

MISSION COMMITTEE REPORT **2022-2023**



Mission Committee Report 2022-2023

Meridiam is a specialist in transformational infrastructure spanning critical public services, sustainable mobility, and innovative low carbon solutions. We manage over **\$20bn of assets** encompassing more than **120 projects** across Africa, the Americas and Europe.

All our projects and investments are assessed and actioned on the basis of their financial return profile, as well as their potential to deliver economic, social and environmental impact. They are all analysed to the most rigorous criteria and meet the highest standards for ethics and responsibility. This is our strength and has been embedded in our DNA since Meridiam was founded in 2005.

Infrastructure – from hospitals and high-speed fibre to ports and hydroelectric power generation – provides access to essential services, and drives economic opportunities and inclusion. Done right, it can protect the environment and help reverse the harm done by climate change.

This report outlines the actions taken by Meridiam to deliver its Mission and meet its specific Mission Objectives and gives the objective opinion of Meridiam’s Mission Committee.

Some Meridiam **Key Numbers** from our latest Impact Report, as at April 2023

+23%
10,800
hospital beds

+9.4%
657 MW
renewable energy capacity

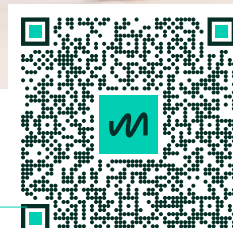
4.7 M
tonnes waste to energy

+22%
237,300
direct and indirect jobs created

17.3 M
tonnes of waste treated

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

Our Mission is clear and simple.



» To learn more about all the progress and value Meridiam has created over the last year, read **Meridiam’s latest Impact Report**.

Meridiam Sustainability Milestones

2011

Signatory of:



2014

First set of carbon footprint assessments undertaken by carbone4 by Meridiam

2018

Signatory of



Development of Meridiam's proprietary tool **simpl.**

Launch of the 2-infra initiative with carbone4 | finance initiating the development of the CIARA methodology for infrastructure asset manager

Meridiam becomes a "**Société à Mission**"

2019

Definition of the **long-term climate-related Objectives**

simpl. is Meridiam Sustainability Impact Measurement Platform which tracks and monitors the impact of all projects against ESG targets and the UN Sustainable Development Goals (UNSDGs)

2020

carbone4 | finance
First report on portfolios' temperature

Meridiam undertakes its first sustainability assessment with Moody's

Meridiam commits that all new funds will tend to a temperature trajectory aligned with the Paris agreement*

2021

carbone4 | finance second report on portfolios' temperature

Meridiam becomes a signatory of **THE NET ZERO ASSET MANAGERS INITIATIVE**

2022

First TCFD report



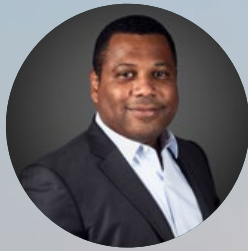
Meridiam becomes a Benefit Corporation (BCorp), an international certification that recognizes that, together with its subsidiaries, it has been designated as meeting high standards of social and environmental impact

NZAM targets established: reduce scope 1 and 2 emissions per million invested by 50% by 2030

Mission Committee Role and Composition

Meridiam took the landmark step to become a Mission Company (Société à Mission) under French law in 2019, 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 led to the creation of our Mission Committee.

Thierry DÉAU
Founder & CEO, Meridiam



Ginette Borduas
Partner & Meridiam Head of
ESG and Sustainability



Joe Clark
Meridiam Supervisory Board Member,
former Canadian Prime Minister



Françoise Tauzinat
Independent mission
Committee Member



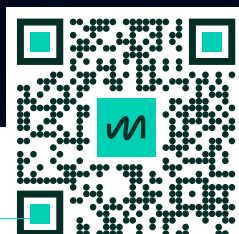
Patrice Garnier
Independent mission
Committee Member



Emmanuel Chalopin
Mission Committee Secretary,
Meridiam Corporate Secretary



The Mission Committee is composed of management, staff and independent industry experts. It guides us towards our shared impact objectives, oversees the strategy that maintains our focus on our Mission, and above all, ensures that we deliver, at all levels and across our organisation.



