



# RESPONSIBLE INVESTMENT REPORT 2024





# Table of Contents

At Connor, Clark & Lunn Infrastructure (CC&L Infrastructure), responsible investment (RI) is a key pillar of our business. RI principles are embedded across our organization, informing our workplace culture, our investment decisions and our asset management approach, with the aim of contributing to a more sustainable future for generations to come. This report will outline our approach to responsible investment, why we believe RI integration is important to our organization and the results for both our company and clients.<sup>1</sup>

<b>Introduction – Letter From the President</b>	<b>2</b>
<b>About CC&amp;L Infrastructure</b>	
About Us	3
Our Portfolio at a Glance	5
Our Responsible Investment Journey	6
2024 Highlights	7
<b>Responsible Investment</b>	
Industry Affiliations and Engagement	8
Our Commitment to the Principles for Responsible Investment	9
Our Approach to Responsible Investment	10
<b>How we Integrate Responsible Investment</b>	
Focus Area #1 – Asset Resilience	12
Focus Area #2 – Climate & Transition	16
Focus Area #3 – Shared Value	20
Focus Area #4 – People Focus	23
Focus Area #5 – Governing with Integrity	26
<b>Governance and Investment Process</b>	
Corporate Governance	28
Responsible Investment Toolkit	29
Investment Process – Deal Sourcing	30
Investment Process – Due Diligence	32
Investment Process – Decision to Invest	34
Investment Process – Onboarding & Asset Management	36
<b>Corporate Social Impact</b>	
Investing in Our People	39
Corporate Social Responsibility	41
Business Practices Working Group	42
CC&L Foundation	43
<b>Closing – Letter From the Head of Asset Management</b>	
	47

<sup>1</sup>All information provided is in Canadian dollars as of December 31, 2024, unless otherwise stated.



## Introduction – Letter From the President

CC&L Infrastructure has a strong track record of delivering long-term, stable returns. Our disciplined investment approach focuses on essential infrastructure assets and our continued success reflects this unwavering commitment.

In today's environment of macroeconomic volatility, changing investor sentiment and evolving regulatory expectations, maintaining our focus is more important than ever. We continue to follow a disciplined, forward-looking investment strategy to navigate the uncertainties ahead. While uncertainty brings challenges, it also creates opportunity – and we are well-positioned to uncover value in these opportunities using the same disciplined approach.

While the current climate has led some investors to re-evaluate their RI priorities, CC&L Infrastructure remains steadfast in our commitment.

We evaluate every investment through a clear lens of long-term value, incorporating material risks and opportunities, including those related to environmental, social and governance (ESG) factors. This clarity of purpose has allowed us to remain consistent in delivering attractive returns, while making measurable progress on our RI objectives, even as the broader landscape evolves.

2024 was an exciting and record-breaking year for our firm. We deployed more capital than

ever before, expanded our team across key functional areas and achieved record growth in assets under management. At the same time, we advanced our responsible investment agenda in meaningful ways – proof that integrating ESG considerations into our core investment process continues to support both performance and purpose.

A major milestone in our RI journey, and a requirement of all signatories to the Principles for Responsible Investment (PRI), was the submission of our first annual report. This marked an important step in formalizing our approach, enhancing transparency and benchmarking our progress against global standards. The process also reinforced our belief in continuous improvement as the cornerstone of effective ESG integration.

Looking ahead to 2025, we recognize that climate risk remains one of the most material and complex challenges facing infrastructure investors. As such, climate will be a central focus of our RI efforts in the year ahead. We are deepening our analysis of transition and physical risks across our portfolio, enhancing our climate-related disclosures, and developing investment strategies that support the global energy transition.

We are proud of the progress we've made and acknowledge that our RI strategy will continue

to evolve as we grow our platform, broaden our impact, and respond to the needs of our clients, partners and the communities in which our assets are located.

I remain confident in our team's ability to rise to the challenge and contribute to a more sustainable future through our investments.

Thank you for your continued support and I hope you enjoy this year's Responsible Investment Report.

**Matt O'Brien**  
President & Chair of the  
RI Steering Committee





## About Us

CC&L Infrastructure invests in middle-market infrastructure assets with attractive risk-return characteristics, long lives and the potential to generate stable cash flows.

We are an experienced owner, operator and manager of infrastructure assets that provide essential services to local communities while delivering long-term value to a diverse group of investors.

Since our founding 20 years ago, we've grown from investing balance sheet capital as a team of fewer than five people, into a dedicated group of more than 40 professionals managing over \$7 billion of capital. Collectively, our team has decades of experience making responsible, long-term investments in critical infrastructure projects.

As an employee-owned business, we invest directly alongside our clients – aligning our success with theirs. This shared commitment drives our focus on building and maintaining a resilient, high-performing portfolio that delivers long-term value. We achieve this through disciplined investment decisions combined with an active, hands-on approach to asset management.

Our investor base includes pension funds representing working professionals, Indigenous groups supporting their communities and universities stewarding their endowments.

We are committed to offering our investors access to a diversified portfolio of high-quality infrastructure assets structured to generate resilient cash flows and compelling long-term performance.

**CC&L INFRASTRUCTURE IS PROUD TO BE AN AFFILIATE  
OF CONNOR, CLARK & LUNN FINANCIAL GROUP, ONE OF  
CANADA'S LARGEST PRIVATE ASSET MANAGEMENT FIRMS**

With over \$142 billion in assets under management and offices across Canada and internationally in Chicago, Norwalk, London and Gurugram, India, CC&L Financial Group and its affiliates provide a broad range of distinct and independently managed investment solutions to institutions, individuals and financial advisors. They leverage deep market knowledge and extensive global reach to offer clients the breadth and quality of investment opportunities they seek, focusing on building strong partnerships and enhancing the ability to create lasting value.







**We believe in the power of collaboration and actively engage with our partners to achieve shared goals and deliver meaningful results. This collective approach strengthens our ability to integrate sustainability across our business, drive continuous improvement and create long-term value for our stakeholders.**





## Our Portfolio at a Glance

Our assets are well diversified by location, type, investment stage and counterparty.

Given the long-term nature of our investments, we recognize that operating responsibly is essential to protecting and enhancing asset value. We identify, assess, price, manage and monitor material RI-related risks and opportunities throughout the investment lifecycle.

Our RI practices are integrated into every step of the investment process, from deal sourcing, to due diligence, to ongoing asset management. These practices are guided by our proprietary RI toolkit and supported by the expertise of our RI Steering Committee.

Our involvement doesn't end at acquisition – throughout the life of each asset, we remain engaged by monitoring performance and actively seeking opportunities to create value.



## INFRASTRUCTURE PORTFOLIO

	61	GROUND-MOUNTED SOLAR FACILITIES
	15	HYDROELECTRIC FACILITIES
	7	WIND FARMS
	1	AIRPORT
	3	HIGHWAY PROJECTS
	6	SHORTLINE RAIL TERMINALS
	2	ACUTE-CARE HOSPITALS
	NORTH AMERICAN STUDENT TRANSPORTATION BUSINESS	
	4	STUDENT HOUSING FACILITIES





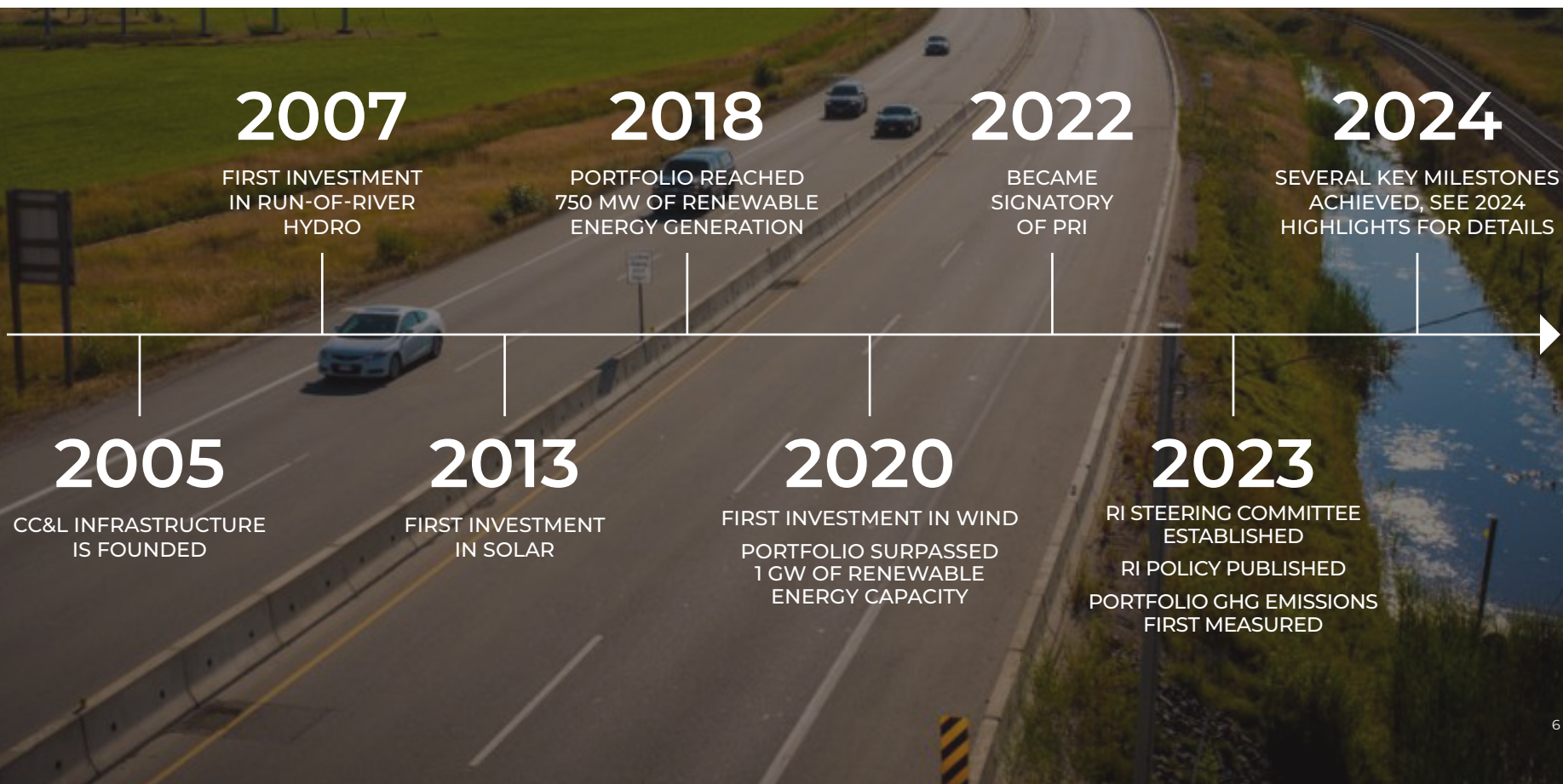
## Our Responsible Investment Journey

When CC&L Infrastructure was established in 2005, both the renewable energy sector and the concept of responsible investment were in their early stages. Even then, we recognized the growing need for clean energy – our very first investment was a run-of-river hydroelectric project. Since then, we have consistently invested in renewable energy projects and will continue to do so as the world moves toward a more sustainable future.

