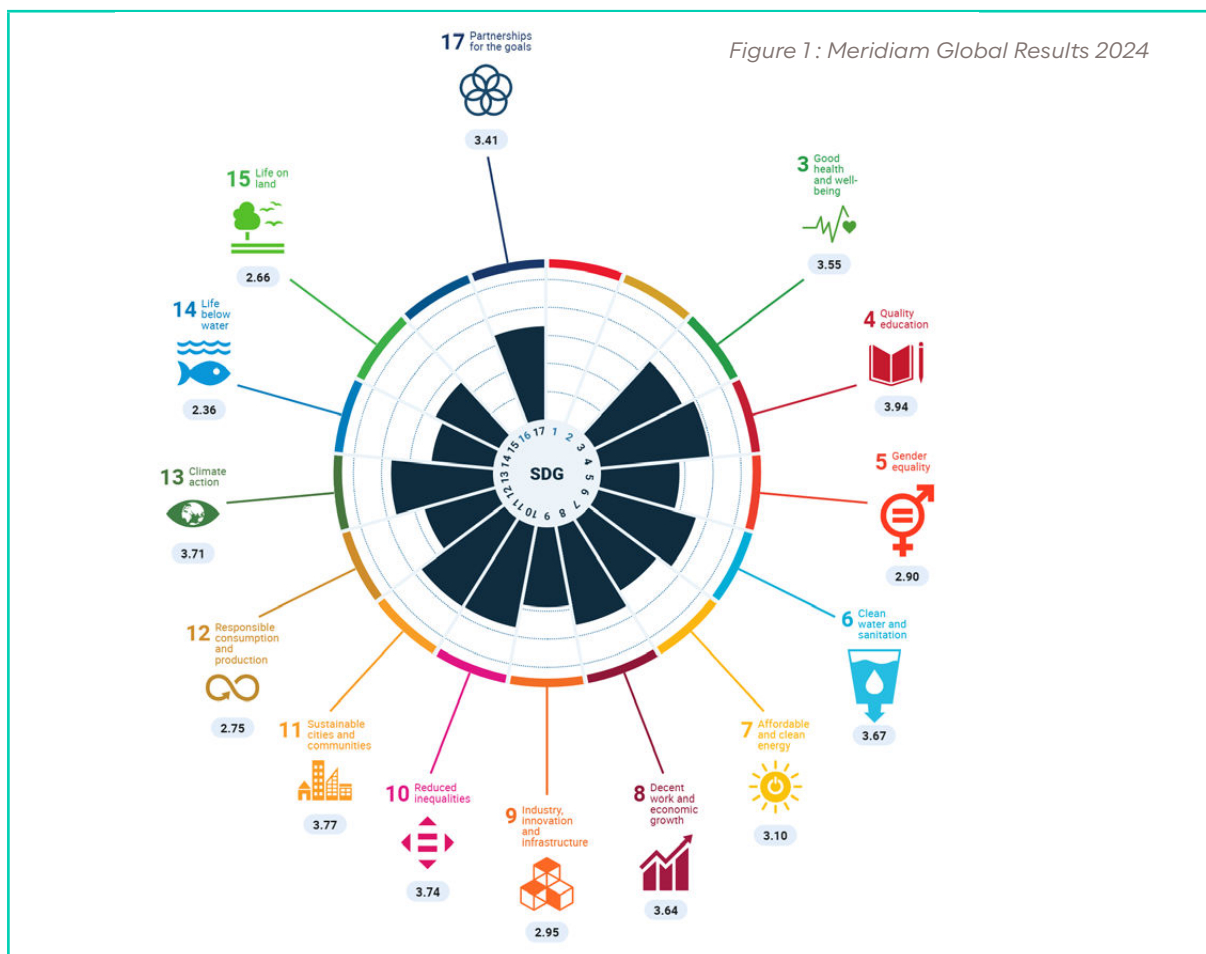
■ Meridiam investments assessment and monitoring procedures systematically incorporate and align with the SDG referential framework and global priorities. At portfolio level, Meridiam uses a tailor-made tool called **simpl** to evaluate and enhance assets' positive impacts throughout their lifecycle. **simpl** is designed to focus on assessed material impacts of a portfolio's sectors of activities. Thanks to contextualized benchmarks that calibrate a carefully designed scoring system, the tool and Meridiam's analysis are adaptable to different stages of an asset's development process and geography. The tool uses data and KPIs compiled at the portfolio company level to rigorously monitor and identify each investments' relevant contribution to the UN-SDGs.

■ Meridiam then works with its Portfolio Companies to establish an Asset SDG Implementation Plan (ASIP) for each asset to identify strongpoints and to guide improvements in the upcoming years. This approach places responsibility on the portfolio company team to achieve a higher level of contribution to the SDGs relevant to the asset.

simpl and Meridiam's internal commitment to the SDGs drive each investment team member to proactively incorporate rigorous performance objectives to their decision-making and ensure Meridiam's commitment to achieving positive impacts. Meridiam initiated the development of the methodology internally, but the tool is now an independent product commercialized as a SaaS.



Fresno University – California, USA



Climate Strategy

As an international investor and asset manager vowing to develop sustainable and positive impact-driven infrastructures, Meridiam has a role to play in the mitigation of climate change. Moreover, infrastructure assets are directly exposed to acute and chronic climate related risks. Therefore, climate mitigation and adaptation are material to Meridiam.

Meridiam's Climate Strategy is structured around three pillars:

Low carbon investment Policy:

- Meridiam's global investment thesis is to design, finance, develop and operate transformational infrastructures, for the long term with the mission to address what we believe are the world's most pressing challenges – building resilient communities, tackling climate change, and protecting the environment.
- As part of this investment Policy, Meridiam has committed, since its inception, to not knowingly finance, directly or indirectly, projects related to the extraction, processing or production of coal, oil and other fossil fuels nor assets using coal as the main energy source. Meridiam will also not invest in projects that are mainly dedicated to transporting coal or fossil fuels.

■ In addition to its general approach towards integrating climate issues within its investment and management approach, Meridiam develops thematic funds which aims are to target sectors and type of assets adapted to modern challenges and climate scenarios beyond Meridiam's investment time horizon. These include:

- The Green Impact Growth Fund "GIGF" that provides capital to innovative SMEs focusing on the ecological transition;
- Meridiam Transition Fund that offers an innovative response to the challenges of energy transition by contributing to the long-term financing of greenfield development projects in the field of energy efficiency, local energy supply, smart grids and innovative renewable energies;
- The Urban Resilience Fund ('TURF') Global Platform, that focuses on the development of inclusive, resilient, and economically sound urban infrastructure projects.

Climate risk management:

Meridiam seeks to develop, invest, and manage projects that are resilient and provide solutions that are adaptable to withstand climate-related physical

shocks and transition risks. As such, the management of climate-related risks and opportunities within the investment procedures allows to determine materiality and support the design of appropriate risk mitigation strategies related to energy, carbon, and climate change. Through these in-depth evaluations carried out on every project, Meridiam covers, anticipates, avoids, and compensates for any project's short, medium, and long-term climate-related issues during the investment and asset management phases.

Meridiam has identified climate risk drivers falling in two major categories:

- physical risks, resulting from natural and weather-related hazards,
- transition risks, stemming from the inherent impacts in the transition from a carbon intensive economy to a decarbonized future, which Meridiam breaks down in four categories (Policy & Legal, Market, Reputation and Technology).