» Our members explain their vision for our mission in this video.



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 in our capacity as a Mission Company.

In 2023, Meridiam's Mission Committee held three meetings (March 28, June 16, Oct 16), and had continuous access and rich exchanges with Meridiam management, demonstrating the company's ongoing commitment to improving its performance on ESG matters and delivering its Mission Objectives.

Meridiam Sustainability Strategy Based on Five Pillars with Mission Objectives

Following the adoption of Mission Company status, Meridiam and its Mission Committee defined Five Strategic Pillars aligned with the UN SDGs. These **Five Pillars** reinforced our sustainability strategy and were based on the SDGs most relevant to our role as a long-term infrastructure asset developer, investor, and manager.

The Five Pillars enabled us to further define and set **nine long-term measurable SDG-related objectives** and one overall governance objective. These objectives apply to Meridiam's entire portfolio.

We support all **17 SDGs**, yet acknowledge those that are linked to our **5 Pillars** as core to our Mission.

3- year mission objectives 2019 -2022



PILLAR 1

Deliver resilient infrastructure & develop sustainable cities

- Mission Objective 1** **Projects in operation**
Improve current consolidated SDGs 9 & 11 score from **2.6** to **3.1**
- Mission Objective 2** **Projects in construction**
Improve current consolidated SDGs 9 & 11 score from **2.4** to **2.9**



PILLAR 2

Accelerate energy transition

- Mission Objective 3** **Projects in operation**
SDG 7 score of **2.7** to **3.2**



PILLAR 3

Avoid & reduce emissions

- Mission Objective 4** **For MIAF**
Carbon neutrality between induced emissions and avoided emissions (per M€ invested)
- Mission Objective 5** **For other funds**
Portfolio temperature nearing **2°C**



PILLAR 4

Promote goodwork conditions, inclusion, diversity & gender equality

- Mission Objective 6** **SDG 5**
Improve current consolidated score of gender-related performance indicators in the Sustainability Assessment from **61** to **63**
- Mission Objective 7** **SDG 8**
Improve current score from **3.3** to **3.5**
- Mission Objective 8** **SDG 17**
Improve current score from **2.4** to **3**



PILLAR 5

Protect & enhance biodiversity

- Mission Objective 9** **SDGs 14 & 15**
Improve current consolidated score from **2.3** to **2.8**



Overall governance objective:

improve current score from **64** to **70** based on the Sustainability Assessment

» Please refer to Meridiam 2021 Impact Report

The Mission Objectives were set and evaluated using the following **three measuring tools**.

Measuring tool 1 The Sustainability Assessment

The first assessment was carried out in 2020 on Meridiam and its portfolios by Vigeo Eiris (now Moody's), an ESG/SDG ratings agency. The gender-related performance indicators from the Sustainability Assessment indicated an aggregated score of 61/100 for Meridiam in 2020. The objective was to improve this mark to reach 63/100 by 2022 as part of Meridiam's contribution to SDG 5 and our Pillar that promotes good work conditions, inclusion, diversity and gender equality. The overall governance objective was based on the Sustainability Assessment using the overall score of 64/100 obtained by Meridiam in its evaluation as the starting point. The objective was to improve this score, already rated "Advanced" by Vigeo Eiris, to 70/100 in 2022.