As our company has grown and evolved, so too has our approach to responsible investment. We have developed and refined internal tools, reporting mechanisms and

training programs to embed responsible investment across our organization. We continue to work on refining our RI framework and measure ourselves against third-party frameworks. Updates and progress toward achieving our objectives will continue to be highlighted and shared in future Responsible Investment Reports.

In 2024, we hit several key milestones, which are detailed in the *2024 Highlights* section of this report on the next page.





## 2024 Highlights

In 2024, we hit several key milestones and achieved record growth across all areas of the business. These accomplishments are highlighted below.

Increased gross  
AUM by  
**>\$1.4B**  
or  
**>25%**

Published and  
distributed our inaugural  
**Responsible  
Investment  
Report**

Gross AUM now  
exceeds  
**\$7B**

Exceeded  
**100**  
underlying assets  
in our diversified  
infrastructure portfolio

Grew our team by  
**>20%**  
year-over-year

Received our first  
**PRI scoring  
assessment**  
results

Added  
**8**  
new team members  
across our investment,  
asset management and  
finance teams

Exceeded  
**2 GW**  
of renewable  
energy capacity

Employed over  
**3,300**  
individuals at  
operating assets

Closed  
**4**  
high-quality  
new investments





## Industry Affiliations and Engagement

We take pride in the reliable and safe operation of our assets, and in our over 3,300 employees working to provide essential services to local communities, whether it is ensuring our hospitals are open to provide critical care, transporting people to work or school or generating clean energy to power homes and businesses. We take an active management approach to ensure we remain current with industry developments and regularly collaborate with like-minded partners.

We believe a key element of responsible investment is to benchmark ourselves against independent standards. Benchmarking provides accountability and allows us to uphold our own values and ensure transparency and comparability for our stakeholders. To better manage and support our assets, we are signatories to, or support, several organizations and initiatives.



CC&L Infrastructure is a signatory to the Principles for Responsible Investment (PRI), an international network of more than 5,300 signatories representing over USD \$128 trillion in assets under management. The PRI is supported by, but not part of, the United Nations (UN).



CC&L Infrastructure supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Having met its goals, the TCFD disbanded in 2023 and was incorporated into the International Sustainability Standards Board (ISSB). TCFD recommendations for climate disclosures continue to be widely reported against.



CC&L Infrastructure is a member of the Canadian Renewable Energy Association (CanREA) – an organization dedicated to shaping policy, sharing information and working with stakeholders to ensure low-cost, reliable and sustainable energy accessibility is implemented across Canada.



Through our Regional Power portfolio, CC&L Infrastructure is a member of the Ontario Waterpower Association (OWA). The OWA promotes sustainable development through hydroelectricity. It works to sustain and enhance Ontario's existing waterpower assets and to provide new opportunities for expansion, providing a reliable and affordable energy source.



# Our Commitment to the Principles for Responsible Investment

The six Principles for Responsible Investment were developed by PRI to help guide investors as they work to incorporate ESG issues into their investment practices. As a PRI signatory, we are committed to upholding the Principles and acting in the best interests of our clients, partners and other key stakeholders.

We have integrated the Principles into every stage of the investment and asset management cycle and we remain accountable and transparent through the submission of standardized reporting on our RI program, including the methods we use in our investment process, how our RI policy informs our investment activities and how we oversee and enact our RI practices.

## 1 We will incorporate ESG issues into investment analysis and decision-making processes.

We integrate ESG considerations into all stages of our investment process. Throughout the process, we seek to identify material ESG risks and opportunities that may affect long-term asset performance and resilience. We assess these risks by conducting:

- Sector-specific ESG risk assessments
- Climate risk analysis
- Evaluations of potential social and governance issues

## 2 We will be active owners and incorporate ESG issues into our ownership policies and practices.

Post-acquisition, we work closely with asset operators and management teams to implement ESG best practices, improve performance and address identified risks. We do this by:

- Establishing ESG-related KPIs
- Encouraging the adoption of health and safety and environmental management systems
- Conducting regular ESG monitoring and site-level reviews

Our governance approach includes board representation that ensures ESG matters are embedded in strategic and operational decision making.

## 3 We will seek appropriate disclosure on ESG issues by the entities in which we invest.

We regularly request ESG data and disclosures from our portfolio companies and assets, tailored to the nature and scale of the business, which may include:

- Energy consumption
- Greenhouse gas (GHG) emissions
- Safety metrics
- Community engagement efforts

Where relevant, we align disclosures with widely used frameworks such as TCFD to ensure consistency and comparability across the portfolio.

## 4 We will promote acceptance and implementation of the Principles within the investment industry.

We actively support the advancement of RI practices by sharing knowledge, participating in industry initiatives and encouraging our partners, co-investors and stakeholders to adopt similar ESG standards.

## 5 We will work together to enhance our effectiveness in implementing the Principles.

We collaborate with industry peers, asset managers and service providers to improve the quality and availability of ESG data, develop best practices and respond to emerging sustainability challenges.

We believe collective action strengthens the effectiveness of responsible investment and fosters continuous improvement across the sector.

## 6 We will report on our activities and progress toward implementing the Principles.

Transparency and accountability are central to our approach. We publish an annual RI report that outlines our progress, key achievements and areas for improvement.

In addition, we participate in third-party frameworks such as the PRI Reporting & Assessment process to benchmark our performance and drive continuous improvement.



# Our Approach to Responsible Investment

## APPROACH

Our approach to responsible investment is anchored by five focus areas – **Asset Resilience**, **Climate & Transition**, **Shared Value**, **People Focus** and **Governing with Integrity**. These areas are directly connected to our business and are inextricably linked to our long-term success.

Each focus area was selected for its alignment with our investment philosophy, relevance to our portfolio and consistency with leading RI frameworks – spanning environmental, social and governance categories.

The ways in which we evaluate new opportunities, manage existing assets, and support long-term growth are shaped by our focus areas, and the meaningful impacts our projects have, both in the communities where we live and work, and on the broader environment.

## ALIGNMENT WITH UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Our focus areas reflect our internally developed perspectives, as well as globally recognized ESG frameworks. They are aligned with many of the United Nations Sustainable Development Goals (SDGs) and, together with the underlying themes, have become foundational to our portfolio strategy.

Infrastructure projects serve a critical role in reaching the targets set out in the SDG framework. By aligning our focus areas with specific SDGs, we can provide context for the work we do and how our projects contribute to the communities in which they operate.

## FOCUS AREAS

<b>1 – ASSET RESILIENCE</b>	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)		
<b>2 – CLIMATE &amp; TRANSITION</b>	We invest in clean energy transition and decarbonization (e.g. clean energy generation, measurement and reduction of greenhouse gas emissions)		
<b>3 – SHARED VALUE</b>	We develop mutually beneficial partnerships with our stakeholders (e.g. stakeholder engagement plans, collaboration with local Indigenous groups, community support initiatives)		
<b>4 – PEOPLE FOCUS</b>	We keep our people, and anyone involved with our assets, safe and create a supportive and respectful work environment (e.g. health & safety audits, employee training, DEI policy)		
<b>5 – GOVERNING WITH INTEGRITY</b>	We operate with high ethical standards, establish good governance and disclose our ESG performance transparently (e.g. governance policies, board representation, PRI reporting)		

SUSTAINABLE DEVELOPMENT GOALS



# How we Integrate Responsible Investment

## RI-FOCUSED INITIATIVES

To provide structure and consistency in how we integrate RI factors within our business practices, we have implemented RI initiatives spanning our five focus areas. It is through these initiatives that we strive to:

- Systematically integrate RI considerations across our business and investment practices
- Enhance our RI competencies and resources across teams and assets
- Promote accountability and transparency in our RI progress
- Align with established third-party RI standards

## STAKEHOLDER ENGAGEMENT

Across our portfolio, we work closely with like-minded investors, partners, employees and other stakeholders to consistently apply ESG principles and embed RI considerations into our investment approach and asset management processes. Through participation in ongoing stakeholder engagement, we ensure our focus areas remain relevant and that we are responsive to changes in the ever-evolving business and ESG landscape.



## RI STEERING COMMITTEE

Integration of responsible investment starts from the top, where the CC&L Infrastructure Management Committee (Management Committee) is responsible for broad oversight of our RI approach.

The Management Committee is supported by the CC&L Infrastructure RI Steering Committee (Steering Committee) who meet quarterly. The Steering Committee is responsible for reviewing progress and performance related to ongoing RI projects and for providing the Management Committee with updates on the broader RI environment and recommendations regarding major RI initiatives and decisions.

The senior representatives who make up the Steering Committee are responsible for integrating RI considerations and decisions within their teams, including assigning responsibility, advancing initiatives and providing oversight at various levels throughout the business.

Our structure ensures that those with the responsibility for oversight and advancement of our RI program have the appropriate level of seniority to execute on our priorities and can instil and reinforce a culture of good governance throughout the organization and, ultimately the portfolio.

## CC&L INFRASTRUCTURE RI STEERING COMMITTEE



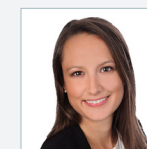
**Matt O'Brien**  
President



**Ryan Lapointe**  
Managing Director



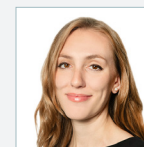
**Moira Turnbull-Fox**  
Managing Director



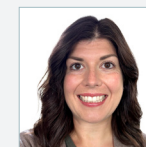
**Kaitlin Blainey**  
Managing Director



**Patrick Gilmour**  
Director



**Sonja Weiss**  
Vice President



**Meaghan Kee**  
Manager of Administration



## Focus Area #1 – Asset Resilience

Infrastructure assets by their nature are generally large, essential projects that operate over the long term, and almost always involve significant capital investment.

Given the size, longevity and critical nature of the services these assets provide, stakeholders come to depend on the consistency of their day-to-day operations.

When we consider asset resilience, we assess a range of risks: from the impact of climate change on our investments, to the growing threat of cyberattacks on critical infrastructure, to ensuring the appropriate environmental policies and procedures are documented and adhered to at our sites.

By improving the resiliency of our assets, we can enhance their long-term performance and minimize the occurrence and severity of unplanned negative ESG outcomes.