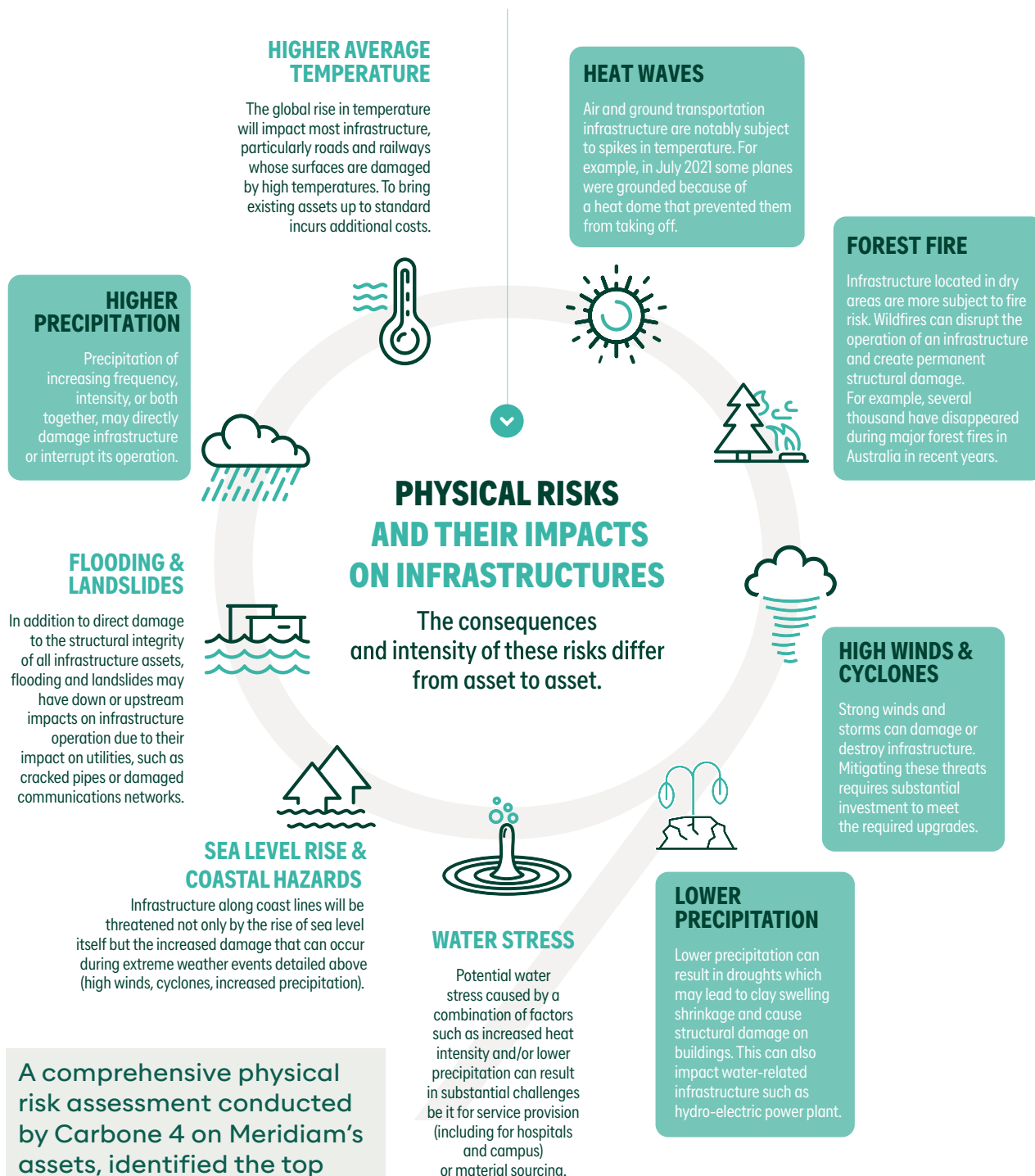
Meridiam invests in assets of various nature in many different locations. Therefore, there are many climate-related risks which these assets may be facing in the future, presented in main categories as shown in the two following figures. Each risk is identified and managed at asset-level.



100% Electric Bus Rapid Transit Dakar, Senegal

Physical Risks

Meridiam considers **9 climate hazards** associated with physical risks as most likely to damage the infrastructure assets in which it invests.

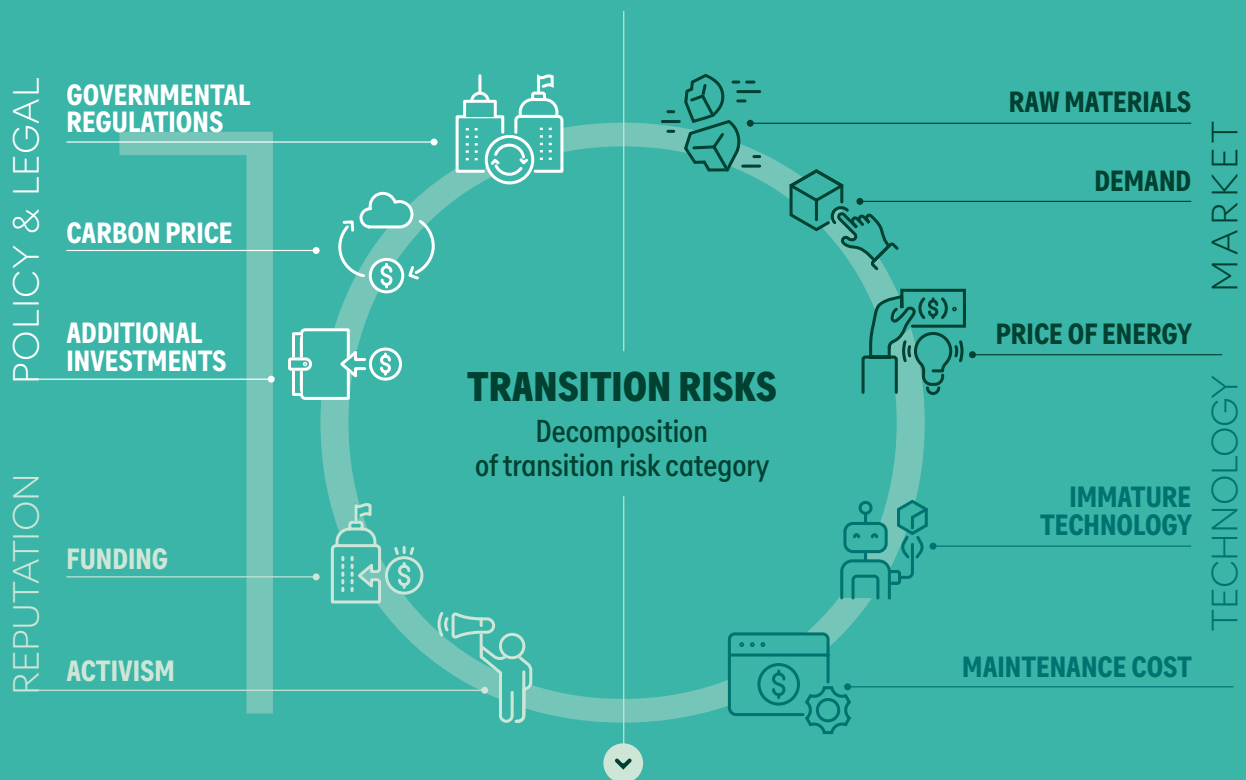


A comprehensive physical risk assessment conducted by Carbone 4 on Meridiam's assets, identified the top 5 physical risks that pose critical and high threats to Meridiam's funds and assets. These risks covered the list of hazards provided by the taxonomy and were evaluated under the RCP 8.5 scenario for the year 2050.

Transition Risks

10 Transition risks are associated with societal and economic shifts toward a low-carbon and more climate-conscious future.

Meridiam analyses transition risks through four main categories:
POLICY AND LEGAL, MARKET, REPUTATION, and TECHNOLOGY.
Each theme is further broken down into operational risk sub-categories.



33 TYPES OF ASSETS ARE ANALYSED ACCORDING TO THESE RISK FACTORS

Transition Risks used by Meridiam based on CIARA methodology. For more information about CIARA, visit: <https://ciara.carbone4.com>

Carbon reduction objectives:

Meridiam's carbon strategy is based on the reduction of its investments' carbon footprint and on delivering low-carbon and resilient infrastructure. From this strategy, two specific objectives are derived: to avoid and reduce Meridiam's portfolio emissions. These objectives further translate into two targets:

1. As a Net Zero Asset Manager Initiative (NZAMI) signatory, Meridiam is committed to becoming carbon neutral by 2050 on 100% of its AUM encompassing GHG's scopes 1, 2 and 3. Meridiam set an interim target of a 50% reduction of its portfolio's GHG emissions scopes 1 and 2 by 2030. To achieve these targets, Meridiam has launched a portfolio-wide decarbonization initiative.

MAD initiative

The Meridiam Asset Decarbonization (MAD) Initiative is a strategic effort to reduce carbon emissions across Meridiam's portfolio. This initiative

involves active engagement with assets, supported by specialized consultants, to develop effective and detailed decarbonization plans for all Meridiam's portfolio companies.

The approach standardizes decarbonization plans, trajectory definitions, and monitoring by asset class, enabling a comprehensive bottom-up trajectory analysis at both the asset and portfolio levels, ultimately aligning with NZAM commitments.