Measuring tool 2 The 2°C Infra challenge methodology CIARA

This tool was developed by Carbone 4, with the support of Meridiam and four other sponsors, and used to measure the alignment of Meridiam's portfolios in relation to a 2°C trajectory to limit global warming, as per the Paris COP 21 agreement. Meridiam's objective for all funds (except the Meridiam Infrastructure African Fund or "MIAF") was to stay as close as possible to a 2°C trajectory over their lifetime. For MIAF, the objective was to remain carbon neutral between induced emissions and avoided emissions over its lifetime. Both these objectives were part of Meridiam's contributions to SDG 13 under the avoid and reduce emissions pillar. Since the development of the Mission Objectives, our methodology has evolved and developed, enabling us to measure and report the temperature performance of MIAF in line with our other international funds.

Measuring tool 3 The SDG evaluation tool Simpl.

Meridiam's tailor-made tool, developed with the support of ENEA (now Blunomy), was used to establish the remaining objectives. Using the answers from specific indicators of Meridiam's annual ESG/SDG survey, this tool measures the contribution of each asset in a portfolio to its relevant SDGs. The tool translates the answers to a variety of question types (Yes/No, MCQ, quantitative) into scores ranging from 0 to 5, with 5 representing best-in-class for assets of a similar nature and geography, helping to contextualise the positive contributions of each asset. The objectives linked to the SDGs – SDGs 9 & 11 for our pillar to deliver resilient infrastructure and develop sustainable cities, SDG 7 for our pillar to accelerate the energy transition, SDGs 8 & 17 for our pillar to promote good work conditions, inclusion, diversity and gender equality, and SDGs 14 & 15 for our pillar to protect and enhance biodiversity – were all calculated based on the aggregated performance of each asset contributing to these SDGs.

The three-year plan for assessing our Mission was approved by the Mission Committee in 2020 and adopted by the Supervisory Board.



The Mission Committee fully endorsed and supported Meridiam's sustainability strategy based on the Five Pillars that align our Mission, our investments, and our actions with the UN SDGs. The Committee also agreed with the Mission Objectives that enabled Meridiam to monitor its performance over the 2019-2022 period.

The Committee recognised that the pillars and objectives addressed our role as a developer and manager of infrastructure that serves countries and communities with transport, essential services and energy, as well as our responsibility to make that infrastructure as sustainable as possible, while **providing lasting and far-reaching environmental and social benefits for the people and places they serve.**

Sustainability-Related Monitoring Tools and Benchmarks

The Mission Committee also oversees third-party evaluations when formulating its opinions on Meridiam's performance in relation to its Mission Company status. As part of this, Meridiam is required to submit independent auditing every three years.



B Corp Certification received in 2022.



Corporate sustainability assessment on a bi-annual basis.
2022 Sustainability Assessment: "Advanced"



Refinement of Simpl. at Station F (world's largest startup campus), with the objective of making the digital solution commercially available to other asset managers



96% in Investment and Stewardship and 96% in Infrastructure (median score 71%).



All new flagship funds were categorized **art 9 with a carried interest linked to SDG**.
First RTS¹ reporting campaign launched.



Climate Impact Analytics for Real Assets

Recorded first accurate portfolio temperature reading for Africa.



Become carbon neutral across all our assets by 2050 or sooner.



First **TCFD²** report released in 2022.



Definition in 2023 of the new mission objectives (see page 14).

Advisory firm  **bakertilly** conducted the most recent audit of Meridiam for its Mission Company status in October 2022. As a result of this assessment, Meridiam retained its Mission Company, emphasising the group's alignments with its Mission and sustainability strategy.

» **1.** RTS: Regulatory Technical Standards
2. TCFD: Task Force on Climate-Related Financial Disclosures

Driving Sustainability and our Mission

Meridiam built on strong progress with new actions and initiatives in 2022 designed to enhance sustainability, deliver our Mission Objectives, and embed our Mission ever more firmly at the core of our organisation.

Meeting our targets means taking practical steps to improve individual asset performance as we continue to expand our portfolio and reach. In addition to committing **\$4 billion to new investments across Africa, Europe and the Americas**, we enhanced measures to reinforce our existing infrastructure projects and platforms.