### RELEVANT SDGs:



## KEY PERFORMANCE INDICATORS

Our key performance indicators (KPIs) help to evaluate the effectiveness of our monitoring program by tracking how well it identifies and responds to both short- and long-term risks. These indicators provide measurable insights into emerging issues, assess the timeliness and adequacy of our responses, and inform adjustments to our strategy where needed. By doing so, they support a proactive approach to risk management that aligns with our broader RI objectives and approach to asset resilience.

- Share of assets conducting and monitoring ESG risk and resilience assessments: **100%**
- Share of assets/operators with relevant environmental policies in place: **100%**
- Share of assets with environmental management plans in place: **98%**
- Share of assets conducting cybersecurity audits within the last two years: **100%**







**Through innovation, foresight and a relentless focus on resilience, we ensure our portfolio remains strong, sustainable, and future-ready – creating lasting impact for generations to come.**

## Case Study – Climate Risk Tools

At CC&L Infrastructure, we believe resilient infrastructure is the foundation of sustainable value creation.

To strengthen our approach to risk management and climate resilience, we utilize Swiss Re's CatNet® – a leading-edge analytical tool that delivers critical insights into natural hazard and climate risks.

CatNet® combines state-of-the-art data analytics, detailed hazard information and forward-looking climate models to assess site-specific exposure to floods, earthquakes, wildfires, hurricanes and other critical risks. With dynamic hazard mapping and intuitive hazard scoring, CatNet® enables our team to make smarter, faster decisions across the entire asset lifecycle, from acquisition and development to operations and long-term stewardship.

By embedding CatNet® insights into our investment processes, we proactively safeguard our assets and deliver greater confidence to our partners and stakeholders. Whether it's informing design enhancements, optimizing insurance strategies or shaping community resilience efforts, this data-driven approach helps us better understand the social impact of our investments and manage financial performance.

In light of changing climate risks, the importance of transparent, science-based risk assessment becomes even greater. Tools like CatNet® not only support us in the implementation of leading ESG and climate frameworks, but also empower us to lead the way in building infrastructure that is ready for tomorrow's challenges.

### GOING A STEP FURTHER

As we look to the future, climate and transition risks present a range of uncertainties for infrastructure investors. To better understand and assess these risks and evaluate their potential financial implications, we have initiated the development of a climate risk framework. This portfolio-wide framework will guide our TCFD-aligned climate disclosures, as well as our long-term climate strategy.



## Asset Spotlight – Resilience in Action

### L.F. WADE INTERNATIONAL AIRPORT

L.F. Wade International Airport in Bermuda is a nationally critical asset, providing sole aviation access to the island. It reflects our commitment to investing in durable assets with a design that combines advanced construction, robust insurance strategies and data-driven climate risk analysis to protect long-term value.

Located in a region prone to hurricanes and major storms, L.F. Wade International Airport was engineered for resilience. Its new terminal, built in 2020 by Aecon, combines innovative design, robust insurance coverage, and utilizes advanced climate analytics.

L.F. Wade International Airport exemplifies the future-ready infrastructure we strive to deliver, which creates enduring value for investors, partners and communities alike.

#### DESIGN HIGHLIGHTS:

- Designed to withstand Category 5 hurricanes
- The terminal features a roof capable of resisting wind speeds up to 300 km/h
- Located on an elevated site – 2.2 metres above sea level, with the terminal floor at 4 metres to mitigate storm surge risks

#### DILIGENCE CONDUCTED

Prior to acquisition, we conducted a rigorous due diligence process. Independent technical consultants confirmed that leading practices for hurricane, windstorm and storm surge resilience are incorporated in the airport's

design and construction. A third-party insurance advisor also verified that property coverage meets or exceeds probable maximum loss estimates, with no material gaps identified.

Following acquisition, as part of our active asset management process, we conducted a climate risk assessment using CatNet® to evaluate both current and future exposure levels. Given the coastal location of L.F. Wade International Airport, the asset scored high for windstorm risk, which is consistent with the findings of our pre-acquisition due diligence.

This comprehensive process, both pre- and post-acquisition, reinforced our confidence in the asset's long-term resilience.





# Asset Spotlight – Proactive Resilience Planning

## HARRISON HYDRO

Harrison Hydro is a portfolio of six run-of-river hydroelectric projects located in British Columbia. These projects showcase how proactive resilience planning can strengthen long-term asset performance.

## CLIMATE RISK ASSESSMENT

As part of our ongoing asset management activities, we used CatNet® to assess the region's exposure to natural hazards, including wildfire and flood risks. The analysis revealed that each of the six assets faces slightly different degrees of exposure to wildfire, drought, fire and landslide risks. These findings are now being integrated into our asset-level risk management and mitigation strategies.

Separately, our operations and maintenance partner at the facilities (Innergex), conducted its own risk assessments. As a result, a range of proactive measures to safeguard the facilities against these evolving

threats have been implemented. Measures such as sprinklers, fire retardants and structural enhancements help to fortify the sites and minimize potential damage.

### KEY ACTIONS INCLUDE:

- Ongoing fire protection treatments for transmission line poles
- The procurement of emergency inventory to enable rapid disaster response
- The implementation of comprehensive fire protection plans for critical buildings

By investing in resilience today, Harrison Hydro is positioned to deliver sustainable, reliable energy for the future – reinforcing our commitment to managing infrastructure assets with foresight and care.





## Focus Area #2 – Climate & Transition

Climate change is one of the most significant and complex challenges facing society today. As an infrastructure investor, we have an important role to play in supporting the transition to a low-carbon economy.

Infrastructure assets are deeply influenced by the environments in which they operate, making it critical to evaluate and manage them in line with changes in the world around them.

Climate change brings a wide range of associated impacts, from more frequent and extreme weather events to evolving legal and regulatory frameworks to shifts in how communities live and work.

In response, our Climate & Transition focus area outlines how we assess potential investments during our screening process and manage our existing portfolio with a long-term view toward mitigating climate-related risks.

### RELEVANT SDGS:



## KEY PERFORMANCE INDICATORS

CC&L Infrastructure invests in clean energy transition and decarbonization. In connection with these investments, we have developed KPIs that measure our influence on the climate and highlight our goal of responsibly managing emissions. The KPIs reflect our commitment to the ongoing measurement of GHG emissions across our portfolio.

	2023	2022 (BASE YEAR)
Share of assets conducting GHG assessment <sup>2</sup>	100%	100%
Total renewable energy generation	5,415 GWh	3,499 GWh
Equivalent homes powered by renewable energy <sup>3</sup>	Over 655,000	612,363
<b>GHG Emissions (tCO<sub>2</sub>e)<sup>4,5</sup>:</b>		
Number of assets assessed	95	94
Scope 1 and Scope 2	22	23
Scope 3	65,333	62,480
Total GHG Emissions	65,355	62,503
Weighted Average Carbon Intensity (tCO <sub>2</sub> e/\$thousand of revenue)	22.08	22.04

<sup>2</sup> Includes assets owned for at least six months within the reporting year (as of December 31, most recent period for which data is available). Excludes development stage assets, which represent <1% of the CC&L Infrastructure Strategy by Net Asset Value as of December 31 of the reporting year.

<sup>3</sup> Based on average home energy usage in the relevant jurisdiction in the reporting year.

<sup>4</sup> Represents emissions for portfolio assets owned for at least six months within the reporting year (as of December 31, most recent period for which data is available).

<sup>5</sup> Scope 1 is defined as direct emissions from sources owned and controlled by the company. Scope 2 represents direct emissions from purchased energy (e.g., used for heating and cooling) and transportation (e.g., business travel). Scope 3 represents indirect emissions associated with the use of products sold by CC&L Infrastructure, most notably CC&L Infrastructure's investments, which are represented by our assets' Scope 1 and 2 emissions.

## Case Study – GHG Measurement

To assess and mitigate climate change risk, we continue to calculate and monitor the GHG emissions associated with our portfolio.

2024 marks the second consecutive year we have undertaken a GHG emissions assessment. The assessment is conducted by an independent consultant in accordance with ISO 14064-1:2018, the WRI/WBCSD GHG Protocol Accounting and Reporting Standard and applicable best practices.

Our updated emissions inventory enhances our ability to track progress and identify trends, while also strengthening the data foundation we use to refine our reporting and evaluation processes.

We prioritize emissions reduction opportunities that are economically viable and offer an acceptable risk-adjusted return on capital invested. As the cost of emissions continues to rise, we anticipate that a broader range of decarbonization projects will become financially attractive, further supporting our long-term climate goals.

Newly acquired assets are also integrated into our GHG assessments, ensuring the evaluation of climate considerations is embedded from the outset. In 2023, we acquired L.F. Wade International Airport and its emissions data is included on the previous page.

We believe our portfolio is well positioned to adapt over time and support the transition to more sustainable operations through ongoing measurement, stakeholder engagement and targeted action.





## Asset Spotlight – Sustainable Innovation

### SOUTHWEST CALGARY RING ROAD

Comprising more than 30 km of six- and eight-lane divided highway, 14 interchanges, 47 bridges, as well as a tunnel and several crossings, the Southwest Calgary Ring Road represents one of the largest transportation projects in Alberta.

As part of our commitment to supporting the transition to a low-carbon economy, we work closely with our operations and maintenance partners to identify and implement emissions reduction opportunities across our portfolio.

A recent initiative by the operator responsible for the maintenance of the Southwest Calgary Ring Road (Alberta Highway Services), demonstrates how operational innovation can help drive meaningful progress.

### ACTIONS TAKEN

To reduce their carbon footprint, Alberta Highway Services installed a rooftop solar

system at their maintenance facility, where critical machinery and vehicles (such as snowplows) are housed and serviced. The solar installation is expected to generate approximately 176,805 KWh of clean electricity annually, even accounting for partial snow coverage during winter months.

Energy generated by the solar installation will be used primarily to power on-site operations, lowering reliance on grid-supplied electricity. Any surplus electricity not consumed by the facility will be sold back to the grid, further contributing to the supply of renewable energy in the region.

Through initiatives like these, Alberta Highway Services is helping to build more sustainable infrastructure operations – aligning with our broader Climate & Transition focus area and supporting our goal of managing assets in a way that reduces emissions and enhances environmental resilience over the long term.



The facility proudly hosts 12 honeybee colonies that yield honey each year. Despite being located within the Calgary city limits, it is also a habitat for geese and ducks that return annually to nest at the collection ponds.

**The solar installation is expected to reduce the facility's carbon footprint by approximately 23 tons per year.**



## Asset Spotlight – Optimizing Energy Efficiency

### NORTH ISLAND HOSPITAL

The North Island Hospital project in British Columbia comprises two LEED-gold-certified hospitals – Campbell River Hospital and Comox Valley Hospital.