2. Align Meridiam's portfolio towards a 2°C climate trajectory, using a rigorous methodology developed by [Carbone4](#) through the [2-infra Challenge initiative](#). This portfolio approach enables Meridiam to allocate investment in a compatible manner with a low-carbon scenario.

For more information on the deployment of Meridiam climate strategy, please refer to our Climate Policy. For yearly climate-related data reporting, please refer to our latest TCFD Report.



Hertfordshire University Student Residences Project

Biodiversity

Among Meridiam's "five-pillar" sustainability strategy, one pillar is dedicated to biodiversity preservation and enhancement.

During an infrastructure project development, Meridiam will identify biodiversity and natural environment potential issues that the assets may raise. Biodiversity management plans will be developed for assets that will generate significant negative impacts on the natural habitats and species. In the particular case of assets invested in Africa, Meridiam will strictly comply with the International Finance Corporation's (IFC) [Performance Standard 6](#), which focuses on protecting and conserving biodiversity, maintaining ecosystem services, and managing living natural resources. In other geographies, Meridiam will comply with the most stringent national regulations and apply well-established and robust practices to mitigate and/or compensate negative impacts on nature.

At portfolio management level, Meridiam tracks biodiversity indicators through its reporting tool [simpl](#). The indicators track information for both terrestrial and aquatic species including the actions taken to mitigate an asset impact on land and marine biodiversity as well as the amount invested in restoration of negatively impacted ecosystem, measures and/or obligations in the suppliers' contracts relating to reducing pressures on biodiversity and preserving resources, and the use of any resources listed in the Science-Based Targets Network High Impact Commodity List. Meridiam also tracks some of the main drivers of biodiversity and ecosystems change such as climate change and pollution.

By setting and tracking the proper

indicators, and incorporating biodiversity considerations in the investment process, Meridiam aims to achieve more effective biodiversity preservation and enhancement for projected as well as existing assets.

For infrastructure assets, biodiversity-related risks can be divided in two primary categories: (i) physical risks arising from dependencies on biodiversity and (ii) transition risks arising from policy, legal, technological or market responses to a company's impact on biodiversity.

Examples of physical risks include:

- Supply chain disruptions and price volatility as ecosystem services become at risk due to climate change, land use change, pollution and overexploitation impacting resources such as timber and fresh water — which rely on healthy, diverse forest ecosystems to replenish;
- Destruction or devaluation of real assets due to forces linked to biodiversity loss, such as increased erosion or wildfire.

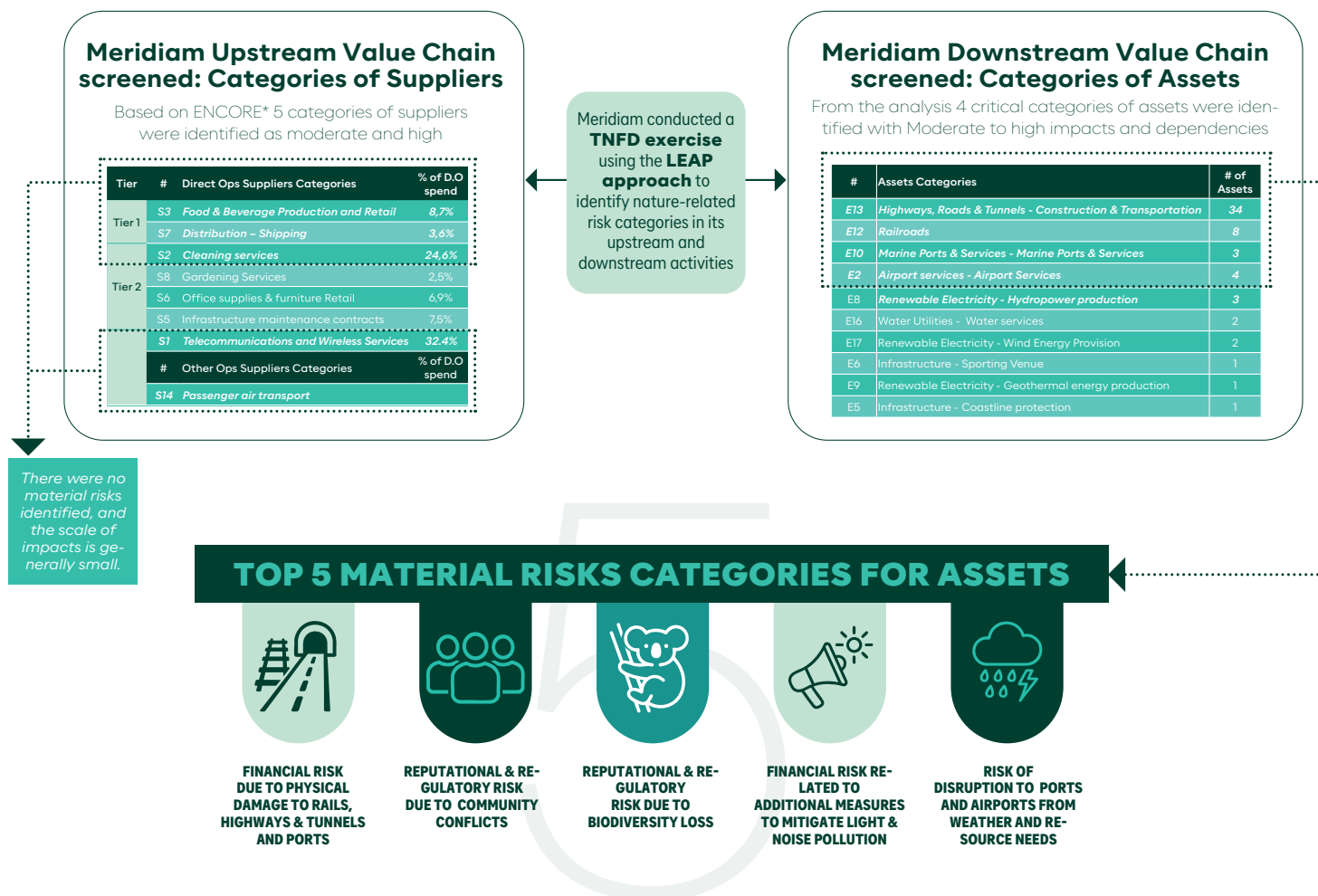
Examples of transition risks include:

- Increased maintenance and monitoring costs as a result of more stringent regulations;
- Denial of development permits due to land conservation initiatives; and
- Reputational harm from biodiversity-related community opposition, litigation or regulatory enforcement.

As for climate-related risks, biodiversity-linked risks will vary according to the type of asset and its detailed location. Meridiam addresses each risk at asset-level and ensures implementation of appropriate asset-specific measures to manage risks and potential impacts.

Moreover, Meridiam is an early signatory of the TNFD, the Task Force on Nature Related Financial Disclosure and as such has been deploying the Taskforce framework's approach at governance and portfolio level in order to reinforce its nature-related management

strategy. Below is an illustration of the Locate Evaluate Assess and Prepare (LEAP) approach undertaken throughout Meridiam's upstream and downstream value chain that will feed-in management strategy as well as Meridiam's upcoming TNFD report.



Meridiam conducted a high-level double materiality assessment focusing on nature-related risks using the LEAP approach. This pilot study, carried out on a road asset in Europe, aimed to support in developing a suitable framework for

testing and eventually implementing the TNFD's recommended strategies, risk management, and processes. Meridiam will integrate relevant findings and approaches into its operations and investments.

Resources

Meridiam has a team of five full-time ESG/SDG specialists, nevertheless, Meridiam holds everyone accountable for the integration of its ESG and SDG-related procedures throughout the investment process. Ongoing trainings and support enable continuous skill improvement of

employees. When necessary, Meridiam will partner with recognized ESG specialists to conduct due diligence of prospective projects, evaluate project carbon footprint, and measure the positive impact of investment opportunities and assets within the SDG framework.

Investor Information

Investors are aware of Meridiam's ESG/SDG procedures for the conduct of all its activities, as well as key ESG issues related to the investments themselves. In addition, Meridiam's ESG and SDG commitments are public and accessible on Meridiam's [website](#).

