

MISSION
REPORT
2021



“Together with our investors & partners, we deliver **sustainable infrastructure** that improves the quality of people’s lives.”

Meridiam’s mission



“The mission and the mission committee is a guide for the company. Global priority investment in sustainability and resilience has never been more essential. It is glaringly obvious that we – as individuals and investors – need to do everything in our power to reduce inequalities and create fairer and more sustainable systems.”

*Thierry Déau,
Founder and CEO Meridiam*

Turning our high ambitions into **concrete actions**

It was defined over a decade ago and has guided our organisation ever since. And as longterm investors in essential infrastructure that will still be providing essential services in 20 or 30 years, it will be relevant far into the future.

In 2019, Meridiam took the landmark step to become a mission company under French law, a move that reflected our firm belief that value creation is both financial and non financial, and that for businesses with a long-term view, the two are inextricably linked.

This, in turn, led to the creation of Meridiam’s mission committee, a body composed of management, staff and independent industry experts, which guides us towards our shared impact goals. **Our mission committee is responsible for the strategy that maintains our focus on our mission. Much more than that, it is there to make sure we deliver, at all levels and across our organisation.**

The mission committee is aligned with our supervisory board, our executive team and employees, as well as investors and external stakeholders. It objectively evaluates our efforts to deliver social and environmental benefits, and was at the heart of the creation of the Five Pillars that align our actions with the UN SDGs. The three year plan was prepared by the mission committee during 2020 and adopted by the Supervisory Board. This plan covers the years 2020, 2021, 2022.

In 2021, we assessed the first year (2020) of the mission knowing this is a 3 year-plan. The final report on the mission will be disclosed during S1 2023 (year 2022).

Over the last year, Meridiam’s mission committee has been intently focused on turning our mission from a vision into a reality.

Making our mission real means engaging and empowering our people. We want all our staff in our organisation and at our project companies and concessionaires to understand what it really means to deliver sustainable infrastructure that improves the quality of people’s lives, and how to achieve it. To that end, Meridiam builds practical resources to educate our staff – for example in engaging with stakeholders impacted by and interested in our projects – and sharing that internally on Meridiam Hub, our information and best practice-sharing platform with the support of the ESG and sustainability team.



We believe that we need people thinking about the mission every day in order to make it concrete. We also need responsibility and accountability for it to be at the centre of our thinking. As a result, Meridiam appointed **45 Project Leaders tasked with delivering both financial and impact goals** at project companies, as well as meeting the requirements that arise from those measures within our firm. Their role is to oversee the creation of the SDG-improvement plan that aligns with our Five Pillars, and to lead efforts to improve our performance against SDG targets. They are drawn from across the organisation and are supported by Meridiam's ESG and sustainability team, our regional COOs and the mission committee. **Our project leaders are critical for turning aspiration into achievement.**

“We share a strong common belief that we work in a special and unique company. Our mission is not only a transformational tool for Meridiam itself, as well as for all the project companies we support. But it is also a great value-add for all our stakeholders, and guides all our actions and initiatives”

*Sandra Lagumina,
Partner & Meridiam Deputy CEO*

In 2021, we improved the quality of the data provided by the Project Leaders. They have been trained by the ESG Team and designated responsible to improve data collection. In this respect, regional reviews were helpful for monitoring the assets SDG implementation plans. **Not only can our mission shape our newest infrastructure projects from the outset, but it can also help us improve our existing assets**, bringing them in line with our Pillars and the highest achievable standards of environmental, social, societal & governance performance. Through this conversion process,

we will aim to maximise the benefits of our infrastructure for people and the planet on all levels.