### ACTIONS TAKEN

At both locations, our operations and maintenance partner (Honeywell) is driving measurable progress in energy efficiency and emissions reduction. Through the implementation of innovative building automation strategies, their work highlights how operational excellence can support our broader climate and transition goals.

Honeywell has introduced a range of optimization initiatives that are focused on improving the performance of the hospital's HVAC systems,

resulting in considerable energy savings. Some of the initiatives included in their strategy include:

- Central plant system optimization to enhance heat recovery across the facilities, capturing waste heat that would otherwise be lost and reusing it to reduce additional energy demand
- Advanced pumping strategies, including the use of variable speed drives and smart scheduling based on real-time occupancy patterns, enabling more energy-efficient operations
- Chiller enhancements to improve the Coefficient of Performance (COP), meaning less energy is required to achieve the desired heating or cooling output

Collectively, these initiatives allow for continuous monitoring and proactive maintenance, delivering sustained efficiency gains across both facilities.

Through innovation and operational leadership, Honeywell is helping to advance the North Island Hospital's contribution to a lower-carbon future, aligning with our commitment to sustainable infrastructure management.

**The initiatives have delivered significant results over the past three years.**

### ELECTRICITY SAVINGS

- 4% at Campbell River Hospital
- 11% at Comox Valley Hospital

### NATURAL GAS SAVINGS

- 17% at Campbell River Hospital
- 35% at Comox Valley Hospital

### REDUCTION IN GHG EMISSIONS

- 16% at Campbell River Hospital
- 33% at Comox Valley Hospital



## Focus Area #3 – Shared Value

Given the significant size and scale of our infrastructure assets, as well as their importance in the communities where they operate, we recognize that our long-term success depends on the support and collaboration of a broad and diverse group of stakeholders.

We actively work with like-minded partners and stakeholders to align interests, foster mutual understanding, and ensure that those impacted by our projects are meaningfully engaged throughout the asset lifecycle.

Maintaining our social license to operate is vital to our ability to deliver safe, successful, and sustainable outcomes. This requires us to consciously and consistently engage with stakeholders, identify shared goals, and take targeted actions that support the resilience and long-term viability of the communities in which our assets are located.

### RELEVANT SDGS:



## KEY PERFORMANCE INDICATORS

We are deliberate in selecting the organizations with which we partner – ensuring alignment of shared values and priorities. Our KPIs focus on and we assess several key areas, including public RI commitments and objectives, as well as the policies in place at the corporate or asset level. We believe stakeholder value is created when there is a common understanding of success, risk management and responsibilities.

- Share of assets/operators with a publicly available ESG policy: **80%**
- Share of assets/operators with a sustainable procurement policy: **73%**
- Number of operating employees across the portfolio<sup>6</sup>: **3,300**
- Share of assets/operators with a Diversity, Equity and Inclusion (DEI) policy: **83%**

## INDIGENOUS RELATIONSHIPS

CC&L Infrastructure recognizes the importance of including Indigenous Peoples as key stakeholders in our infrastructure projects. We aim to foster meaningful partnerships that uphold Indigenous rights, support culturally sensitive development and contribute to sustainable, inclusive outcomes.

This is particularly important in countries such as Canada where many of our projects directly intersect with Indigenous lands, traditions and communities.

We are committed to building relationships with care and humility, grounded in learning, understanding and shared benefit.

## WITHIN CC&L INFRASTRUCTURE'S CANADIAN INVESTMENTS:

~70%

OF PROJECTS HAVE AN INDIGENOUS RELATIONSHIP

7

PROJECTS HAVE INDIGENOUS PARTNERS WITH DIRECT EQUITY INTERESTS

<sup>6</sup> As of end of Q1 2025; represents operating employees on a 100% equity ownership basis.





## Case Study – Shared Commitment Through Learning

As part of our ongoing commitment to Truth and Reconciliation, every employee at CC&L Infrastructure completes the *4 Seasons of Reconciliation* course – a transformative educational experience developed by Reconciliation Education in partnership with First Nations University of Canada.

The course offers a comprehensive exploration of Indigenous history, culture and the ongoing impact of colonization in Canada. It emphasizes practical reconciliation strategies and provides valuable insights into fostering meaningful relationships with Indigenous communities.

This initiative is an important step in our ongoing efforts to integrate Indigenous perspectives into our business practices, strengthen our corporate culture and ensure we are part of the collective journey toward reconciliation.

Participation in the course is a tangible way for our employees to gain essential knowledge about Indigenous Peoples in Canada, equipping them with the understanding and tools needed to support our shared commitment to reconciliation.

We are proud to have made this investment in education and look forward to applying what we've learned to foster greater inclusivity and advance reconciliation within our workplace.

As a demonstration of our dedication, the CC&L Foundation makes a \$100 contribution to the Future Generations Foundation for every employee who successfully completes the course.

### FUTURE GENERATIONS FOUNDATION

The Future Generations Foundation is a First Nations-led and operated organization that incorporates First Nations principles and values in policies and decision-making processes. The foundation is focused on the evolving needs of First Nations Peoples, encompassing education, healing, and reconciliation initiatives. Funding is prioritized for initiatives such as:

- Educational and employment program and services
- Vocational programs and post-secondary education
- Cultural knowledge-sharing initiatives
- Healing, reconciliation and revitalization initiatives

### LAND ACKNOWLEDGEMENT

We respectfully recognize and acknowledge that we live, work and gather on the traditional and ancestral territories of Indigenous Peoples across what is now known as Canada. We recognize the enduring presence, rights and sovereignty of First Nations, Inuit and Métis Peoples, and we honour their unique historical, cultural and spiritual connection to the land. We are committed to fostering respectful relationships and working toward reconciliation in the spirit of truth, partnership and equity.





## Asset Spotlight – Partnership with Rainy River First Nations

### RAINY RIVER SOLAR PROJECT

The Rainy River Solar Project consists of three solar facilities in Northwestern Ontario with a combined production capacity of 25 MW – enough clean energy to meet the needs of over 3,900 households.

### PARTNERSHIP IN ACTION

At CC&L Infrastructure, we believe that successful, sustainable projects are built on a foundation of shared values and strong partnerships. We are proud to work alongside Indigenous communities across Canada, recognizing the importance of collaboration, mutual respect and shared economic benefits.

Our partnership with Rainy River First Nations on the Rainy River Solar Project, is a leading example of this approach in action.

From the outset, we worked closely with Rainy River First Nations to align our project goals, ensuring that the solar development would generate not only clean energy, but also long-term economic opportunities for the community.

Rainy River First Nations holds an ownership stake in the project and shares directly in its financial success – creating a meaningful, lasting source of economic benefit.

Together, we advanced the project from development, to construction, through to operations. We have successfully built a relationship founded on trust, transparency and a shared commitment to environmental stewardship.

Today, the Rainy River Solar Project stands as a symbol of what can be achieved through true partnership and shared purpose. We continue to value and learn from our work with Indigenous partners as we grow our portfolio of sustainable infrastructure assets.



## Focus Area #4 – People Focus

Our business success is anchored by our people – employees, third-party managers, contractors and suppliers – who work together to build, operate and maintain our assets.

As owners and operators of infrastructure projects, we are responsible for the employment of over 3,300 individuals across our portfolio.

In every region where we operate, we are committed to treating employees fairly and upholding or exceeding applicable labour laws and standards. This includes respecting human rights, providing fair and competitive wages, and ensuring equitable, non-discriminatory hiring and employment practices.

We strive to foster a workplace culture where all employees feel respected, valued, and safe. This commitment is embedded at the corporate level and reinforced throughout our portfolio. It reflects our broader ESG priorities, which place people at the center and promote inclusive, safe, and supportive working environments at every project we manage.

### RELEVANT SDGS:



## KEY PERFORMANCE INDICATORS

We are committed to hiring and retaining a diverse and skilled workforce and to fostering an environment where employees feel safe, supported, and valued in their roles. To support this, we conduct regular reviews of site conditions and systematically evaluate the effectiveness of our health and safety frameworks. This includes auditing relevant policies, procedures, and practices to ensure compliance and continuous improvement. Our KPIs track several key safety performance metrics to monitor progress, identify trends, and enhance the overall integrity of our day-to-day operations.

- Share of assets with a health and safety policy: **100%**
- Share of assets/portfolio companies conducting annual health and safety audits: **93%**
- Portfolio health and safety metrics
  - » Near misses: **184**
  - » Material asset damage<sup>7</sup>: **0**
  - » Non-reportable incidents: **204**
  - » Reportable incidents: **124**
  - » Lost time injuries: **0**

<sup>7</sup>\$50,000 threshold for external reporting.





## Case Study – Health and Safety Systems

At CC&L Infrastructure, the health, safety and well-being of everyone connected to our assets, including workers, contractors, partners and surrounding communities, is a core priority. We recognize that strong health and safety practices are critical to protecting people, minimizing operational risks and supporting the long-term sustainability of our infrastructure investments.

Given the diversity of our portfolio, we acknowledge that health and safety systems may vary across assets based on sector, jurisdiction and operating partner. Nonetheless, we consistently seek to prioritize and promote high standards of health and safety across all our investments. We encourage the implementation of structured health and safety management systems that support clear expectations, transparent reporting and continuous improvement.

Where possible, we actively engage with our operating partners to strengthen health and safety practices, supporting the adoption of comprehensive reporting frameworks that capture incidents, near misses and other leading indicators. These efforts are supported by:

- The use of the use of technology tools to enhance real-time reporting, risk tracking and communication across sites
- Regular audits, inspections and performance reviews to verify compliance and to drive proactive improvements
- Training, competency development and positive workforce engagement
- Opportunities to collaborate with operators to share learnings from incidents, conduct joint reviews of industry best practices and foster an environment of continuous learning and improvement

In 2024, we remained focused on strengthening our approach to health and safety across the portfolio. As a result, 93% of our assets and portfolio companies now conduct an annual health and safety audit, compared to 64% in 2023. This significant increase reflects our commitment to continuous improvement, oversight and risk mitigation. Throughout this process, we enhanced our health and safety reporting framework, further refining our data collection and analysis processes. Through these efforts, we aim to embed a strong culture of safety across our portfolio, reinforcing our commitment to protecting people and supporting the long-term resilience of our infrastructure assets.