Gender diversity and health and safety measures were stepped up across 100% of Meridiam assets, with 77% of projects in the portfolio aiming to provide stimulus for regional investment that can improve economic and working conditions. Meanwhile, 100% of assets were engaged in local community projects and provided concrete investment for their efforts.

To date, 70% of our assets have globally recognised sustainability certification, including LEED Gold and ISO 14001, with additional actions aimed at reducing emissions and energy use.



Acquired assets require rapid action to ensure they can be placed on a path to contribute to our Mission. Following the completion of our acquisition of waste and water company SUEZ, we supported the creation of an ambitious new sustainable roadmap for the company. This spans climate, nature and social elements and is underpinned by 24 commitments that include reducing emissions through increased sustainable energy use and promoting inclusion and economic **opportunity via an increased employee shareholding.**

Meridiam's substantial multi-national presence affirms an outward-reaching instinct and status, which strengthens our credentials with investors and other stakeholders. It also helps to guide our staff towards actions that deliver greater impact. In 2022, we established the **On The Road 2025** project to further embed the Mission into our thinking and every-day actions. The project engages our leadership with the Mission and its pillars, encourages the development of team members in line with the Mission, and fosters a collaborative spirit and collaborative approach. We have created tools including an internal social platform to enable all our team to communicate and share ideas openly and equally.

We continue to develop ways to drive our Mission, and how it aligns with sustainability themes. In 2023, we gathered Meridiam staff and project company employees for Meridiam Days that dedicated a significant part of the agenda to our strategy and objectives. The Mission Committee and Meridiam Management expressed satisfaction with the high level of understanding and buy-in for the Mission from Meridiam staff.

In addition, we organised Carbon Week, as part of "**European Sustainability Week**" to explain our performance on emissions and alignment with temperature targets, as well as further decarbonisation action plans for our assets.

Meridiam Results 2022

In 2022, the Mission Committee oversaw the advancement of, among others, the following workstreams:

simpl.

Achieve SDG KPI performance objectives set by the Mission Committee and stabilise the Simpl.® methodology (particularly in relation to SDGs 5, 13 & 17).

Deploy and monitor an “Asset SDG Implementation Plan” for each of the assets under a designated project leader.

MOODY’S
ESG Solutions

Conduct a new V.E. Moody’s Sustainability Assessment in Q3 2022, the second assessment since 2020, with particular focus on progress towards two mission objectives, namely gender equality at Meridiam and overall sustainability activity.

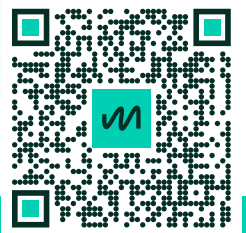
Ensure verification of the achievement of the Mission Objectives by a certified independent third-party organisation (Organisme Tiers Indépendent) in 2022.