Meridiam 3-year mission objectives

Overall governance objective: improve current score from 64 to 70 based on the sustainability assessment ⁽¹⁾



Projects in operation
Improve current consolidated SDGs 9&11 score from 2.6 to **3.1**

Projects in construction
Improve current consolidated SDGs 9&11 score from 2.4 to **2.9**



Resilient infrastructure and Sustainable Cities



Projects in operation
SDG 7 score of 2.7 to **3.2**



Clean and affordable energy



For MIAF:
carbon neutrality between induced emissions and avoided emissions (per €M invested)

For other funds:
maximum portfolio temperature of **2°C**



Climate action and strategy



Consolidated score of gender-related performance indicators in the Sustainability Assessment from 61 to **63**



Improve current score from 3.3 to **3.5**



Improve current score from 2.4 to **3**



Decent work, inclusion and gender



Improve current consolidated SDGs 14 & 15 score from 2.3 to **2.8**



Biodiversity

Understanding what we do and how we do it will enable Meridiam to be a better infrastructure developer and manager. Communicating about it will help communities, policymakers and investors appreciate the value and benefits of our work and will provide a template for what good sustainable infrastructure looks like.



“It’s one thing to say you have impact but it’s a real commitment to develop tools that allow to monitor performance, and to maintain the drive to improve how you run and operate your assets.”

*Ginette Borduas,
Partner and Head of ESG
and Sustainability*

Our mission committee

Sandra LAGUMINA

Mission committee Chair, Partner & Meridiam Deputy CEO

Thierry DÉAU

Founder & CEO, Meridiam

Ginette BORDUAS

Partner & Meridiam Head of ESG and Sustainability

Joe CLARK

Meridiam Supervisory Board Member, former Canadian Prime Minister

Patrice GARNIER

Independent mission committee Member

Françoise TAUZINAT

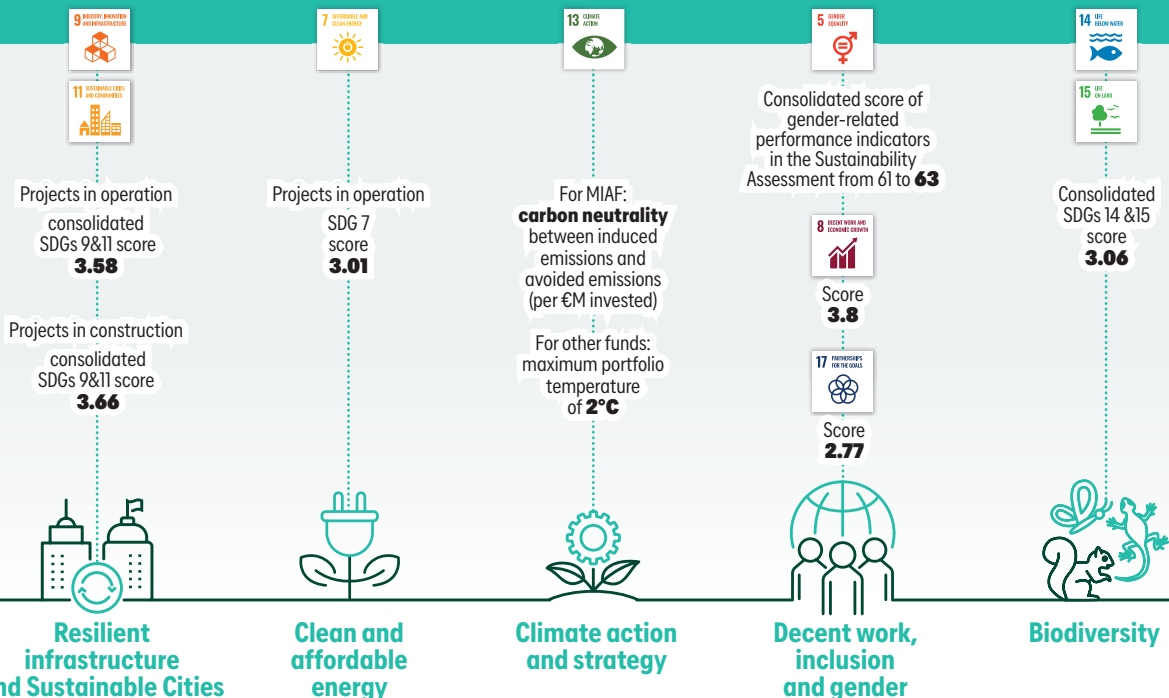
Independent mission committee Member

Emmanuel CHALOPIN

Mission committee Secretary, Meridiam Corporate Secretary



Results 2021



Simpl. presentation and 2021 improvement

Simpl.® is Meridiam's new Sustainability Impact Measurement Platform.