Meridiam takes into account its investors' concerns to determine the ESG criteria that will be used for investment and asset management, and continuously supports them to achieve international sustainable development goals. Meridiam further assists them with their ESG compliance and reporting obligations. At predetermined periods, Meridiam issues statutory reports to investors containing information on ESG and SDG indicators. These reports include:

- Quarterly reports, which include a specific section on ESG and SDG issues for each asset.
- An annual ESG/SDG report titled "Impact Report", which includes a presentation of Meridiam's approach and policy on these aspects and an analysis of selected qualitative and

quantitative ESG/SDG indicators with a monitoring of performance over time.

- Since 2022, a TCFD (Task Force on Climate-related Financial Disclosures) report covering Meridiam's governance, strategy, risk management and specific metric on climate-related risks and opportunities.
- Annual periodic RTS reports at funds level and a PAI report in accordance with the Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector.
- An annual Art 29. LEC report as required under the French law, covering all E, S & G related- thematics extensively.

Other ESG/SDG monitoring reports are prepared according to the requirements of certain investors and for specific funds, as is the case for the Meridiam Infrastructure Africa Funds. The ESG performance of each project is presented, as well as the ESG performance of the fund.

Meridiam's Funds

Meridiam currently manages 11 funds, the details of which are presented below.

	Funds	Asset Class	Year of creation	Duration of the funds (years)	Geographical Area	Type of sectors	Amount of Meridiam's assets following its ESG policy (as a share of funds, in %)	SFDR
AMF	Meridiam Infrastructure SICAR	Infra	2008	25	OECD countries in Europe and North America	Transport, Social	100	Article 8
	Meridiam Infrastructure Europe II	Infra	2012	25	Europe	Transport, Social, Energy	100	Article 9
	Meridiam Infrastructure Africa Fund	Infra	2015	15	Africa	Public utility services, Energy, Transport, Social	100	Article 9
	Meridiam Infrastructure Europe III	Infra	2016	25	Europe	Transport, Social, Public buildings, Energy	100	Article 8
	Meridiam Transition	Infra	2016	20	Europe	Public utility services, Energy	100	Article 9
	Meridiam Infrastructure Africa Fund II	Infra	2021	15	Africa	Public utility services, Energy, Transport, Social	100	Article 9
	Green Impact Growth Fund (GIGF)	Private Equity	2021	12	Europe	Low carbon economy, Circular economy, Sustainable cities and smart buildings, Clean mobility, Sustainable agriculture and food	100	Article 9
	The Urban Resilience fund (TURF)	Infra	2021	20	TURF A: OECD TURF B: non-OECD	Critical resilient infrastructure in cities, Catalyse project preparation at the city level	100	Article 9
	Meridiam Sustainable Infrastructure Europe IV	Infra	2021	25	Europe	Public utility services, Energy, Transport, Social	100	Article 9
	Meridiam Sustainable Water and Waste Fund SLP	Infra	2021	25	Europe	Suez	100	Article 9
	Meridiam Enhanced Co-Investment Fund SCA-SICAV RAIF	Infra	2023	25	Europe	Portfolios companies in which MI is an investor, value creation and decarbonization opportunities	100	Article 8
SEC	Meridiam Transition Opportunities	Infra	2024	10	Europe	Portfolio Companies in which MT is an investor, value creation and energy transition opportunities	100	Article 9
	Meridiam Infrastructure North America II	Infra	2012	25	OECD countries in North America and South America	Transport, Social, Public buildings	100	N/A
	Meridiam Infrastructure North America III	Infra	2017	25	OECD countries in North America and South America	Transport, Social, Public buildings	100	N/A
	Meridiam Sustainable Water and Waste Fund SLP	Infra	2021	25	Europe	Suez	100	N/A
	Meridiam Enhanced Co-Investment Fund SCA-SICAV RAIF	Infra	2023	25	Europe	Portfolios companies in which MI is an investor, value creation and decarbonization opportunities	100	N/A

The funds are managed by either Meridiam SAS (MSAS) or Meridiam Infrastructure North America (MINA).

MSAS is regulated by the [French Autorité des Marchés Financiers \(AMF\)](#) while MINA is regulated by the [Security and Exchange Commission \(SEC\)](#).

³ Fund subject to Decree No. 2015-1850 of December 29, 2015 applying Article 173 (paragraph VI) of the LTECV of August 17, 2015.

⁴ Ibid

⁵ Ibid

Engagement and Commitments

Meridiam's Sustainable Development Charter defines 6 core commitments driven by a vision for a sustainable development which guides all of its investments as a long-term investor in public infrastructures. Meridiam seeks to develop, invest, and manage projects that offer a stable return rate in addition to beneficial outcomes for local communities. This Charter is applied to all Meridiam's funds and can be found on our [website](#).

Meridiam is also a French mission company as well as a B-Corp company and as such defined mission objectives prescribing stringent requirements on the level of performance and maturity of its assets in portfolio regarding specific ESG criteria such as energy efficiency, gender equality, biodiversity, and resources management. Meridiam's Mission Committee report can be found

consolidated within its yearly Impact report.

In addition, under the EU SFDR, Meridiam's funds are either classified as Article 8 or Article 9 associated with specific key performance targets to demonstrate their contribution to an environmental or social objective.

Finally, Meridiam systematically applies the French Article 173 (paragraph VI) of the LTECV of August 17, 2015, regardless of whether the fund is subjected to foreign legislation. However, Meridiam's funds valued below 500 M € are not subjected to "investors reporting" publications.

At fund level, the Green Impact Growth Fund has obtained the GREENFIN label, which guarantees the green quality of investment funds and is aimed at financial players who act in the service of the common good through transparent and sustainable practices.



LBJ Express Highway – Texas, USA

ISO 9001 Certification

The importance of ESG and SDG issues is also reflected in the continuous improvement of Meridiam's operational methodology, as illustrated by the ISO 9001 certification obtained in January 2012, the first of its kind to be awarded to an investment company. This certification is renewed regularly and covers Meridiam's ESG/SDG procedures

included in its investment and asset management processes; the last renewal was in January 2024.

As a reminder, the ISO 9001 certification is an international standard for quality management and provides guarantees in terms of organizational quality within the company.

PRI Signatory

Meridiam has been a signatory of the United Nation's Principles for Responsible Investment (PRI) since January 5, 2011. In 2024, Meridiam received the following ratings:

- Policy Governance and Strategy: Meridiam score: 100%
- Private equity: Meridiam score: 100%
- Infrastructure: Meridiam score: 98%
- Confidence building measures: Meridiam score: 90%

Certifications of the Portfolio Companies

Meridiam ensures that ESG issues are considered by all companies created to manage the infrastructures in which the organization invests. The achievement of performance objectives often results in obtaining national or international labels or certifications such as the Green Energy

certification, the LEED certification, the BREEAM certification and others.

Many portfolio companies have also put in place an environmental management system that meets international norms and standards such as the ISO 14001 and OHSAS 18001 standards.



Bursa Hospital, Turkey



MERIDIAM'S ESG AND SDG ANALYSIS PROCEDURES

The ESG/SDG approach is generalized and systematically integrated into Meridiam's ISO 9001-certified investment and asset management processes.

Each investment opportunity is thoroughly assessed through an initial due diligence analysis prior to investment. The internal analysis is highly attuned to each project type and its location. When ESG concerns are highlighted during this process, risk mitigation procedures are included in the project documentation and specific risk indicators are identified for the implementation of continuous

monitoring. Similarly, relevant SDG targets are identified to determine areas of value creation throughout the development processes and establish performance indicators to enhance projects' positive impacts. The aim is to identify, avoid, minimize, and compensate potential adverse impacts of projects throughout their lifetime.

In general, the methodology used in the ESG and SDG analysis process for investment opportunities is built around two integrated and equally important work streams: 1) the **Principal Adverse Impacts Policy (PAIP)**; 2) the **SDG Positive Screening**.



Evergaz biomass plant, Château Gontier, France

Principal Adverse Impacts Policy

Meridiam's PAIP provides a set of tools to the investment teams to identify and manage ESG risks and concerns related to every investment opportunity. The PAIP includes the 4 following steps:

1. Eligibility and regulatory check:

Verifying the eligibility of the opportunity against the exclusion list established by Meridiam for its various funds. It also includes ESG framing of the opportunity against applicable regulatory requirements.

2. Preliminary evaluation:

Conducting an initial risk analysis of the project's financial, operational, social, and environmental components. The level of risk is detailed for each criterion allowing every investment opportunity to be rated according to its overall risk level.