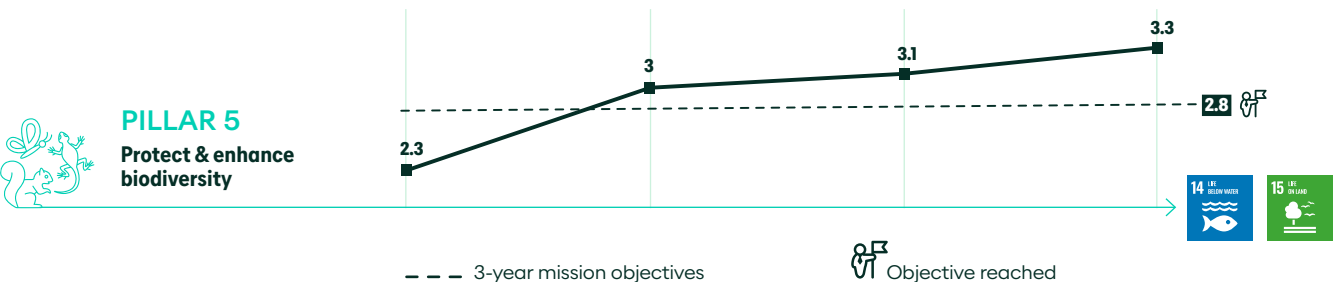
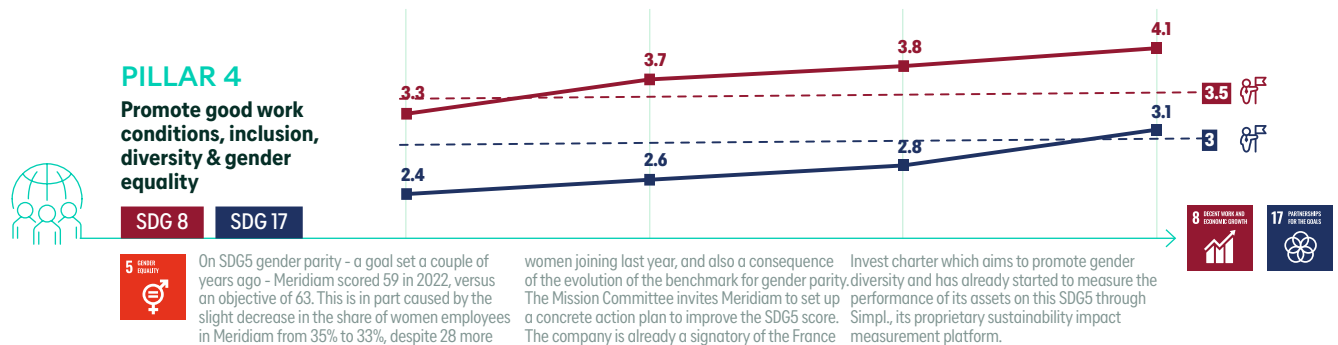
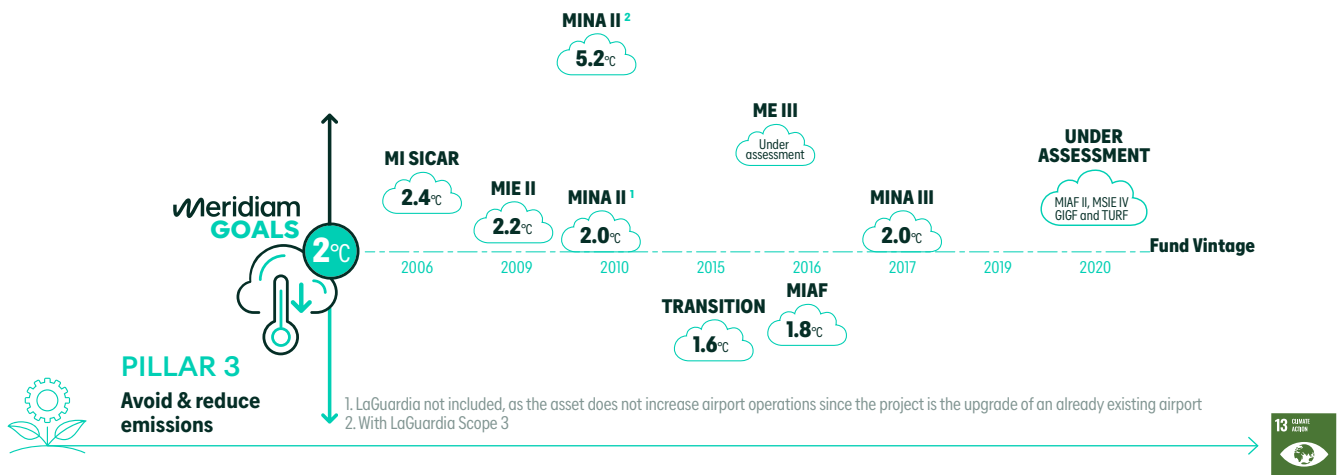
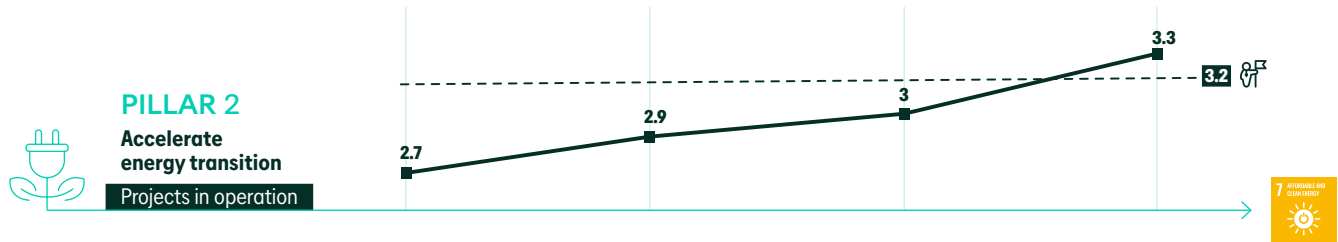
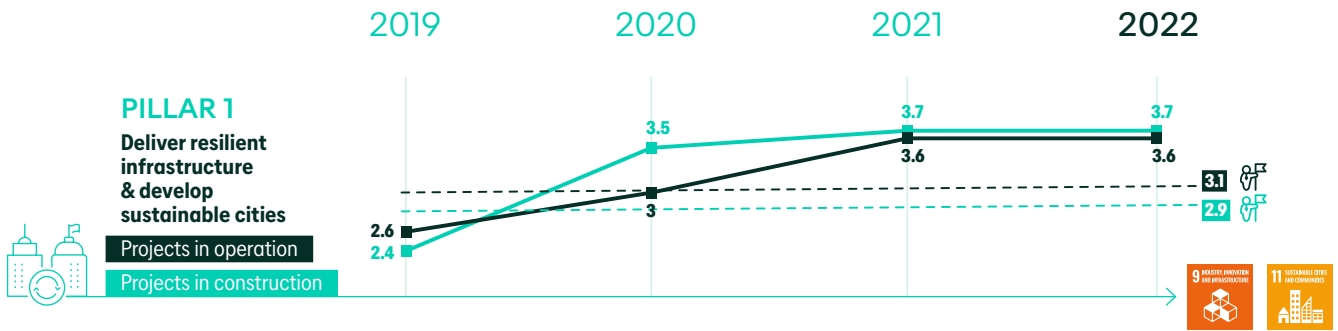
bakertilly