The Platform tracks and monitors the impact of a project using our unique framework of assessment against Environment, Social and Governance targets and the UN Sustainable Development Goals.

- ▶ Simpl. tool was consolidated during last campaign with 20 new assets and new categories added (92 in 2021; 72 in 2020). For innovative projects, new questions were created and/or adapted, e.g. for Waste to Energy (Olsztyn), EV Charging, Fiber, Data centers, platforms projects, etc. It covers all projects apart from the newest ones in our portfolios. As a close survey period had to be determined, the trigger date is the reach of financial close.
- ▶ The Scientific committee finalized its analysis of the tool and is expected to present its results, recommendations and the capability of the tool to onboard new regulations by the Investors Days, beginning of April 2023.

"Mission committee members expressed their satisfaction with improvements, the capacity to target the right questions/concerns, & added that it is important now to consolidate the work done."



2021 Results (year 2)

2021 results were adopted by the mission committee (21st of March 2022) and reported to the Supervisory Board (28th of March 2022). These are interim results as the mission objectives are set on a 3 year-plan.

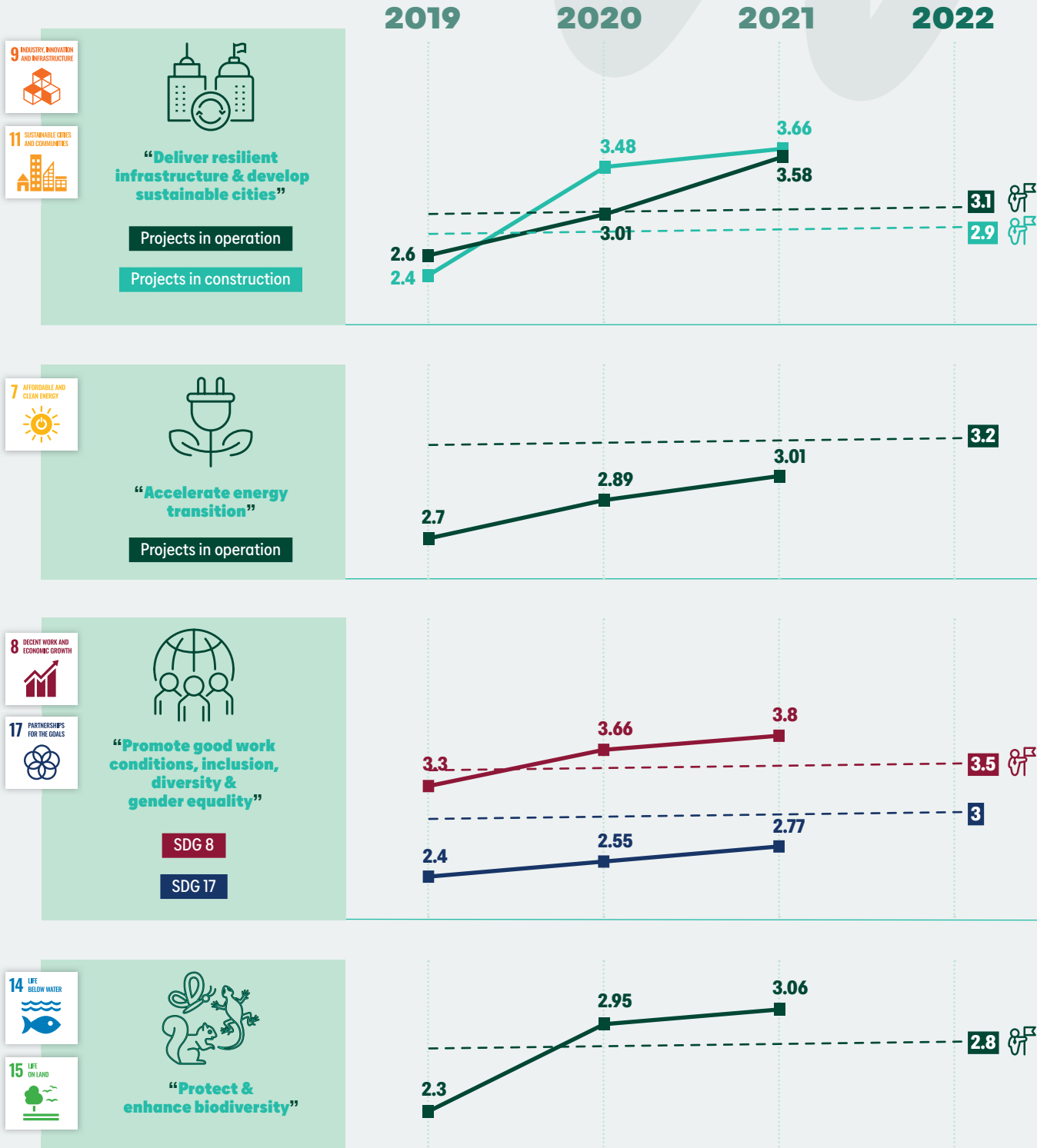
In the meantime, Meridiam Excom precised those interim targets for 2022 :