Item	Definition	Purpose
<b>Near Misses</b>	An unplanned event that did not result in injury, illness, or damage, but had the potential to do so under different circumstances	Used to identify potential hazards and prevent future incidents
<b>Material Asset Damage</b>	Incidents resulting in physical damage to infrastructure, vehicles, equipment, or third-party property, without injury to persons	Captures the frequency and severity of operational events involving equipment or asset damage
<b>Non-Reportable Incidents</b>	Workplace incidents involving low-severity outcomes that do not require external reporting and result in no injuries or time lost	Tracks minor issues that highlight trends or training needs but do not meet thresholds for formal reporting
<b>Reportable Incidents</b>	Incidents where notification to a regulatory body or external authorities and/or formal documentation is required	Ensures legal compliance and transparency with regulators and internal stakeholders
<b>Lost Time Injuries</b>	Work-related injuries or illnesses that result in a worker being unable to perform any part of their normal duties or being reassigned for at least one full shift or workday	Captures serious incidents that significantly impact worker health and site operations, requiring time away from regular duties

# Asset Spotlight – Strengthening Health and Safety

## L.F. WADE INTERNATIONAL AIRPORT

Skyport, our partner and the operator of Bermuda's L.F. Wade International Airport, demonstrates a deep commitment to health, safety and continuous improvement.

Skyport's performance reflects a strong focus on proactive management, employee engagement and operational excellence, supporting both the safety of the traveling public and the resilience of Bermuda's critical air transport infrastructure.

In 2024, Skyport continued to advance its health and safety practices, guided by a set of twelve annual performance targets established by its Safety & Quality Management Review Committee (SQMRC). The SQMRC targets covered key operational and occupational safety areas and provided a clear framework for safety management and performance tracking throughout the year. Areas of focus included:

Wildlife management	Airfield incursions	Foreign object debris control	Employee training	Emergency preparedness
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Skyport's commitment was further demonstrated through the successful completion of multiple regulatory audits, including:

- Seven-day aerodrome certification audit by the Bermuda Civil Aviation Authority (BCAA)
- UK Civil Aviation Authority (CAA) inspection
- Security compliance audit by Air Safety Support International (ASSI)

Notably, BCAA auditors commended Skyport on its overall management of the Safety Management System (SMS) and its commitment to continuous improvement, including the work of its internal Safety Action Group (SAG).

## TOP KEY PERFORMANCE INDICATORS

- Throughout 2024, Skyport exceeded **nine** of its 12 safety performance targets and maintained a record of **zero** runway and taxiway incursions or excursions
- Lost time injuries: **0**
- Employee safety training completion rate: **96% (surpassing 95% target)**
- Reported safety occurrences: **341 (16% reduction compared to 2023)**
- Total safety-related training initiatives: **80+**
  - » Including bi-weekly staff training sessions and the second annual Airport Safety Week, helping to further embed a culture of awareness and engagement





## Focus Area #5 – Governing with Integrity

Strong governance is fundamental to effectively managing ESG risks and opportunities – both within our own organization and across the assets in our portfolio. We believe that establishing clear structures, practices and expectations helps promote accountability, consistency and continuous improvement.

Central to strong governance is transparency; the commitment to open reporting and the use of internal and third-party benchmarks to measure and communicate performance. Transparent communication not only strengthens stakeholder trust, but also provides a clear framework for tracking progress, identifying risks and driving better outcomes over time.

Businesses that prioritize strong governance are better positioned to manage risks such as litigation, regulatory action, reputational damage and workforce instability.

By encouraging high standards of conduct and robust reporting practices, we help foster resilient organizations that are equipped to navigate a rapidly evolving ESG landscape while delivering long-term value for all stakeholders.

### RELEVANT SDGS:



## KEY PERFORMANCE INDICATORS

We implement and re-evaluate processes, policies, and best practices across our business to reduce the potential for unethical behaviour. This includes a critical assessment of how we mitigate risks, identify and address potential vulnerabilities, and continuously improve our internal controls. Regular reviews of our policies and procedures, along with open dialogue around areas for enhancement, support a culture of integrity and accountability across the organization.

- Proportion of assets with ESG as a standing item on board meeting agendas: **100%**
- Share of assets/operators with relevant governance policies in place: **100%**
- Share of assets/operators with cybersecurity/data protection and privacy policies: **85%**
- CC&L (including CC&L Financial Group and CC&L Infrastructure employees) equity investment in the CC&L Infrastructure Strategy<sup>7</sup>: **~\$74M or ~3.2% of net asset value**

<sup>7</sup>Represents the mark-to-market value of capital invested by CC&L Infrastructure and its clients, including principal investments. Excludes co-investment capital.

## CLIMATE REPORTING

CC&L Infrastructure supports the recommendations of the TCFD and recognizes that climate change is an important global issue. To demonstrate our commitment, in 2025 we plan to issue a standalone Climate Report, aligned with the disclosure recommendations set forth by the TCFD.

## CORE ELEMENTS OF TCFD DISCLOSURES

Governance	Strategy
Risk Management	Metrics & Targets



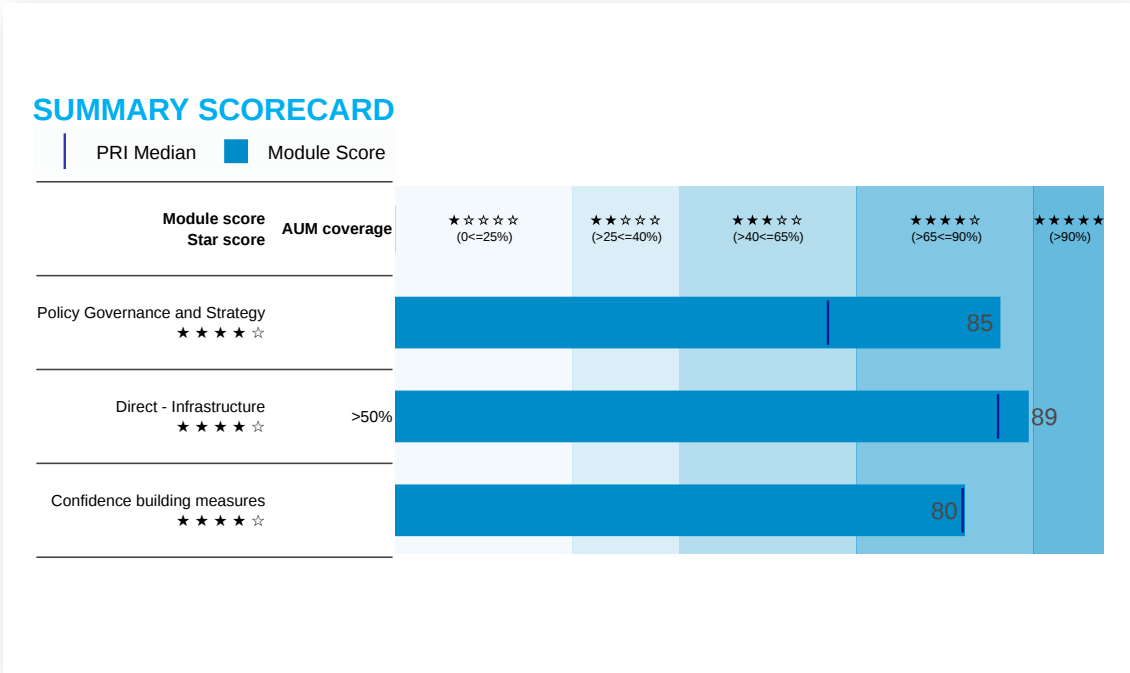
# Case Study – Transparent ESG Practices

CC&L Infrastructure is committed to strong governance and transparent RI practices. In the context of infrastructure investing where projects are long-term, capital-intensive and community-focused, public RI reporting plays a crucial role in building trust and demonstrating principled stewardship.

As a PRI signatory, we made a commitment to report on our RI activities when we signed the six Principles and in 2024, we submitted our first publicly scored PRI report. The results of our 2024 report are shown below. Sharing these results marks an important milestone in our responsible

investment journey. By publishing these outcomes, we provide our stakeholders with clear insight into our ESG practices and progress. This disclosure offers an objective benchmark against global peers, highlighting both our strengths and the areas where we aim to enhance our performance.

Participation in the PRI assessment has reinforced our broader governance approach: fostering accountability, encouraging continuous improvement and supporting the delivery of sustainable, resilient infrastructure investments that create long-term value.





# Corporate Governance

## APPROACH

We have integrated RI into every step of our investment process, ensuring there are multiple points of review and critical assessment throughout.

Potential new assets are subject to a RI-focused evaluation process with our values and principles in mind. Similarly, our active asset management process means we evaluate and manage our existing assets with an eye towards future success – adjusting and improving where it makes sense.

## CC&L INFRASTRUCTURE INVESTMENT COMMITTEE

We pride ourselves on having a comprehensive and rigorous process for evaluating investment opportunities.

The CC&L Infrastructure Investment Committee (Investment Committee) oversees all investment activities, and its responsibilities are both strategic and operational, aimed at aligning investments with the firm's objectives and fiduciary duties.

The Investment Committee meets bi-weekly and as needed for investment decisions. The Investment Committee is responsible for reviewing and approving investment decisions, as well as considering material factors that affect the value of an asset, including RI factors.

The members of the Investment Committee possess significant experience and expertise and throughout their review process ensure the thoroughness and integrity of our analysis, and the effectiveness of our investment decisions.

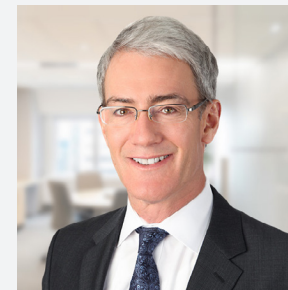
## INVESTMENT COMMITTEE MEMBERS



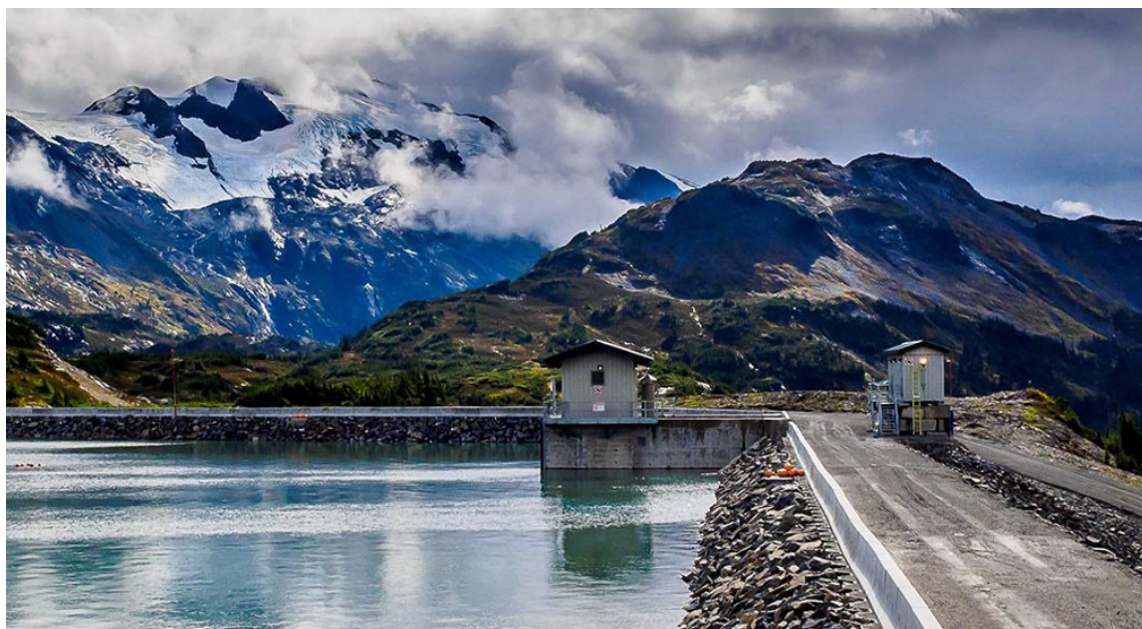
**Matt O'Brien**  
President  
CC&L Infrastructure



**Michael Freund**  
Chairman  
CC&L Financial Group



**Warren Stoddart**  
President & CEO  
CC&L Financial Group



# Responsible Investment Toolkit

Our RI practices are guided by our proprietary Responsible Investment Toolkit, which is used consistently by both our investment and asset management teams. The toolkit is composed of three core components: the **RI Screening Tool**, the **RI Due Diligence Checklist**, and the **RI Handover Memo** – each aligned with a distinct phase of the investment process.

