

Responsible Investment Report 2023

Summary only

Comprehensive Annual and ESG reports and policies are available to investors.

Responsible investment

Cube Infrastructure Managers (“Cube IM”, “the Manager”) aims to ensure long-term regular yield and above-market returns to investors, while contributing, at its level, to a sustainable development by providing essential services to local communities in Europe. As long-term investors (holding periods generally between 7 and 10 years), the Manager believes that addressing ESG issues will lower the risk of investments and enhance returns.

Fiduciary duty

Commitment to ESG and sustainability is both a moral obligation and common sense for all persons. As such, it is largely embedded in the values shared by the Manager Team members. It is also a responsibility for all asset owners and asset managers. Cube IM has always considered its commitment to ESG as a fiduciary duty. It takes a pragmatic operational approach to the different ESG issues, which are not goals per se, but a way to better control risks and generate long-term value.



For Cube IM especially, commitment to ESG is a strong necessity given i) its long-term timeframe (paramount as often actions on ESG aspects take a few years to yield sound results) and ii) its strategy oriented towards sustainable growth.

Placing a significant weight on holding sectors, which are environmentally friendly and contribute to shifting to a low carbon economy, is therefore a sensible selection criterion.

Shifting to a low carbon economy does not necessarily mean low carbon emission in absolute terms (e.g. renewables) but is rather measured by the avoided impacts, which broaden the practical scope.

Another obvious challenge is to address the current and future needs of the populations. Indeed, the value of infrastructure does not lie in cubic meters of concrete but rather in the services it renders to the communities (and thus in the people who deliver them). It is therefore important to identify sectors/activities, which fulfill and are expected to keep on fulfilling the needs of the population.

The performance of infrastructure sector relies not only on the productivity of its tangible assets but also on its human capital (including the tacit knowledge, shared values and beliefs, routines, etc. which are

heterogeneous and attached to the organization). Human capital is obviously central in public transport or energy efficiency companies, which employ large workforces - but also in other sectors where corporate culture will drive innovation and innovation will drive growth and value creation.

Infrastructure Sector

Industry



A signatory of the UN PRI, the Manager is committed to investing in low-carbon impact sectors (principle 1) and to monitor (principle 3) and enhance the ESG aspects of the portfolio companies (principle 2). The UN PRI transparency reports are publicly available.

As a result of Cube IM's actions, its UN PRI scores have reached 5 Stars/A+ in the past years. PRI paused assessments in 2022 and resumed in 2023 with updated methodologies. Cube IM maintains its five-star scoring in 2023 in both Policy, Governance & Strategy and Direct Infrastructure categories.

Cube IM UNPRI scores 2016	Cube IM UNPRI scores 2017	Cube IM UNPRI scores 2018	Cube IM UNPRI scores 2019	Cube IM UNPRI scores 2020	Cube IM UNPRI scores 2021	Cube IM UNPRI scores 2023
Strategy and Governance: B	Strategy and Governance: A+	Strategy and Governance: A+	Strategy and Governance: A+	Strategy and Governance: A+	Investment & Stewardship: 5 STARS	Policy Governance & Strategy: 5 STARS
Direct Infrastructure: B	Direct Infrastructure: A+	Direct Infrastructure: A+	Direct Infrastructure: A+	Direct Infrastructure: A+	Direct Infrastructure: 5 STARS	Direct Infrastructure: 5 STARS



Cube IM is a Supporter of the Task Force for Climate-related Financial Disclosures and a signatory of the Montreal Pledge. Cube IM also participates actively to UN PRI events, major environmental events, specific workgroups, specific industry events and academic work. Cube IM's Head of ESG, is also co-chairing the ESG club of the LPEA (Luxembourg Private Equity & Venture Capital Association), fostering the integration of ESG considerations amongst Luxembourg financial players. He was representing the LPEA in the Haut Comité de la Place Financière's Sustainability working group. In addition, he formerly was a member of the GRESB Benchmark Committee.

In 2023, Cube IM's Head of ESG launched an online module with LPEA academy to elaborate how ESG integration contributes to value creation for private equity players and enhances risk-proofing ability for assets.

Cube IM recognizes the importance of discussing and sharing practices on ESG challenges with its peers. In 2022, Cube IM committed to the initiative Climat International (iCI). The team is active in the Infrastructure working group among the iCI members to develop climate-related risks assessment frameworks for infrastructure investments.

Cube IM strives to be present in key ESG events and participate when it can. For instance in 2023, Cube IM's Head of ESG participated as speaker in in the ESG & Telecom panel at the Proximo Infrastructure conference. He also spoke in the ESG Conference organized in partnership with Antin to HEC MBA, MIF and GE students.