- ▶ Improvement of the consolidated SDG scores (for SDGs 7, 8, 9, 11, 14, 15 and 17) obtained for all assets in Meridiam's portfolios with regards to these selected SDGs. **3-year objectives with an annual review in Q2 and an expected achievement of 85% of each SDG-base objective** (2 are currently under this threshold)
- ▶ Measurement of the temperature alignment of all portfolios (except MIAF) compared to a 2°C trajectory using the "2-Infra Challenge" tool. The portfolios temperature should tend towards 2°C
- ▶ Measurement of the carbon footprint of MIAF portfolio. The portfolio should reach carbon neutrality between induced and avoided and avoided emissions per M€ invested. 3-year objectives with an annual review in Q2
- ▶ Measurement of an overall governance objective based on the score obtained for the Sustainability Assessment performed for all Meridiam's activities. Score ranging from 0 to 100
- ▶ Measurement of a consolidated gender-related objective based on the score obtained for gender-related indicators evaluated as part of the Sustainability Assessment. Score ranging from 0 to 100. **3-year objectives with bi-annual review and a first targeted improvement of 60% in 2022**

Main results in 2021

- ▶ 6, out of 9, of the 3-year mission SDG linked objectives already reached and surpassed (SDGs 7, 8, 9, 11, 14, 15). 1 to be assessed in Q3 2022 (SDG 5), and the two others in line with objectives (SDGs 13 and 17)
- ▶ A solid improvement in the 5 pillars:
 - Deliver resilient infrastructure & develop sustainable cities
 - Accelerate energy transition
 - Avoid & reduce emissions
 - Promote good work conditions, inclusion, diversity & gender equality
 - Protect & enhance biodiversity
- ▶ Significant progress on 3-year climate action objectives with, namely, many new energy transition assets. For all portfolios (except MIAF and MIE III), temperature of 3.2°C (vs 4.9°C in 2020)

3-year mission objectives (2019 – 2022)



--- 3-year mission objectives Objective reached

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



➤ **1st pillar:** Resilient infrastructure and sustainable cities: SDG 9 (industry, innovation and infrastructure) and SDG 11 (sustainable cities and communities); respective scores of 3.58 out of an objective of 3.10 for projects in operation; 3.66 out of an objective of 2.9 for projects in construction.

11 SUSTAINABLE CITIES AND COMMUNITIES



7 AFFORDABLE AND CLEAN ENERGY



➤ **2nd pillar:** SDG 7 in line with what was expected.