While each tool serves a specific function at different stages of the investment lifecycle, they are designed to work together. Insights gathered during screening, diligence, and handover are cumulative, contributing to a comprehensive and consistent analysis of material ESG considerations for each investment. This structured approach supports informed decision-making, risk mitigation, and alignment with our broader sustainability objectives.

RI SCREENING TOOL		RI DUE DILIGENCE CHECKLIST		RI HANDOVER MEMO	
<ul style="list-style-type: none"> <li>■ Questionnaire of potential risks, opportunities and material RI considerations</li> <li>■ Intended to identify immediate material risks that indicate misalignment with our values and/or focus areas</li> <li>■ Covers potential areas of concern such as:                             <ul style="list-style-type: none"> <li>» Asset location and whether the location is a prohibited jurisdiction</li> <li>» Asset operates in a sector exposed to physical or transition risk</li> <li>» Asset has material, publicly identifiable ESG controversies, policies or commitments and other items readily available on initial review</li> </ul> </li> <li>■ Identified risks are required to be explicitly documented and explained prior to pursuing further diligence. Specifics of additional research required to address the concern(s) must be included</li> </ul>		<ul style="list-style-type: none"> <li>■ Potential investments are evaluated against a matrix of ESG categories, and scored based on:                             <ul style="list-style-type: none"> <li>» Significance of the risk; and</li> <li>» Alignment with our focus areas</li> </ul> </li> <li>■ Where necessary, assessments are supplemented by input from third-party market or technical advisors, as well as through specialized tools to identify material ESG considerations common to assets based on their sector and geography</li> <li>■ Potential investments with material ESG risks, negative focus area alignments or opportunities for ESG value creation are explicitly addressed with a remedial plan in the Investment Committee memorandum, costed to the extent possible and with a viable timeframe to execute</li> </ul>		<ul style="list-style-type: none"> <li>■ The handover memo is delivered from the investment team to the asset management team at acquisition</li> <li>■ The handover memo outlines the material considerations identified during due diligence, including post-acquisition workstreams such as RI remediation and/or enhancement plan and includes:                             <ul style="list-style-type: none"> <li>» The formalized RI action plan included in the RI Due Diligence Checklist and approved by the Investment Committee</li> <li>» The short-term (first 100 days) and longer-term items to be completed by the asset management team, which can include GHG assessments, sustainability projects and cybersecurity reviews, among other plans</li> </ul> </li> </ul>	
OVERARCHING ESG CONSIDERATIONS:		ENVIRONMENTAL		SOCIAL	
		<ul style="list-style-type: none"> <li>■ Air pollution</li> <li>■ Biodiversity and habitat</li> <li>■ Greenhouse gas emissions</li> <li>■ Hazardous substances</li> <li>■ Physical risk</li> <li>■ Waste</li> <li>■ Water</li> </ul>		<ul style="list-style-type: none"> <li>■ Employee engagement and diversity</li> <li>■ Health and safety</li> <li>■ Human rights</li> <li>■ Indigenous partners</li> <li>■ Stakeholder relations</li> </ul>	
				GOVERNANCE	
				<ul style="list-style-type: none"> <li>■ Board/committee composition</li> <li>■ Board ESG oversight</li> <li>■ Business ethics</li> <li>■ Cybersecurity and data protection</li> <li>■ Executive compensation</li> <li>■ Shareholder rights</li> </ul>	



## Investment Process – Deal Sourcing

Our investment process begins with our investment team who identify and source potential opportunities.

Opportunities are then assessed based on their compatibility with our overall strategy and risk profile. A high-level review of the investment's fundamentals is completed. As part of this process, we assess any material ESG risks or opportunities that have been identified.

Our focus on shared values ensures we work with partners that have compatible values and mutually beneficial interests. These conditions allow us to pursue acquisitions on a bilateral basis with trusted partners and investments that are well-aligned with our philosophy, focus areas and mandate.

CC&L Infrastructure does not typically exclude companies, sectors or asset types based on a particular activity or RI sensitivity exposure alone, we instead incorporate these considerations as part of an overall assessment of the prospective investment.

We use our internally developed and proprietary RI screening tool to assess potential investments that have advanced beyond an initial review. The RI screening tool enables the investment team to evaluate a potential investment to ensure it is aligned with our RI strategy and focus areas.

Once initial assessments are completed and CC&L Infrastructure makes the decision to proceed further in an asset acquisition process, a more thorough due diligence assessment is conducted.





## Case Study – Rejected Investment

### RAIL OPPORTUNITY

CC&L Infrastructure, through its rail platform Alpenglow Rail, is building a diversified short-line rail platform across North America – a portfolio of select rail, terminal and port businesses.

In 2021, we evaluated a potential investment involving the acquisition of a rail terminal in South Texas. The asset would provide transloading (switching goods from one mode of transport to another) and tank and railcar storage services to local businesses.

This project would have built on our expertise in the short-line rail business, providing critical first and last mile transport and storage service to an established customer base located near the terminal.

### DILIGENCE CONDUCTED

As part of our due diligence of the transaction, we conducted an analysis of the financial health of the business, including existing contracts, stability of revenues and expenses, potential competitors and long-term viability.

The initial evaluation led us to believe that our partners had identified a potentially attractive investment, which included the ability to drive significant further growth over the life of the asset through a robust pipeline of commercial opportunities.

Complementary components of our analysis included an evaluation of the management team and their business practices, environmental and technical analyses of the land and further legal and market analysis, among other areas.

Throughout the diligence process, our research uncovered a governance structure with weak controls, unethical decision-making and a culture that incentivized short-term profits over long-term growth in partnership with its customers. We believed this exposed the business to significant reputational risk, direct costs such as legal and regulatory expenses and indirect costs such as reputational damage and lost future revenues.

### INVESTMENT DECISION

We concluded that the long-term viability of the business was in question, with potential exposures that were unlikely to be remedied on a cost-effective basis and in an appropriate timeframe. As a result, this transaction was rejected.

Our review of the RI considerations of the asset contributed to our decision to decline further diligence and walk away from the opportunity.

We believe rigorous diligence and the consistent application of this type of analysis enhances our ability to build and grow a portfolio that is well-suited to fulfill our mandate.



## Investment Process – Due Diligence

Our investment process continues with the completion of advanced diligence on the potential investment. Through this process we outline risks and opportunities and seek to understand how the asset's RI factors may affect its long-term performance.

We complete the assessment using our proprietary RI due diligence checklist which incorporates third-party frameworks like the GRESB Infrastructure Materiality and Scoring Tool. Asset- and sector-specific considerations are reviewed with the results providing vital information to the investment team.

Potential investments are then evaluated against a matrix of environmental, social and governance categories and scored based on:

- 1) the significance of the risk
- 2) alignment with our focus areas

Results of this process are included in a memorandum to the Investment Committee.



# Case Study – Due Diligence of a Wind Farm

## SHARP HILLS WIND FARM

In April 2024, we acquired an 80% interest in Sharp Hills Wind Farm, a state-of-the-art wind facility located in Alberta. Designed for long-term success with a 30-year expected useful life, Sharp Hills features high-quality turbine technology and robust operating infrastructure.

The project benefits from stable, contracted revenues through a 15-year Power Purchase Agreement (PPA) with a large, investment-grade counterparty. A 25-year fixed-cost operation and maintenance agreement ensures predictable expenses and guarantees turbine availability above 95%. The project was financed with a long-term debt solution at closing, further enhancing its financial resilience.

Beyond its strong fundamentals, Sharp Hills is expected to generate clean electricity equivalent to the needs of over 160,000 Alberta homes annually, while contributing significantly to local communities through landowner payments, local procurement and community investments.

## DILIGENCE CONDUCTED

We conducted a comprehensive diligence process to ensure Sharp Hills aligned with our investment standards, core values and sustainability objectives. Climate-risk screening was performed using CatNet®, confirming the project's resilience against physical climate risks. Technical experts were also engaged to assess the operating plans, turbine performance and long-term maintenance strategy.

A major focus of diligence was our operating partner, EDP Renewables (EDPR), one of the world's leading renewable energy developers. EDPR demonstrated a strong commitment to ESG excellence, with Sharp Hills operating in compliance with ISO 14001:2015 and ISO 45001:2018 standards. EDPR's public ESG commitments, including a local stakeholder engagement policy and robust governance practices, further reinforced confidence in their ability to operate the project responsibly and sustainably.

## INVESTMENT DECISION

Our investment in Sharp Hills represents a significant addition to our renewable energy portfolio, reinforcing our commitment to long-term, sustainable value creation. With stable, contracted cash flows, predictable operating costs and a strong partnership with EDPR, Sharp Hills offers an attractive risk-return profile.

Importantly, the project aligns with our broader RI strategy, supporting decarbonization goals and delivering tangible benefits to local communities. By investing in Sharp Hills, we are not only advancing the energy transition, but also positioning our portfolio for resilient, responsible growth in the years ahead.







## Investment Process – Decision to Invest

Our underwriting process culminates in a formal Investment Committee presentation prepared by the investment team.

The presentation includes a summary of the ESG considerations analyzed during the screening process, as well as proposed strategies to mitigate any ESG-related risks and capitalize on opportunities during the holding period of the investment.

