

CC&L Infrastructure Responsible Investment Policy

Connor, Clark & Lunn Infrastructure (CC&L Infrastructure) is an experienced owner and active manager of infrastructure assets. Our objective is to provide clients with access to a diversified portfolio of high-quality, mid-market infrastructure investments with attractive risk-return characteristics.

By their nature, infrastructure projects generally provide essential goods or services to local communities and economies. Accordingly, we recognize that the development, ownership, and operation of these assets affects a variety of stakeholder groups and the environment.

As long-term asset owners and stewards of client capital, CC&L Infrastructure focuses on managing its assets responsibly. This includes a systematic approach to evaluating material environmental, social, and governance (ESG) factors. We believe this approach improves our ability to manage risk, protects the value of our investments and enhances our long-term investment returns.

PURPOSE & SCOPE

This Responsible Investment (RI) Policy (the Policy) outlines our approach for integrating ESG factors into our investment process. While our ESG philosophy also extends into our corporate operations, this Policy is specifically applicable to CC&L Infrastructure's investments and covers our practices throughout the investment lifecycle. As our RI practices evolve over time, we will update this Policy accordingly.

EXTERNAL STANDARDS AND COLLABORATION

As a part of our commitment to RI, we evaluate collaborative investor initiatives that align with our RI Strategy and support our five ESG focus areas (outlined herein). Currently, we are a member of the United Nations-sponsored Principles for Responsible Investment (PRI) and our ESG focus areas align with many of the Sustainable Development Goals (SDG). We will also look to extend our affiliations as our RI strategy progresses.

Principles of Responsible Investing

CC&L Infrastructure is a signatory to the PRI, which provides a globally recognized voluntary framework for investors to guide ESG strategy and integration. Our RI Policy and approach are aligned with PRI's six Principles.



Sustainable Development Goals

The SDGs are a globally recognized framework for governments, companies, and society to focus on alleviating humanity's largest challenges by 2030. CC&L Infrastructure uses the SDG framework to identify and categorize how our ESG focus areas support positive sustainability outcomes tied to specific SDGs.



We also consider other voluntary standards and guidelines to inform our RI activities. This includes the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) with respect to climate-related risks and opportunities. We also incorporate the GRESB Infrastructure and the Sustainability Accounting Standards Board (SASB) framework to inform our due diligence, asset management and reporting processes.









ESG CONSIDERATIONS & FOCUS AREAS

At CC&L Infrastructure, we consider a wide array of ESG factors throughout our investment processes that may individually or in combination affect the risk and return profile of our investment.

Examples of individual considerations may include:

Environmental	Social	Governance
• Air pollution	• Employee Engagement and Diversity	• Board/Committee Composition
• Biodiversity and habitat	• Health and Safety	• Board ESG Oversight
• Energy	• Human Rights	• Business Ethics
• Greenhouse gas emissions (GHG)	• Indigenous Relations	• Cybersecurity and Data Protection
• Hazardous substances	• Stakeholder Relations	• Executive Compensation
• Physical risk		• Shareholder Rights
• Waste		
• Water		

Our RI approach is centered around five focus areas which we consider to be the most important to the success of our business and the most relevant from an ESG standpoint to our portfolio. Below is a description of the five focus areas and how they support specific SDGs.

Focus Area	Description	Applicable SDGs
1 - Asset Resilience	We identify and manage ESG risks and opportunities to improve asset resilience and reliability, now and in the future (e.g. environmental plans, ESG certifications, cybersecurity audits)	 
2 - Climate & Transition	We invest in the clean energy transition and decarbonization (e.g. clean energy generation, measurement and reduction of greenhouse gas emissions)	 
3 - Shared Value	We develop mutually beneficial partnerships with our stakeholders (e.g. stakeholder engagement plans, collaboration with local First Nations groups, community support initiatives)	 
4 - People Focus	We keep our people, and anyone involved in our assets, safe and create a supportive and respectful work environment (e.g. health & safety audits, employee training, DEI policy)	 
5 - Governing with Integrity	We operate with high ethical standards, establish good governance, and disclose our ESG performance transparently (e.g. governance policies, board representation, UNPRI reporting)	

RESPONSIBLE INVESTMENT APPROACH

We integrate material ESG factors in all aspects of our investment process.

Deal sourcing

When exploring new investments, we assess potential risks, opportunities, and effects of material ESG factors on the prospective investment. We also leverage relationships with partners that have common ESG values to identify and source transactions.

CC&L Infrastructure does not exclude companies, sectors or asset types based on a particular activity or ESG exposure alone. We believe it is important to consider those factors within our overall investment process rather than unduly narrowing the universe of potential investments. Instead, the decision as to whether we pursue an investment is determined on a risk-adjusted basis following a holistic assessment of the specific opportunity.

Due diligence

We complete an assessment of ESG factors during due diligence, which enables our investment team to form a view on how they may affect the long-term performance and value of the asset. Material ESG factors are included in our analyses of investments, and our investment team ensures that we are adequately compensated for ESG risks and benefits.

Investment decisions

The Investment Committee is responsible for reviewing investment presentations and approving investment decisions. A summary of material ESG factors analyzed during due diligence is included in Investment Committee presentations.

Onboarding & asset management

CC&L Infrastructure has a long-term investment orientation. The requirement to protect and maximize the value of our investments over long durations necessitates a rigorous and disciplined evaluation of material risk factors and value optimization opportunities, including relevant ESG considerations. To that end, we seek to address the material ESG factors related to each of our focus areas by actively managing our assets and portfolio companies, and by partnering with like-minded investors.

Our asset management team is responsible for integrating ESG due diligence findings into asset onboarding. Furthermore, the asset management team monitors ongoing ESG performance across the portfolio. Our stewardship and engagement efforts include, but are not limited to, consultation with stakeholders, representation on the board of directors for our assets, and active dialogue with management teams to support continued improvement.

Reporting

We believe that transparency is necessary for accountability and trust. Accordingly, as signatories of PRI we report annually on our activities and progress. We also incorporate material ESG updates into our quarterly client reporting and provide further information about RI practices on our publicly accessible website.

Governance

CC&L Infrastructure's Management Committee is responsible for ensuring that RI practices are integrated into our investment processes, including the periodic review and approval of this RI Policy. The Management Committee approves all major commitments, targets, disclosures and resourcing associated with our RI activities.

The Management Committee is supported by the CC&L Infrastructure ESG Steering Committee, which meets quarterly to review ESG progress and performance and to make recommendations to the Management Committee regarding major initiatives. The ESG Steering Committee is chaired by the President of CC&L Infrastructure and includes representation from both the investment and asset management teams.

About CC&L Infrastructure

CC&L Infrastructure invests in middle-market infrastructure assets with highly attractive risk-return characteristics, long lives and the potential to generate stable cash flows. CC&L Infrastructure is a part of Connor, Clark & Lunn Financial Group Ltd., a multi-boutique asset management firm. For more information, please visit www.cclinfrastructure.com.

For more information on Connor, Clark & Lunn Infrastructure's strategy, portfolio and investment criteria contact:

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