Audited Meridiam for its Mission Company status in October 2022.

Having reached the end of the 2019-2022 period defined by the Mission Objectives, the Mission Committee noted that all three-year objectives were achieved or exceeded.

It also found solid improvement across our Five Pillars, and significant progress on three-year climate action objectives, with the creation of many new energy transition assets.





MI SICAR – Meridiam Infrastructure SICAR
MIE II – Meridiam Infrastructure Europe II
MIE III – Meridiam Infrastructure Europe III

MINA II – Meridiam Infrastructure North America II
MINA III – Meridiam Infrastructure North America III
MIAF – Meridiam Infrastructure Africa Fund

Transition - Meridiam Transition

Meridiam exceeded the target on all seven SDG-linked mission objectives, and improved performance on five of those objectives between 2021 and 2022.

Regarding our objectives on Pillar 3, while there remains work to do to bring all funds in line with the 2°C target, we continue to enhance performance as well as measurement of our assets' climate performance, where possible bringing Scope 3 greenhouse gas emissions into our assessments for greater transparency.

PILLAR 1 Deliver Resilient Infrastructure & Develop Sustainable Cities

Mission Objective 1 & 2



We maintained our scores for projects under operation and projects under construction at 3.6 and 3.7 respectively, well in excess of our targets, demonstrating our progress in creating more efficient infrastructure for societies.