Formal approval from the Investment Committee is required prior to the submission of a binding bid.

Any ESG considerations noted during the screening are assessed based on level of risk and alignment with our focus areas. The output of the assessment is a risk matrix, which is included in the Investment Committee materials presented.

### RISK RANGE:

- Severe items, which are those deemed to have potential for significant cost or delay in achieving asset plans
- Low risks, wherein the risk factor is either immaterial or viably addressable within an acceptable timeline and budget

### FOCUS AREA ALIGNMENT RANGE:

- Negative alignment with our focus areas, wherein the investment is expected to detract/diverge from our strategic objectives, and it is infeasible to rectify the issue
- Exceeding expectations, where the investment is expected to materially exceed our RI KPIs and objectives



## Case Study – ESG Risk Assessment

The outcomes of the ESG due diligence work completed by the investment team are included within the presentation materials provided to the Investment Committee. The review of material ESG matters encompasses a key part of the investment approval framework.

Each material ESG area is evaluated and scored based on alignment with our focus areas and overall risk rating. If a material area is scored negatively, this is explicitly covered in the body of the memorandum provided to the Investment Committee. Negatively scored areas require an action plan to mitigate risk and consideration of the proposed action plan is included as part of the investment decision.

Potential investments with material ESG risk factors that cannot be reasonably mitigated or otherwise addressed to the satisfaction of the Investment Committee, are rejected. Positive scores are assessed in the same balanced way we consider other key risks or opportunities that impact the value and performance of an investment.

### ILLUSTRATIVE EXCERPT:

General	Risk Rating	ESG Focus Area Alignments	Social	Risk Rating	ESG Focus Area Alignments
Leadership	2 - Low Risk	2 - Exceeds Expectations	Indigenous Relations	2 - Low Risk	1 - Meets Expectations
Oversight	2 - Low Risk	2 - Exceeds Expectations	Health and Safety	2 - Low Risk	2 - Exceeds Expectations
Policies	2 - Low Risk	2 - Exceeds Expectations	Employee Engagement	2 - Low Risk	2 - Exceeds Expectations
Reporting	2 - Low Risk	2 - Exceeds Expectations	Diversity, Equity and Inclusion	2 - Low Risk	2 - Exceeds Expectations
Risk Management	2 - Low Risk	2 - Exceeds Expectations	Stakeholder Engagement	2 - Low Risk	2 - Exceeds Expectations
Certifications	2 - Low Risk	2 - Exceeds Expectations	Economic Impact	2 - Low Risk	2 - Exceeds Expectations
Environmental	Risk Rating	ESG Focus Area Alignments	Governance	Risk Rating	ESG Focus Area Alignments
GHG Emissions	2 - Low Risk	2 - Exceeds Expectations	Board/Committee Composition	2 - Low Risk	2 - Exceeds Expectations
Energy	2 - Low Risk	2 - Exceeds Expectations	Board ESG Oversight	2 - Low Risk	2 - Exceeds Expectations
Air Pollution	2 - Low Risk	2 - Exceeds Expectations	Business Ethics	2 - Low Risk	2 - Exceeds Expectations
Water Usage	2 - Low Risk	2 - Exceeds Expectations	Cybersecurity and Data Protection	2 - Low Risk	2 - Exceeds Expectations
Waste	2 - Low Risk	2 - Exceeds Expectations	Executive Compensation	2 - Low Risk	2 - Exceeds Expectations
Biodiversity	1 - Medium Risk	2 - Exceeds Expectations	Shareholder Rights	2 - Low Risk	2 - Exceeds Expectations
Climate Risk	1 - Medium Risk	2 - Exceeds Expectations			







**We actively manage assets and portfolio companies, collaborating with aligned partners to protect and maximize long-term investment value, while maintaining alignment with our focus areas and upholding our core values.**

## Investment Process – Onboarding & Asset Management

The final step in our investment process is onboarding and managing the asset long-term.

### ONBOARDING

Our asset management team is responsible for integrating RI screening findings into asset onboarding, executing on any post-acquisition RI plans and ensuring that assets comply with our RI program. The onboarding process also involves inclusion in our GHG emissions tracking, health and safety and cybersecurity audits, as well as integrating a set of policies and procedures consistent with our standards.

### ASSET MANAGEMENT

Throughout the life of the asset, we actively manage the asset and a suite of ESG KPIs. This allows us to benchmark and monitor RI performance with KPIs that are aligned with our focus areas and third-party frameworks.

The KPI collection process informs how we:

- Consult with stakeholders
- Subcontract parties with aligned management approaches
- Drive the strategic direction on the asset-level board of directors
- Communicate with management teams, including senior executives at each asset, to support continued improvement

Our active management approach allows us to pre-emptively address RI risks and opportunities and, should an issue arise, minimize the delay between identification and remedial action.

The asset management team also proactively undertakes RI initiatives to enhance value and mitigate risk, such as physically reinforcing an asset to better withstand natural events before they occur, reducing GHG emissions (in advance of regulatory requirements) and understanding key supply chains and potential efficiencies.

We actively manage our assets and portfolio companies in close collaboration with aligned partners, aiming to protect and enhance long-term value while staying true to our strategic focus areas and core values.





## Case Study – Active Asset Management

### MEADOW LAKE V WIND FARM

Located in Northwestern Indiana, Meadow Lake V Wind Farm is a 100 MW renewable energy facility that supports regional clean energy goals while contributing to rural economic development.

The facility is managed by EDPR and comprises more than 50 turbines operating across Benton County. Meadow Lake V plays a key role in CC&L Infrastructure's renewable energy portfolio – delivering reliable, emissions-free power while aligning with our long-term commitment to environmental stewardship and responsible investment.

### BIODIVERSITY PROTECTION

In addition to generating clean electricity, Meadow Lake V reflects our focus on biodiversity protection through targeted conservation initiatives. As part of the permitting and mitigation process, bat habitat protection measures were implemented to address potential impacts on two federally

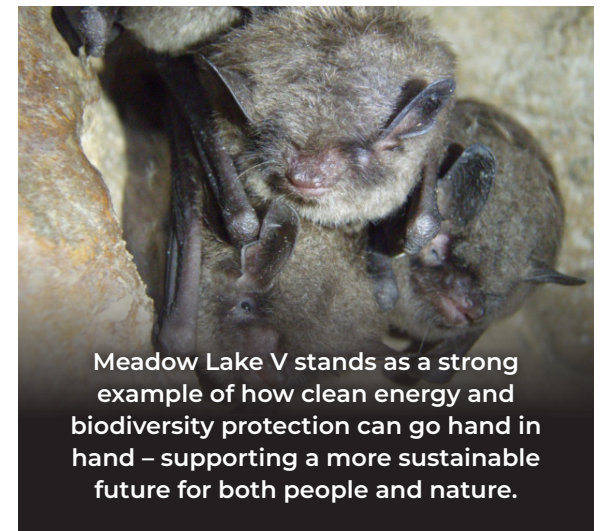
listed species: the Indiana Bat and Northern Long-Eared Bat.

To support these efforts, two conservation properties were secured and permanently protected through a US Fish and Wildlife Service-approved mitigation plan.

- The first site spans 184 acres in Vermillion County, Indiana, and is situated within known summer roosting and foraging habitat for both bat species. It lies within the ecologically important Middle Wabash-Little Vermillion Watershed.
- The second, a 38-acre site in Greene County, provides essential swarming habitat near Ray's Cave – one of Indiana's most critical bat hibernation sites and designated a Priority I hibernaculum by the US Fish and Wildlife Service.

Together, these protected lands support the full lifecycle of vulnerable bat populations and contribute to broader regional conservation

priorities. Their size, location and ecological importance enhance the effectiveness of the mitigation and reinforce our approach to building infrastructure assets that deliver both environmental and economic value.



**Meadow Lake V stands as a strong example of how clean energy and biodiversity protection can go hand in hand – supporting a more sustainable future for both people and nature.**





**We're proud of the collaborative and performance-driven culture we've built at CC&L Infrastructure, empowering team members to take initiative, solve problems and create value for our investors.**

## Investing in Our People

The people who contribute the most to our success are our employees, and we strongly believe that listening to their feedback, supporting them in their development and working to nurture an inclusive and communicative culture benefits not only them, but our business and clients as well. From the outset, our goal has been to create and maintain an engaging and rewarding work environment, beginning with fostering a no-ego culture and encouraging open communication.

### CULTURE

What our employees think matters; we regularly collect opinions and ideas in a variety of ways, including formal and informal polls, named and anonymous surveys and dedicated team meetings with an open forum for discussion.

We operate in a talent-driven industry, where many of our activities are designed not only to benefit our clients but also to reflect the values and priorities of our employees, both in the office and within the community.

We gather feedback on topics ranging from the kind of tables we should keep in our meeting rooms, to the charitable causes and volunteering activities that we support, to how we represent CC&L Infrastructure and our values externally.

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### ENGAGEMENT

Each year we run an anonymous and entirely voluntary employee engagement survey, enabling employees to voice their opinions about engagement, satisfaction and motivation in the workplace in a candid manner. This data allows us to hone in on current sentiments and trends over time.

2024 marked a year of record growth for CC&L Infrastructure across our portfolio, team and client base. Even with this growth, we achieved 100% participation in the survey for the third consecutive year.

These results highlight the trust and confidence our team has, not only in each other, but also in our leadership team. This is particularly encouraging as we continue to grow both as a company and a community.

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### DEVELOPMENT

We take a proactive approach to the professional growth of our employees. In 2024, every employee worked with their manager to identify relevant areas of opportunity and development. Together, they created personalized progress plans with goals, touchpoints and access to third-party training as required. This approach allows employees to develop within their existing roles, and plan for the next steps in their careers.







KEY PERFORMANCE INDICATORS –  
ANNUAL EMPLOYEE  
ENGAGEMENT SURVEY

100%

VOLUNTARY  
PARTICIPATION RATE

>90%

WOULD RECOMMEND  
CC&L INFRASTRUCTURE AS  
A PLACE TO WORK

100%

HAVE CONFIDENCE IN  
OUR LEADERSHIP TEAM

100%

BELIEVE THEIR TEAM  
MEMBERS ARE COMMITTED  
TO DOING QUALITY WORK

100%

FIND THEIR WORK TO BE A POSITIVE  
CHALLENGE AND FEEL FULFILLED

>90%

FEEL THAT RI POLICIES AND  
INITIATIVES ARE EFFECTIVELY  
COMMUNICATED TO THEM





## Corporate Social Responsibility

CC&L Infrastructure is committed to upholding strong corporate responsibility values. We strive to have a positive impact on the communities where we live, work and our assets operate. Our commitment to Corporate Social Responsibility (CSR) is integral not only to our ability to have a positive impact in those communities, but to our identity and operations.