3. Detailed evaluation:

Determination of detailed ESG risks. This can be done by performing a detailed Environmental and Social Due Diligence (ESDD) which can lead to conducting a gap analysis or an Environmental and Social Impact Assessment (ESIA) of the project by a specialized team of local and/or international consultants. This extensive piece of work, although dependent on the project development and regulatory context, represents an assessment of the potential environmental and social impacts of a proposed project, an evaluation of the alternatives, and

a design for appropriate mitigation, management, and monitoring measures. Therefore, if deemed necessary, the investment teams will undertake such detailed studies.

4. Detailed implementation plan:

Identify the ESG mitigation and monitoring strategy. The ESG mitigation and monitoring strategy is defined as part of the ESG risk management plans – the Environmental and Social Management Plans (ESMPs) – following the environmental and social assessment phase. This phase of a project development also includes a systematic reference to the indicators that will be monitored for each asset in those SFDR-compliant portfolios, including metrics to monitor: 1) the achievement of sustainability objectives set for each fund; 2) the performance of the asset regarding a set of Principal Adverse Impacts (PAI). This is intended to ensure the integration of each SFDR monitoring requirement including that of the PAI indicators in the project's overall annual monitoring process. Meridiam has included these required indicators in its asset monitoring tools and process.

Sustainability-related Risks

A 4-step evaluation of every potential investment opportunity has been an integral part of Meridiam's investment process. Although the recent Sustainable Finance Disclosure Regulation has formalized the process, identifying, and minimizing adverse impacts as part of an overall ESG risk evaluation has been an approach integrated by

Meridiam since its inception. Meridiam uses specific Sustainability-related risk indicators in the detailed evaluation of potential investments and several of these indicators are directly related to the sustainability of the asset as indicated in the tables below. These include the impact on the physical environment (air quality, noise, water

quality, soil, etc.), the impact on the fauna and flora, the sustainable use of resources or the vulnerability to climate change and climate-related physical risks. It would be challenging to list all the potential Sustainability-related risks and associated management measures for all types of asset classes Meridiam invests in, but the following table provides a sample of Sustainability-related issues for some

of our asset classes. The table also summarizes, specific environmental and social management plans (ESMPs) developed to address the PAIs, each containing a detailed description of the adverse impacts it addresses, the measures implemented to limit and/or compensate the impacts, the implementation schedule and responsibility matrix, and the monitoring plan.

Asset class	Examples of PAI Risks related to sustainability	Examples of Environmental and Social Management Plans (ESMPs)
Roads	Air quality, Dust, Noise, Waste, Water quality, Soil contamination, Slope stabilisation, Biodiversity, Resettlement	Water quality and wastewater MP, Air emission, noise and dust MP, Biodiversity Action Plan, Resettlement Action Plan
Airports	Noise, Air emissions, GHG, Bird hazards, Soil contamination, Hazardous waste	Water quality and wastewater MP, Air emission, noise and dust MP, GHG emissions reduction plan, Waste MP, Bird hazards MP
Urban mobility	Disposal of batteries, noise and dust during construction and operation	Air emission, noise and dust MP, Waste and hazardous waste MP
Port	Coastal erosion, Waste and hazardous waste, Water quality, Biodiversity	Erosion control and restoration plan, Biodiversity Action Plan, Waste and hazardous waste MP, Wastewater and surface water MP
Railways	Noise and vibrations, Encroachment on natural habitats, Land acquisition and expropriation, Hazardous waste, Water quality	Noise and vibration MP, Biodiversity Action Plan, Land acquisition and Resettlement Action Plan, Hazardous waste MP, Water and wastewater MP
Student accommodation	Disturbances linked to noise and traffic in the vicinity of buildings, Energy and water consumptions	Air emission noise and dust MP, Energy efficiency and consumption MP, Water consumption reduction plan
Hospitals	Biomedical and hazardous waste, Noise and disturbance due to ambulances and traffic increase	Air emission, noise and dust MP, Biomedical and hazardous waste MP, Traffic MP
Data center	Energy consumption, Heat waste and water consumption (for cooling), E-waste, Noise	Energy MP, Water consumption MP, Noise MP, Waste and e-waste MP
Hydropower plant	Impact of the reservoir on aquatic biodiversity, Encroachment on natural habitats, Riverine erosion, GHG emissions from, and mercury bioaccumulation in the reservoir, Land acquisition and resettlement, Water quantity and quality	Biodiversity Action Plan, Soil stability and erosion MP, GHG emissions management and monitoring plan, Mercury monitoring and MP, Land acquisition and resettlement Action Plan, Water MP including climate modelling

Solar power plant	Visual impact, Land acquisition and resettlement, Encroachment on natural habitats, Panels disposal	Hazardous waste MP, Land acquisition and resettlement Action Plan, Biodiversity Action Plan, Visual integration plan
Waste to energy	Air and odour emissions, Traffic increase due to waste transport, Water and wastewater	Air emission, noise and dust MP, Traffic MP, Water consumption and wastewater MP

The risks of these PAIs are evaluated and project-specific measures are taken to address them either through avoidance, reduction and/or compensation. Examples of such project-specific measures are presented in the following table.

Avoid	Light Rail Transit in Florence, Italy	The project was redesigned when archaeological works unearthed cultural artefacts at the site of the original tramway line.
Minimize	Kinguélé Aval Hydropower Plant, Gabon	The initial design was double the actual size in height, energy capacity (MW), height of the dam and surface of retention basin. This meant the basin would have covered the outskirts of a national park. As such, the conception of the project was revised and the project halved in height, energy capacity and retention basin to avoid undue potential negative impacts on natural habitats.
Compensate	Kinguele Aval Hydropower Plant, Gabon	The Nature Sanctuary was officially established to compensate for the project impacts, covering an area 823% larger than the affected surface. Specifically, the compensation involves converting up to 2,000 hectares-approximately ten times the projects footprint-of the forest concession into a protected area. The decree to create this 2,000-hectare biodiversity sanctuary was approved by the Council of Ministers in November 2022 and signed by the President in February 2023.

To develop a better understanding of projects and document the sustainability-related risk assessments, the teams will carry out site visits, meetings and discussions with other stakeholders, consideration of the site history, and develop a list of action items. As explained above, these measures are compiled into specific environmental and social management plans that detail how, when and by whom each PAI is managed. This allows Meridiam and other stakeholders of the project company to track the implementation of each ESG/sustainability measure during the various phases of the project, from construction to operation.

Finally, Principal adverse impacts must be considered at entity level for Meridiam's funds to be entitled to take them into consideration. Statement on principal adverse impacts of investment decisions on sustainability factors will be disclosed by 30 June on a yearly basis. This information will be available in the periodic RTS templates that will be provided for the financial products and will cover:

All the mandatory indicators for principal adverse impacts on sustainability factors listed in Table 1 of Annex I of the delegated regulation 2019/2088 supplementing SFDR, as follows :

- 1.** GHG emissions (Scope 1, 2 and 3 – Total GHG emissions)
- 2.** Carbon footprint
- 3.** GHG intensity of investee companies
- 4.** Exposure to companies active in the fossil fuel sector
- 5.** Share of non-renewable energy consumption and production
- 6.** Energy consumption intensity per high impact climate sector
- 7.** Activities negatively affecting bio-diversity-sensitive areas
- 8.** Emissions to water
- 9.** Hazardous waste and radioactive waste ratio

- 10.** Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- 11.** Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
- 12.** Unadjusted gender pay gap
- 13.** Board gender diversity
- 14.** Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

The following relevant additional indicators listed in Tables 2 and 3 of Annex I of the same delegated regulation:

- Investments in companies without water management policies
- Number of days lost to injuries, accidents, fatalities, or illness
- Lack of a supplier code of conduct (Tier 1: SPV's first subcontractors and suppliers of materials and services)

As an infrastructure investor, Meridiam considers all these PAIs as being material to its activities and applies the described risks and impacts management processes throughout all its portfolio.

Mitigating sustainability-related Risks

For each sustainability-related risk associated with Meridiam's assets, appropriate mitigation or compensation measures will be identified. Meridiam's risk management processes are integrated within its investment's procedures.