PILLAR 2 Accelerate Energy Transition

Mission Objective 3



Our performance for projects in operation accelerated to 3.3, taking us through our three-year target, as more of our renewable energy projects, such as solar energy plants in Senegal, reach full capacity.

PILLAR 3 Avoid and Reduce Emissions

Mission Objective 4 & 5



Our North America funds II and III improved their climate performance from the previous year and were brought in line with the 2°C target, excluding Scope 3 emissions from our La Guardia Airport terminal in New York. Our second Europe Fund also modestly improved performance, while our SICAR fund improved by 0.4°C. Meridiam's Transition Fund remains well below the 2°C objective, while new measurement for our Africa Fund also shows it well below the 2°C target¹. Other Funds, particularly those still in their investment cycles, remain under assessment.

PILLAR 4 Promote Good Work Conditions, Inclusion, Diversity & Gender Equality

Mission Objective 6, 7 & 8



Meridiam's gender equality result (SDG 5) declined from 61 to 59, missing the target of 63, reflecting changes to the benchmark, which make achieving a higher score on each gender KPI more challenging. In addition, Meridiam has grown significantly since 2020, so while the group now employs more women, their number as a proportion of the workforce has declined slightly. Other measures of inclusion show our diversity, with 48 nationalities employed at Meridiam, thanks in part to specific actions to hire and train local talent at projects around the world. Meridiam is also formalising procedures and is setting objectives that will drive improvements in gender equality. Local initiatives have received positive feedback from communities and other stakeholders.

Performance on measures reflecting SDG 8 and SDG 17 improved, with efforts on Partnerships for the Goals taking our result to 3.1, beating the three-year target, thanks to actions to formalise working processes.

PILLAR 5 Protect and Enhance Biodiversity

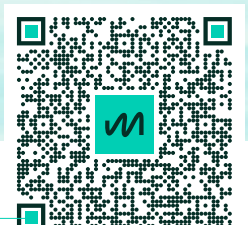
Mission Objective 9



We further enhanced our score to 3.3, well in excess of the three-year target.

1. Considering we can now measure the temperature of our Africa fund with CIARA, the objective 4 has been updated to reflect our ambition on all our other funds. Therefore, objective 4 now aims at aligning as much as possible with a 2°C trajectory.

» See concrete examples regarding the local initiatives implemented, the progress and value that Meridiam has created over the last year, in Meridiam's latest Impact Report



Overall Governance Objective

Assessment of overall performance found that the firm performed very strongly versus other asset managers, ranking third in its field in 2022. Furthermore, the sustainability analysis showed that Meridiam's overall governance score improved, reaching 65 (versus an objective of 70), giving the firm an A1 rating. In its analysis, V.E. Moody's (now Moody's) stated that Meridiam displays a strong capacity and willingness to integrate ESG factors into its strategy, operations and risk management, with advanced results achieved on managing risks across operational efficiency, reputation, legal security and human capital.

Underperformance of the objective reflected specific factors, including disclosure of executive remuneration, which as a non-listed company is highlighted in Meridiam's Annual Report, as well as negative press stories that emerged during the firm's pursuit and takeover of Suez operations. Actions and policies are in place, or underway, to improve Meridiam's score in line with its target.

Mission Objectives 2024-2030

Meridiam's new Mission Objectives and timeframe are currently being finalised and will reflect both the nature of Meridiam's business as a long-term owner and operator of infrastructure assets, as well as the time and investment needed for infrastructure project management companies to develop action plans and meet sustainability goals.

The Mission Objectives will align with Meridiam's commitment to reduce Scope 1 and Scope 2 carbon emissions by 50% in terms of tonnes of CO₂ per year per million dollars invested by 2030.

The Mission Objectives will combine goals for Meridiam as a general partner and investment manager, to be delivered by the end of 2024, as well as specific fund and asset-level targets that will be closely monitored and assessed each year. These continue to follow the link between Meridiam's Five Pillars and the SDGs.