13 CLIMATE ACTION



➤ **3rd pillar:** SDG 13 (Climate action) more details on page 8 – a specific work is made on this SDG, with some improvements at this stage, namely due to Simpl. tool being more capable of capturing the portfolios results. Carbon footprint scopes 1 and 2 assessment was made on all projects, including airports, and real efforts were made this year to improve reporting and implement the right measures. Assets such as roads showed a good performance due to the implementation of ambitious carbon reduction measures, e.g. led lighting, electric maintenance vehicles, using solar panels on administrative buildings. To improve SDG 13 scoring, it is necessary to optimise each asset design from the beginning, WEP project being a good example in that respect, and to go further on monitoring the temperature of the funds. Last Carbon 4 report resulted in additional temperature scenarios data and improvements. Such improvements may be explained by (i) a change of methodology enabling to go further than solely indicating which assets are under or above the 2 degrees and (ii) new assets below 2 degrees were onboarded in USA portfolios. The higher scored projects benefited from the redefining and resulted in lower degrees. The temperature precision for each asset resulted in a more favourable global scoring. and (ii) new assets below 2 degrees were onboarded in USA portfolios. In 2022, we will continue working with Carbon 4 to develop a scenario for Africa; a different methodology is needed to define a 2°C scenario as the availability of reliable data is often missing for the African continent.

5 GENDER EQUALITY



➤ **4th pillar:** Decent work, inclusion and gender: Although we now track SDG 5 (Gender equality) with SIMPL., the SDG 5 mission objective relates to specific KPIs found in the bi-annual Sustainability Assessment performed for Meridiam’s overall activities. This assessment was first undertaken in 2020 and the next one will be done in Q2 2022. The objective is to improve our scoring on those gender related KPIs from 61 to 63. The evaluation work will be done by Moody’s, as was the case for the 2020 assessment. SDG 17 scoring does not match expectations because data quality needs to be improved.

8 DECENT WORK AND ECONOMIC GROWTH



17 PARTNERSHIPS FOR THE GOALS



14 LIFE BELOW WATER



➤ **5th pillar:** Biodiversity (SDG 14 & 15) has a good scoring of 3.06 out of 2.8. SDG 15 scoring is better than last year but still low as it is not applicable to many assets and does not have many indicators. To increase the score, the concerned assets would have to implement additional measures to protect/create natural areas over and above those that have been initially planned in the project (based on regulatory obligations). These additional measures would have to be financed as part of CSR (corporate social responsibility) initiatives. Up to now, most of the CSR initiatives of our assets are mostly focused on social inclusion and community development.

15 LIFE ON LAND



The overall governance objective is not yet assessed. This will be done as part of the Sustainability Assessment to be conducted in Q2 2022 by Moodys (Vigeo).

2022 Objectives



1st target:

Achieve SDG KPIs performance objectives set by the mission committee and stabilize the Simpl. Methodology (eg. On SDG 5, 13, 16).

2nd target:

Prepare strategies/policies for assets development. The focus will be made on formalization of:

- the Climate/carbon strategy;
- the Human Rights policy;
- the Diversity, Equality and Inclusion policy.

3th target:

Project Leaders prepare and take full ownership of the “Asset SDG Implementation Plans”.

4th target:

Moody’s to perform Meridiam’s second Sustainability Assessment since 2020, to measure 2 mission objectives: *gender equality at Meridiam and sustainability of overall activities.*

5th target:

Review of the mission Objectives by a certified OTI (Organisme Tiers Indépendent – Independent Third-Party Organisation). Moody’s is not an OTI as defined in the Pacte Law.