1. Initial due diligence

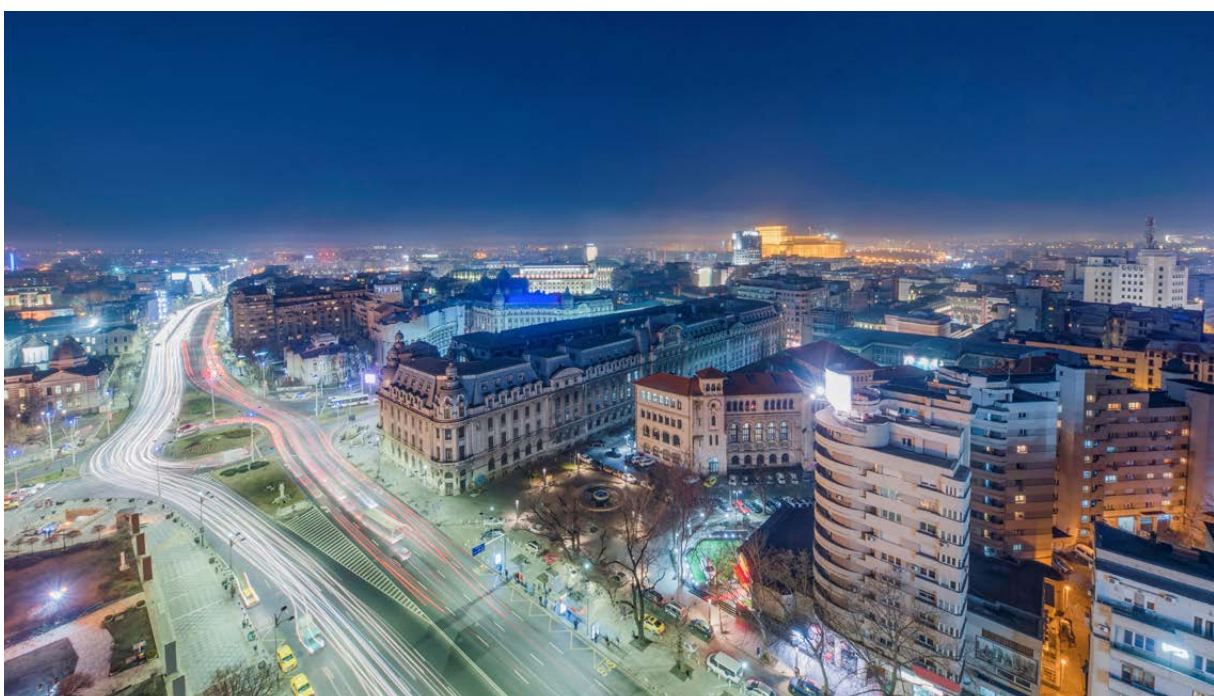
Each project is thoroughly assessed through an initial due diligence analysis prior to investment. All sustainability concerns are highlighted during this process, whether they are risks the project may be facing in time or potential impacts the asset may generate. Risk mitigation procedures are then included in the project documentation and specific risk indicators are identified for the implementation of continuous monitoring.

2. Mitigation measures

For each sustainability issue associated with Meridiam's assets, mitigation or compensation measures are identified. This is the result of asset specific studies of environmental and social risks, including stakeholders' inputs. During the investment process, if an environmental or social issue is identified as part of the opportunity analysis, a specific strategy is designed to address it. This aims to define the work that will need to be conducted in order to invest in the asset.

3. Additional studies

Depending on the asset's development, Meridiam may go as far as asking specialized local and international consultants to conduct assessments. Detailed studies are meant to validate/complete the analysis of the asset's negative impacts and sustainability-related risks, identify the mitigation and/ or compensation measures, and develop the asset specific plan. Additionally, these studies are used to guide the design of the asset to ensure that it is climate-resilient and that it will thereby contribute to the fight against climate change.



Netcity fiber project – Bucharest, Romania

4. Develop sustainable assets

Meridiam has developed an approach to asset development that underpins the delivery of its mission and its five primary goals. It has been designed to ensure that the performance of its funds exceed investors' expectations both in terms of financial and non-financial criteria. Meridiam does so through effective monitoring and steering; by seeking co-controlling or controlling positions Meridiam is able to pursue an active role throughout the life of the asset over the long-term. In particular, this includes driving operational efficiencies; ensuring the optimization of the assets' design in a sustainable way; as well as evaluating and engaging on ESG and SDG issues.

5. Stakeholder engagement

Meridiam places emphasis on engaging positively with all stakeholders to develop a sustainable asset. A mapping of the stakeholders involved (public authorities, interest group and local communities) is created early during the development phase. Meetings and discussions with stakeholders are held to validate/identify/address all issues, and potential mitigation/ compensation measures, if needed.

6. Implementation plan

Meridiam engages with the assets' management teams and their stakeholders to discuss, validate, and optimize the proposed measures, define an implementation plan, and agree on a timeline. This ensures that the proposed measures are relevant, realistic and that the final solution is optimal for all stakeholders.

Furthermore, Meridiam applies strict compliance and the principle of professional integrity to the conduct of all investments, in accordance with regulatory requirements. All Meridiam employees subscribe to the Code of Ethics which includes strict reservations/clauses on the issue of conflicts of interest.

Finally, Meridiam ensures that all partners apply zero tolerance to corruption issues, in line with its anti-corruption policy.



Port of Miami Tunnel, USA

Main ESG Criteria

Assessing Sustainability-related risks as well as avenues for ESG improvement takes place using a set of more than 45 ESG conditions and criteria against which all investments are analyzed, regardless of the sector, activity, or asset class. This ESG analysis framework is used

- to identify the Sustainability-related issues and risks that are associated with investments,

- to determine the risk level of each criteria,
- to define modalities for investment opportunities to be effectively considered during implementation. Each condition/criterion must be documented during the different analysis phases.

Here are some examples of analysis criteria:

ESG THEMES	Examples of criteria for the evaluation of investments
WORKING STANDARDS	Free from child labor and exploitation Free from forced or compulsory labor practices Good working conditions, in terms of health / safety and equality
LAWS AND REGULATIONS	Legal context and compliance Procurement procedure
ESG CAPACITY	Client's ESG policy and procedures ESG policy and procedures of Meridiam's Partners
ENVIRONMENTAL ISSUES	Impacts on the physical components of the environment Impacts on natural protected areas and biodiversity Impacts on fauna, flora, and habitats Environmental measures
SOCIAL ISSUES	Social impacts Cultural heritage Interests of stakeholders Land acquisition and resettlement
ENERGY, CARBON, AND CLIMATE	Vulnerability to climate change Contribution to the fight against climate change Combined risk relating to the Energy and Carbon market and Climate risk

Each Sustainability-related element is assessed according to four risk categories (low, medium, high constraint). The risk assessment will consider several criteria such as the intrinsic value of the component affected by the proposed investment opportunity, the possibility of implementing measures to control and limit the impacts of the asset on this component, the social acceptability, etc. The application of this methodology makes it therefore possible to evaluate all the Sustainability-related risks of an opportunity and to understand its specific context. In addition, by providing details of the issues related to the asset, the methodology allows for an efficient transition to the implementation phase of the asset, namely the construction and operation of the infrastructure.

Due to the nature of the investment process, all the funds managed by

Meridiam include all the ESG criteria, with each criteria having the same weighting. The decision to pursue the development of a potential investment is based on the overall assessment of Sustainability-related issues and risks. In the final analysis, Meridiam must be confident that it can effectively manage ESG issues to move forward with an opportunity.

In the asset management phase, i.e., during the construction and operation of the infrastructure, the ESG and SDG analysis is carried out based on specific criteria which are adapted to the type of infrastructure and the issues it generates. More than 200 criteria are used to monitor the implementation of Sustainability-related measures and to evaluate the ESG and SDG performance of assets in portfolio. The following table shows some of the ESG criteria.