As an affiliate of CC&L Financial Group, we do this in two ways:

- Through our Business Practices Working Group (BPWG) and it's Sub-committees:
  - » Diversity, Equity, Inclusion & Belonging (DEIB)
  - » Health & Wellness
  - » Environmental Stewardship
- Through the CC&L Foundation

To oversee the execution of initiatives aligned with these themes, CC&L Financial Group has organized working groups and committees comprising members from a range of affiliates, business functions, seniority levels, geographic locations and demographics.





# BPWG Sub-committees

## DIVERSITY, EQUITY, INCLUSION AND BELONGING (DEIB)



We are committed to workforce diversity, promoting equity and creating a culture of inclusion.

To ensure our people feel a sense of belonging, we strive to foster a culture that unites people of diverse backgrounds and perspectives and create an environment in which they can achieve personal and professional success.

### 2024 Key Initiatives:

- Develop and promote a diverse calendar of events
- Acknowledge events such as Black History Month, Lunar New Year, International Women’s Day, International Day of Pink, Pride Month, National Indigenous People’s Day and National Day for Truth and Reconciliation
- Introduce and launch the new self-identification demographic data collection process
- Launch 4 Seasons of Reconciliation programming
- Launch an updated Unconscious Bias training

## HEALTH AND WELLNESS



We believe the health and well-being of the people who work here is critical to maintaining our collective performance.

We are committed to undertaking initiatives that support a safe and healthy work environment within a culture where everyone feels secure and supported.

### 2024 Key Initiatives:

- Promote a culture of health and wellness throughout the year, including May Mental Health Awareness Month and the September Health and Wellness Month
- Encourage participation in programming such as the Annual Fitness Challenge and the Terry Fox Run
- Establish a framework to evaluate and support health and wellness initiatives driven by the people who work here, such as Bay Street Hoops
- Partner with Human Resources and our third-party partners to communicate the benefits and resources that are available to our people and how to access them

## ENVIRONMENTAL STEWARDSHIP



We believe that through our actions we can contribute to the vitality of our environment.

We are committed to undertaking initiatives that support ongoing environmental stewardship.

### 2024 Key Initiatives:

- Promote a culture of environmental consciousness throughout the year, including Earth Day and Bike-to-work week events
- Update, evaluate and communicate our carbon footprint measurement
- Research and recommend initiatives that may improve the environmental footprint of CC&L Financial Group and its affiliate members, including initiatives such as sustainability practices during travel

## CC&L Foundation

Through CC&L Foundation, we aim to enrich the communities in which we live and work by creating opportunities for both funding and volunteering in support of causes that are important to our employees, partners, clients and the communities in which we invest.

CC&L Financial Group and its affiliates, including CC&L Infrastructure, contribute 100% of the funds to support the work of CC&L Foundation. Examples of philanthropic and volunteer opportunities supported in 2024 include:

- Provided support through the Canadian Red Cross and the Jasper Community Team Society to those impacted during the Alberta wildfires
- Organized an employee-led Week of Giving, supporting CC&L Financial Group's community partners, including the United Way
- Made a multi-year commitment to the BC Children's Hospital Foundation's Heart Centre program to purchase essential medical equipment
- Participated in the CanSupport Dragon Boat Race to raise awareness and funds for the Cedars Cancer Foundation
- Aided students through bursaries and scholarships, including Indspire's Building Brighter Futures program, the National Educational Association of Disabled Students and the Onion Lake Education Trust Fund
- Held an internal fundraiser to support inclusivity and allyship during Pride Month, with donations directed to pflag chapters across Canada
- Participated in a Canada-wide blood drive campaign in partnership with Canadian Blood Services and Héma-Québec

# \$17.5M

DONATED TO DIVERSE  
NOT-FOR-PROFIT  
ORGANIZATIONS

# 730

ORGANIZATIONS  
SUPPORTED  
ACROSS CANADA





CC&L Foundation strives to support charities and not-for-profit organizations in the following areas:



### ENVIRONMENT

Organizations that address climate change and promote conservation, preservation and protection of our ecosystems and biodiversity.



### EDUCATION

Organizations that offer educational programs and community-based initiatives, as well as fund scholarships and research initiatives.



### SCIENCE & MEDICINE

Organizations that provide quality healthcare, work to advance medical research and promote education.



### COMMUNITIES

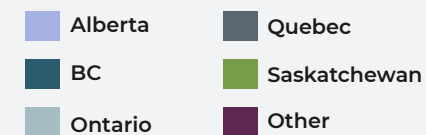
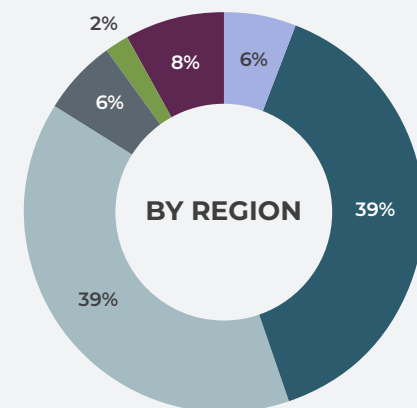
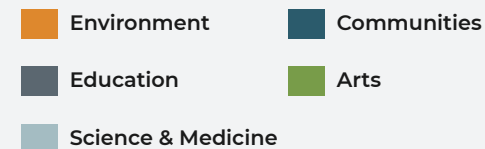
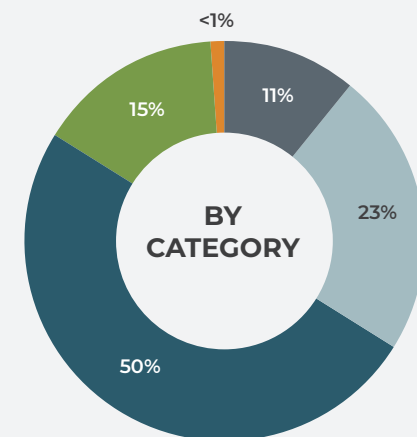
Organizations and initiatives that assist those most at risk, offer community housing and other community services.



### ARTS

Organizations that promote the importance of arts and culture in our communities.

## CC&L FOUNDATION BREAKDOWN:



## Case Study – Employee-led Volunteering with Fred Victor

In 2024, CC&L Infrastructure team members submitted suggestions for organizations they would like to support through a financial contribution and volunteer initiative. As a result, we partnered with Fred Victor and had the opportunity to learn more about the significant challenges that Toronto's most vulnerable face.

Our team of 20 volunteers participated in an interactive presentation, learning how Fred Victor works to support individuals on their journey out of homelessness. Following the presentation, we worked together to prepare and assemble 100 care packages containing winter essentials. Our experience volunteering with Fred Victor broadened our perspective and we're proud to have been able to contribute to Fred Victor's mission.



Fred Victor is a charitable social service organization that fosters long-lasting and positive change in the lives of homeless and low-income people living across Toronto. They believe in a Toronto where everyone has a safe place to call home and strive to support each person on their journey out of homelessness by providing the right opportunities for everyone.

They are committed to delivering tangible solutions that lead to positive outcomes. Through more than 25 locations across Toronto, they provide a wide range of services, including:

- Affordable housing
- Transitional housing
- Shelters and emergency respite sites
- Food access services
- Job training and counselling
- Health information and community services
- Community mental health outreach
- Specialized support programs



**Our participation in this meaningful initiative reinforced our commitment to making a positive impact within the communities where we live and work.**



## Case Study – Supporting the Communities in Which we Operate

The Long Lake Hydro Project is a 31-megawatt run-of-river hydroelectric project located near Stewart, British Columbia. The facility was built with the cooperation of local First Nations and can produce enough clean energy to meet the needs of ~16,000 homes each year.

Stewart is a remote community and faces significant challenges due to isolation and lack of services. The Stewart Public Library is an important community hub, providing essential resources that help fill the gap caused by isolation.

The library provides regular programming for all ages, with a concentration on children and youth, including access to free resources and information, such as skills and technology training, tutoring, technology lending and recreational equipment lending.

Due to structural issues, the library was forced to relocate, and while a new space was secured, it required significant renovations to be able to serve the community.

The necessary renovations would require additional funding to be completed. To help meet their funding needs, CC&L Infrastructure partnered with CC&L Foundation to arrange a donation in support of the Stewart Public Library Revitalization Project.

Today, the Stewart Public Library is open and welcomes patrons to its new space. We are proud to have been able to contribute to the project and demonstrate our commitment to the communities where our employees live and work.





## Closing – Letter From the Head of Asset Management

As we reflect on the past year, I am proud of the progress we have made across our RI initiatives, and I am equally energized by the exciting opportunities that lie ahead, which promise continued progress, growth and shared success.

This Responsible Investment Report embodies the collective dedication and hard work of our entire team. It not only underscores our ongoing commitment to sustainable investing but also to our focus on maintaining transparent communication and our drive for continuous improvement.

In 2024, we made significant strides in strengthening our ESG practices across the portfolio, with a particular focus on evaluating and managing climate risk, enhancing health and safety protocols and reinforcing responsible governance. These initiatives reflect our belief that thoroughly integrating ESG considerations into our investment approach not only supports long-term value creation, but also the resilience of the assets we manage.

Looking ahead to 2025, we are focused on the advancement of our climate risk management practices. Through a robust RFP process, we will look to partner with a third-party consultant to develop a comprehensive climate-risk framework and complete a forward-looking analysis across our portfolio. This work will assess both physical and transition risks under different climate scenarios – building on and complementing the historical insights we have gained from tools like CatNet®. In parallel, we are preparing to publish our inaugural Task Force on Climate-related Financial Disclosures report – marking a significant step forward in our commitment to transparency and aligning our approach with globally recognized climate reporting standards.

Other key initiatives in 2025 include the submission of our second publicly available PRI report, the ongoing development and monitoring of ESG KPIs and a continued focus on priority areas such as greenhouse gas emissions reduction, health and safety initiatives and strong cybersecurity policies.

As we advance both existing and new initiatives, we remain dedicated to embedding our RI frameworks into all new acquisitions, ensuring that ESG considerations are integrated from the outset of each investment decision.

As the RI landscape evolves, CC&L Infrastructure remains committed to staying current on emerging trends, technologies and best practices. We are confident that our disciplined and thoughtful approach will continue to drive strong, sustainable outcomes for our stakeholders.

Thank you for taking the time to read our Responsible Investment Report. We look forward to sharing our continued progress in next year's update.

**Moira Turnbull-Fox**  
Head of Asset Management &  
Member of RI Steering Committee







CONNOR, CLARK  LUNN  
INFRASTRUCTURE