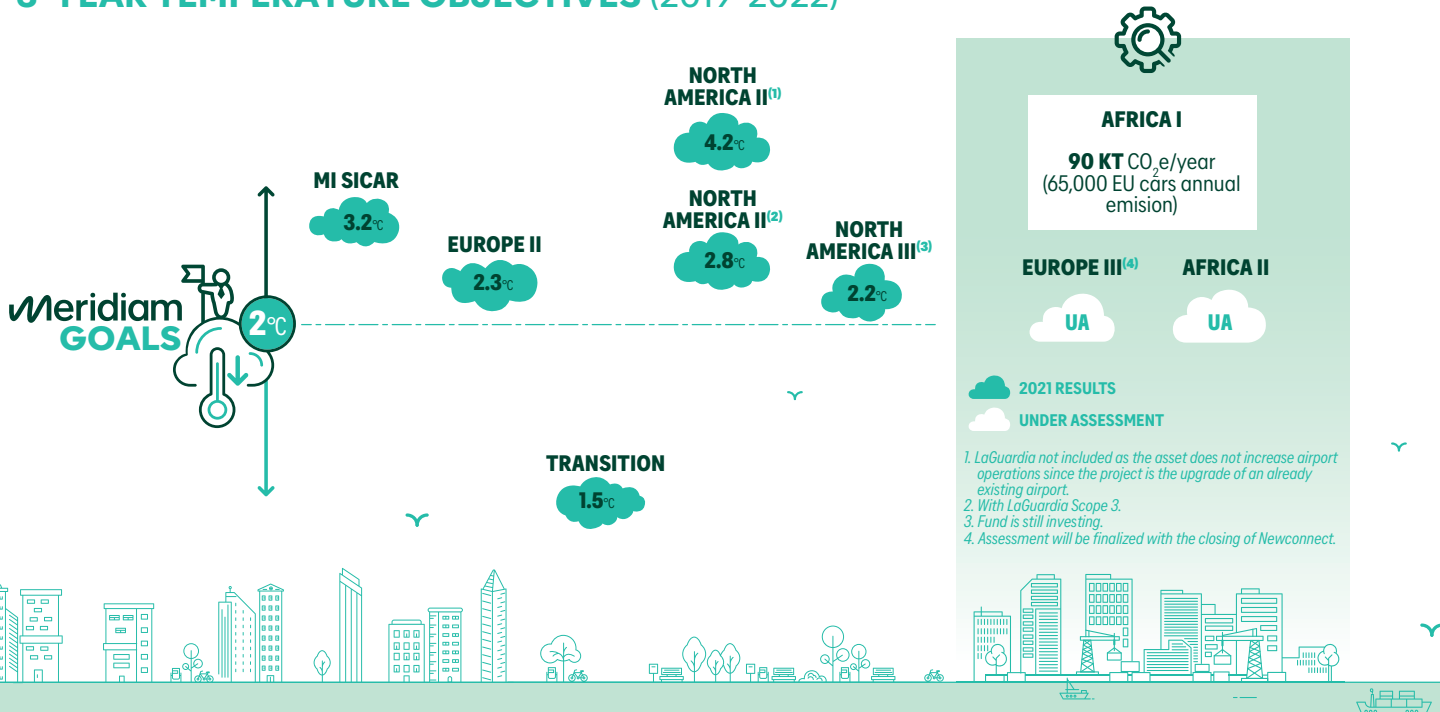
CIARA Methodology for Climate Impact

Meridiam is a sponsor of climate consultant Carbone 4's 2-infra challenge initiative, which aims to align infrastructure portfolios with the Paris Agreement goal of limiting global warming to 2°C this century. As such, we supported the work of Carbone 4 in the creation, and have embraced the use, of the CIARA (Climate Impact Analytics for Real Assets) methodology which encompasses carbon footprint assessment, green share evaluation, 2°C alignment scoring and climate-related risk analysis. CIARA is a tailor-made methodology dedicated to measuring infrastructure's climate impact. Using it, we take a bottom-up approach to emissions and climate impact, gathering and assessing specific data at the individual asset level. We track data over

time to capture any fluctuation in performance. The result is quantifiable temperature and emissions performance for each asset, which we can aggregate for funds and the entire Meridiam portfolio, showing our assets' alignment with the 2°C target, as well as surplus or avoided CO₂ emissions.

Meridiam takes a selective approach to infrastructure investment. Our strategy excludes and restricts investments that do harm to the environment or weaken the communities they serve. Consequently, we have never invested in the extraction, processing, or transportation of fossil fuels, and never will. Nor will we invest in infrastructure using coal as an energy source.

3-YEAR TEMPERATURE OBJECTIVES (2019-2022)



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