Limerick Tunnel, Ireland

ESG	ESG THEMES	Examples of criteria to analyze the performance of assets
ENVIRONMENTAL	GENERAL ENVIRONMENTAL POLICY	Environmental policy Training Environmental protection expenditure Climate change risk management approach
	CONTROL OF POLLUTION AND WASTE MANAGEMENT	Air quality / emissions Water Soil Noise Waste Discharges
	SUSTAINABLE USE OF RESOURCES	Energy consumption Water consumption Resource consumption
	BIODIVERSITY	Protected areas and species Minimization and compensation Deforestation
SOCIAL	EMPLOYMENT	Job creation Diversity Representation of workers Working conditions Management of complaints and grievances
	TRAINING	Training policy Training results Percentage of employees trained
	SAFETY	Safety procedures and programs Results in terms of safety for workers and users
	ECONOMIC AND SOCIAL IMPACT	Impact on local employment and the economy Questions from stakeholders (employees, unions, suppliers, neighboring populations, etc.) Relations with local development and support stakeholders
	ARCHAEOLOGY AND CULTURAL HERITAGE	Archaeological discoveries Presence of heritage sites Communication to the public
GOVERNANCE	MANAGEMENT	Stakeholder involvement
	COMPLIANCE	Certifications / labels Sanctions / penalties

SDG Positive Screening

In addition to the above-mentioned ESG criteria, the analysis framework also includes a preliminary assessment of SDG's core indicators determined for each type of asset. This allows to systematically identify the positive impacts of an investment and the performance indicators that will be used during its development. Thus, the indicators selected by the investment team during an opportunity's origination will have to be carefully monitored, and when possible, documented for later validation during the analysis phase. According to the 4 development steps of the PAIP, the SDG positive screening includes the following tasks.

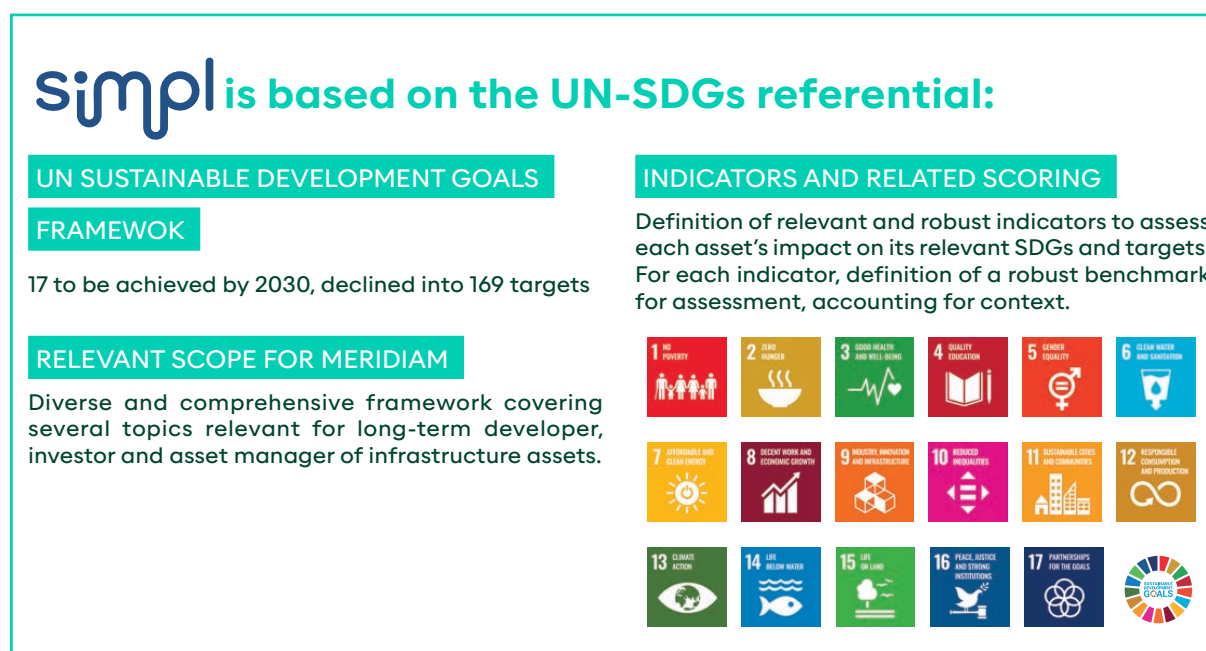
1. Eligibility and regulatory check: Verification of the adequacy of the opportunity with Meridiam's Sustainability Strategy and ancillary objectives.

2. Preliminary evaluation: Initial identification of SDGs relevant to the investment opportunity and of the related positive impact indicators, based on Meridiam's SDG proprietary framework.

3. Detailed evaluation: Determination of opportunities to enhance the opportunity's contribution to SDGs including design optimization options and additional resilience and sustainability measures.

4. Detailed implementation plan: Integration of SDG optimization measures within the asset's ESG mitigation and monitoring strategy, including in the asset's ESMPs.

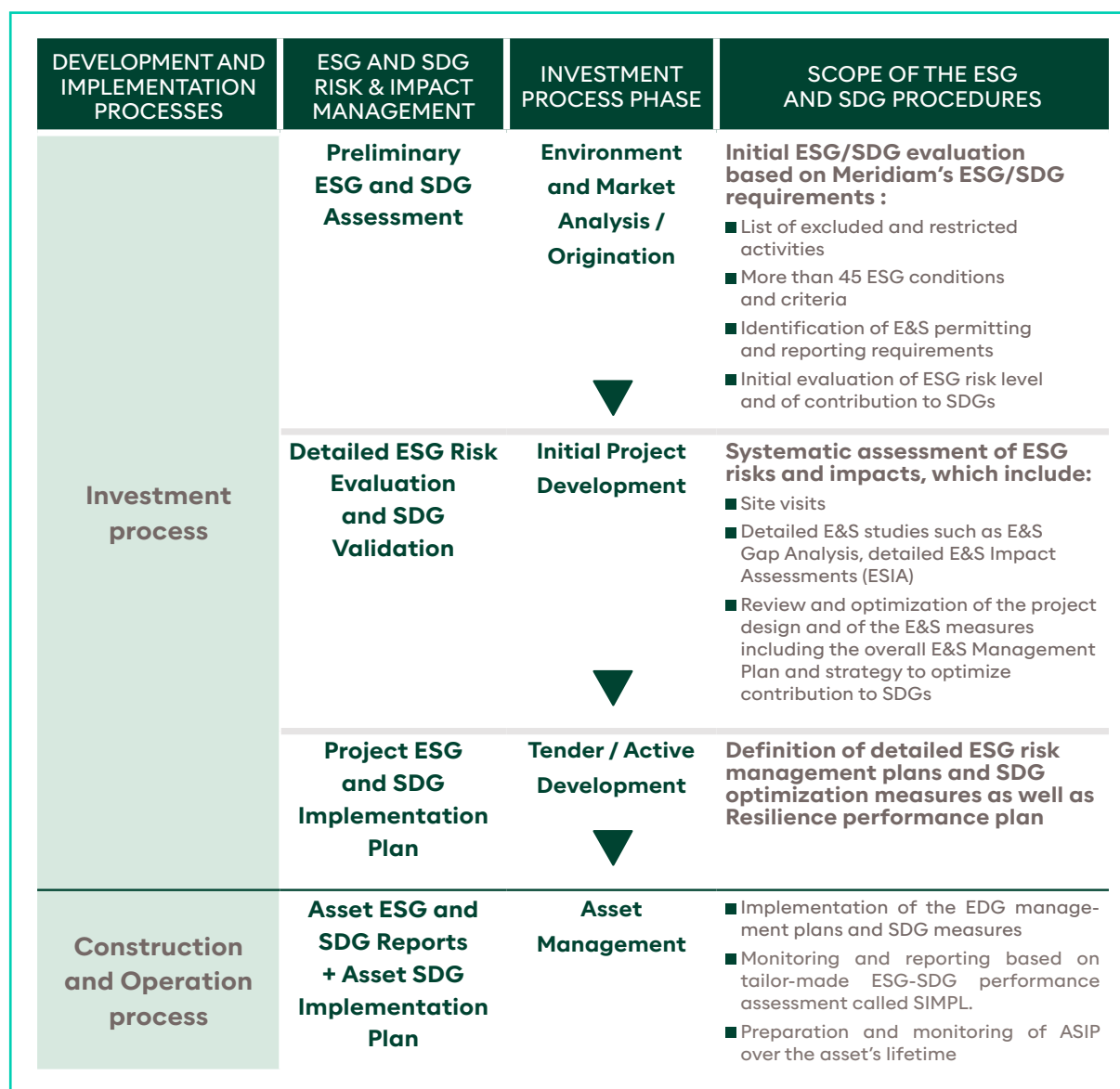
Meridiam's investment teams can rely on specific tools to conduct the SDG positive screening of investment opportunities. These tools provide a set of relevant SDGs and initial indicators which have been identified for each sector of activities or type of assets. Our general approach to identify materially important SDGs and indicators is summarized in the following figure:

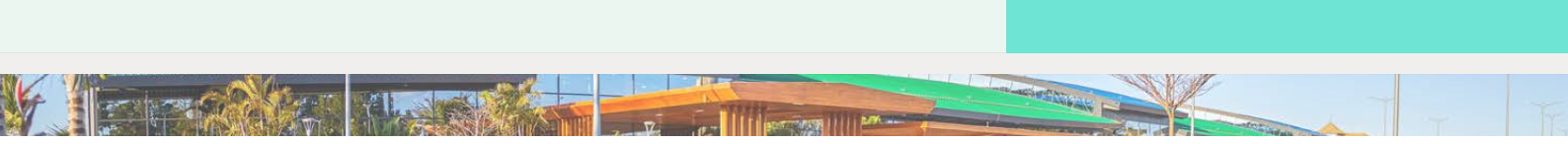


ESG and SDG Analysis within the Investment and Asset Management Processes

The assessment and the establishment of avenues for ESG and SDG improvement, conducted according to Meridiam's PAIP and SDG Positive Screening procedures, take place as soon as investment opportunities are identified using the criteria mentioned above.