At the same time, they are being expanded to incorporate challenging global standards and ambitions in areas including gender equality.

The work carried out by the Meridiam team over the past year is truly impressive and exemplary in terms of assignments completed, project development and coherence.

We are proud to contribute to this great Mission.

Mission Committee Opinion

Meridiam set challenging targets for its three-year Mission Objectives, and obtained very good results that reflect the efforts and processes that have been put in place. While the firm missed its three-year ESG governance and gender targets, we recognise this remains a continuing commitment and priority and the benchmark has evolved since the last evaluation by Moody's. The agency notes that **Meridiam's clearly defined Pillars shape advanced management of social and environmental impacts**, and that all investments follow comprehensive ESG policies. Moody's found that 28% of assets have a clear sustainability objective with that performance expected to improve over the next two-to-four years as investments mature and the firm embraces new sustainability themed opportunities.

The assessment also highlights comprehensive risk management controls. Additionally, it sees the firm proactively integrating ESG into strategy and operations. However, while quantitative KPIs exist at a group level, they are not systematically reported, which constrains monitoring. We concur with the Moody's assessment that Meridiam has the relevant means and processes to address the most material challenges.

Looking forward, the Mission Committee sees Meridiam continuing and enhancing its commitment to the Five Pillars and the SDGs. **The timeline of expanded objectives is aligned with Meridiam's Net Zero Asset Managers goals** in relation to emissions, as well as the global deadline for delivery of the SDGs. As a developer and manager of

long-term assets, **Meridiam's new Mission Objectives should reflect long time horizons**, yet we believe there should be robust annual monitoring to ensure continual improvement, as well as a more in-depth review after three years to understand how action plans are being implemented and progress achieved. It is essential not only to have a long-term sustainability strategy, but also to communicate when milestones are reached. Internal teams need to be educated and encouraged to focus on KPIs that can make the Mission Objectives concrete at a day-to-day level.

We expect new targets to be challenging and require action across all geographies. We also expect more ambition on protecting and enhancing biodiversity. Meridiam is piloting the LEAP approach outlined in the Taskforce on Nature-related Financial Disclosures and expects initial results in 2024. The firm plans to implement best practices, such as those put in place at the Kingulé Aval hydroelectric power plant in Gabon, to create specific biodiversity requirements and targets at each asset, in ways to must ensure that excessive pressure to comply is not placed on local suppliers.

Meridiam is the developer and manager of assets that have an impact on climate, and therefore invests and develops its projects in the firm belief that they have a meaningful positive impact on the lives, and livelihoods, of millions of people. Nonetheless, it is essential that the firm keeps to challenging targets to **reduce Scope 1 & 2 emissions in line with 2030 goals**, and steps up initiatives that will enable it to achieve Scope 3 emissions reduction and carbon neutrality by 2050.

For the coming financial year, the Mission Committee will continue to guarantee the fulfilment of Meridiam's commitments and objectives. It will provide guidance on strategic topics to assist the company in its virtuous progress – particularly in relation to portfolio monitoring, **robust action plans for each fund and asset**, Meridiam's carbon footprint, biodiversity, climate strategy, supply chain monitoring, and more.

Meridiam has already presented proposals for 2030 objectives, with very concrete KPIs to monitor continuous progress, as well as a detailed interim assessment. Moreover, the company intends to create new bylaws and align them with the Mission. The Mission Committee has been closely involved in defining Meridiam's new Mission Objectives and overseeing how Meridiam will follow up on its engagements and ambitions. The new objectives will be finalised by the end of 2023, in time for the first monitoring campaign in early 2024.

We look forward to starting the new year with the new objectives. They will ensure that the strategy to deliver on Meridiam's Mission remains robust and that they accelerate progress made to date.

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Meridiam
for people and the planet