In practice, this work is undertaken as part of the opportunities' overall evaluation which also includes financial, commercial, political, reputational, and organizational risks assessment. This comprehensive evaluation takes place at different strategic times during the development of the opportunity and benefits from access to detailed information and to stakeholders as the process evolves. The following diagram shows how ESG, and SDG issues are integrated within Meridiam's investment and asset implementation process:





Meridiam's investment opportunities are reviewed based on Meridiam's Sustainability Risk Policy using the PAIP and SDG Positive Screening tools. These reviews factor the lack of controversial elements and the opportunity to engage positively with local stakeholders and authorities to develop a sustainable project.

It is mandatory for the investment teams to obtain confirmation that an

opportunity complies with Meridiam's Sustainability Risk Policy to go ahead with further development and ultimately, with the investment. If the opportunity is not aligned with our Sustainability Strategy, or if the ESG issues are too significant and/or unmanageable, or if the compensatory measures prove to be insufficient, the investment process is not continued.

Internal ESG and SDG Expertise and Knowledge Sharing

Meridiam's full-time ESG/SDG team is involved in the implementation of the company's Sustainability Risk Policy and procedures. The ESG/SDG advises the investment teams on the most adapted strategy to address ESG/SDG issues for each pursued investment opportunity. When required, Meridiam will reach out to external experts to support the investment teams during the development phase of an asset; this consulting work may continue if needed once the asset is in portfolio.

In addition, all staff are engaged and proactive in integrating ESG and SDG

elements into projects and investment opportunities that are controlled under Meridiam's ISO 9001 system. To ensure ownership and commitment of the Meridiam teams towards ESG procedures and SDG assessments, training sessions are organized on ESG and SDG topics and on the mechanisms for integrating these issues in their activities. Ad-hoc training is also organized for specific needs as required. The participation of all team members in these formal training sessions with the Meridiam ESG/SDG compliance team is mandatory.

Engagement policy - ESG and SDG Monitoring

At the assets level, Meridiam is an involved investor and asset monitoring is done on three complementary levels:

- Representation on the Board of Directors: Meridiam is represented on the Board of Directors of each of the portfolio companies. This allows Meridiam to monitor several aspects of the project, its strategy, financial and extra-financial performance, overall risk, ESG impact, etc.
- Staff of the portfolio company: Meridiam appoints full-time members to

the management team of each asset or provides seconded staff.

- Proactive asset management based on a local approach.

The proximity with its assets ensures that Meridiam's investments are managed in full transparency, including for ESG and SDG aspects. Each portfolio company contributes to Meridiam's ESG/SDG reports via the annual surveys from the [simpl](#) tool. These surveys were developed by Meridiam with the assistance of experts

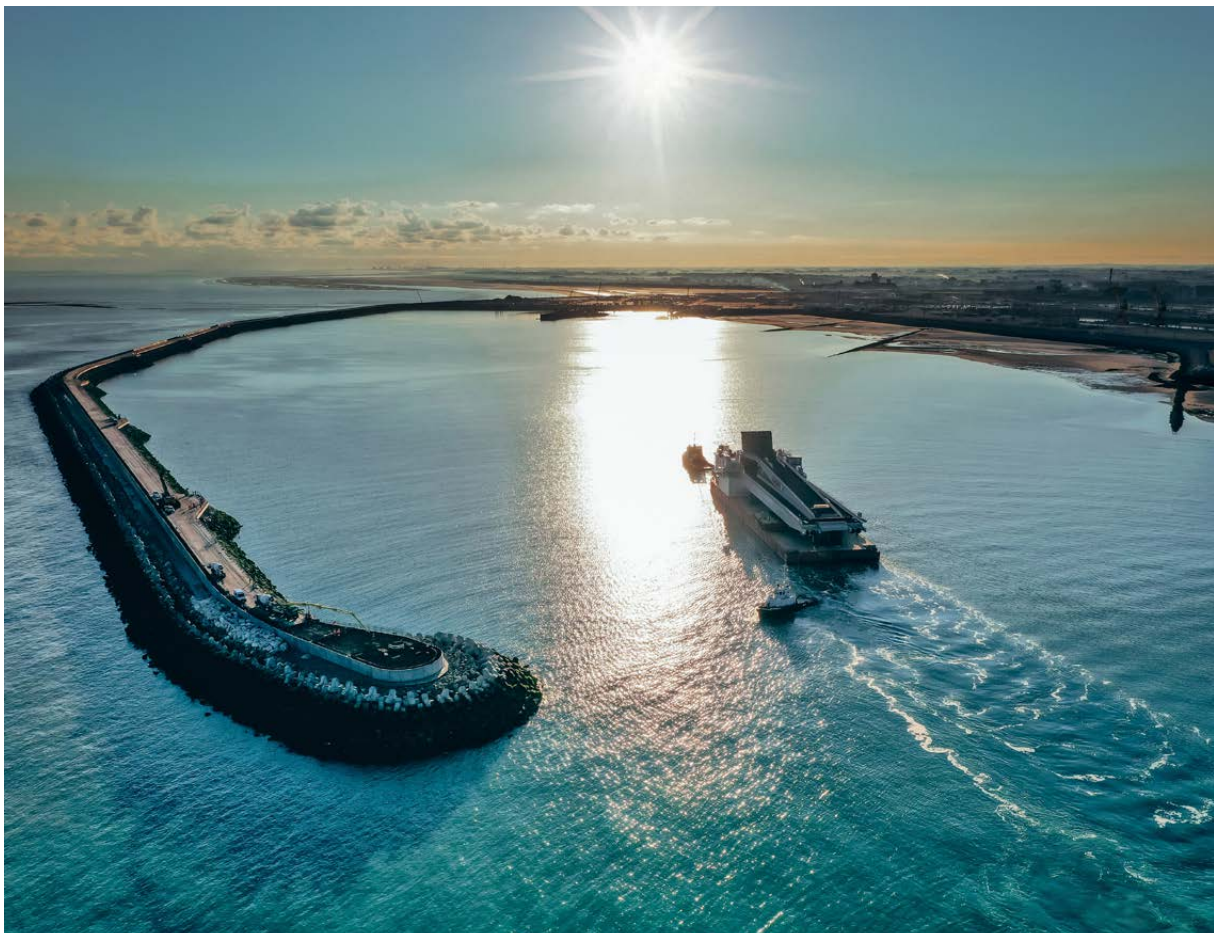
combining industry best practices and components more specific to its business.

External audits of the certification processes take place annually or every two years, led by external certification or rating bodies, whereby Meridiam's ESG/SDG approach is evaluated. Meridiam's goal is to maintain the highest standards in the quality of its management and in its procedures.

Internal audits on assets' compliance, including to the company's ESG and SDG procedures are also organized on a recurring basis.

Meridiam's engagement policy is an integral component of its books of procedures that is audited as part of the ISO 9001 certification on the quality of management systems.

Additionally, in accordance with the European Commission Delegated Regulation (EU) 2021/2178 on the establishment of a framework to facilitate sustainable investment, Meridiam will be assessing and disclosing its portfolio's alignment with the EU Taxonomy in 2024 using data gathered at asset level through a dedicated platform developed within the tool [simpl](#).



Ports of Calais and Boulogne-sur-Mer, France



Kipeto Wind Farm, Kenya