In 2023, Cube IM's Head of ESG participated the LuxFLAG Sustainable Investment Week in Luxembourg to discuss the topic of energy transition, diversification of sector exposure, energy security and the imperative to pursue decarbonization. Cube Partner Stefan and Investment Director Ambroise Bayen were quoted in an article from Institutional Investing in Infrastructure. They highlight the role that public and private investors can be in driving changes within the transport industry, for instance, by identifying carbon-efficiency gains throughout the asset life cycle through maximizing the lifespan of the transport industry assets. It goes beyond vehicle choice and modal mix by factoring environmental concerns over infrastructure design, construction and operation.



In late 2023, Cube IM actively engaged in the recent consultation launched by the European Commission on proposals to revise the Sustainable Finance Disclosure Regulation (SFDR). Cube IM's Senior ESG Associate participated in a working group organized by the LPEA. This initiative allowed to gather insights and perspectives, and elaborate a joint LPEA answer to the consultation.

Commitment to better infrastructure

Cube IM's commitment to make better infrastructure for society is also a differentiating feature. Indeed, Cube IM's team, notably due to the professional experience of the four Managing Partners has a large track record working in infrastructure corporates and in / with the public sector. From this differentiating experience stems a careful societal approach when it comes to the infrastructure sectors' development.

For instance, the Manager is a longstanding believer in open-access networks to address and fight the digital divide. Not only the Manager has pioneered investment in open-access fibre networks in 2011 with Covage, but the team tasked with the telecom sector development engaged with governments, regulators, local authorities, ISPs and industry groups to help the rise of this model in Europe. These actions are fully aligned with the European Commission Digital Single Market Strategy.

In line with these longstanding actions, Cube IM continues to facilitate the emergence of the open-access network model by further investing through Cube II and through the Connecting Europe Broadband Fund, to which it was appointed manager in 2016 by the European Investment Bank and the European Commission. The different engagements and interactions with stakeholders (including public institutions) of the Manager and of the portfolio companies must be in line and therefore not conflict with the ESMS-RI¹ (or with the principles of the UN PRI or the TCFD), as prescribed in the ESMS-RI.

¹ Environmental and Social Management System – Responsible Investment Policy and Implementations, see “Responsible Investment guidelines” below



Investments

Strategic sectors – screening and de facto exclusions

The Manager, for any investment opportunity, ensures that the investment team avoids investing in sectors, which would not be compliant with Cube IM's ESG Commitments.

Cube III refrains from investing in any company or project whose main activity focuses on any of the following areas: alcohol, tobacco, pornography and prostitution, anti-personnel landmines, cluster, biological, chemical and nuclear weapons and or depleted uranium ammunition, coal mining and production, upstream conventional and unconventional oil, including fracking, and genetically modified organisms. Alongside this strict sectorial exclusion, the Manager has also identified sectors that present potential risks and that are not strictly excluded but require closer scrutiny and vigilance: any company of which the supply chain can have significant impact on deforestation (wood procurement, palm oil production, intensive livestock farming, etc.) mining of rare-earth material in conflict-ridden areas, depletion of marine resources, companies involved in electricity production from coal (except co-generation and heat production when a transition plan exists), chemistry (pesticides, agrochemicals, etc.), animal testing, and companies operating in gambling. These identify general areas where the risk of adverse impacts is more significant.

The Manager has identified strategic sectors, who have the potential to contribute to the shift towards a low carbon economy and provide social benefits:

Energy Transition



Renewable power plants are an important part of the strategy, with investments having been realized in PV, hydro, wind power, waste to energy. A strong focus has been set on district heating and energy efficiency, as a large part of the energy consumption comes from the provision of heat and cold. Notably centralized district heating systems enable the use of remaining heat and facilitate the use of renewable energy sources and/or local sources (e.g. a datacentre) and often the reduction of the heating cost for the end-customer (businesses, social housing, etc.) over the long run. Highly polluting energy production (e.g. power from coal) are excluded.

- **Current Investments:** Varanger Kraftvind (wind, Norway), Green Energy Platform (formerly PFP II) (HPP, PV, Spain), CogenInfra (district heating, Italy), Norsk Vankraft (HPP, Norway), GRECO (district heating, Slovakia), Enetiq (district heating, Czech Republic), RiverRidge (waste energy recovery, UK)
- **Past Investments:** Boralex Europe (wind, France), Idex (district heating, France), CNIM Dev and Newlinks (Waste to Energy, UK), Taranis (cogeneration, France), RPIPE (HPP, Spain & Portugal), Fotosolarium (PV, Spain)

EV charging



Cube has also identified EV charging infrastructure as an important sector and has already invested in four Electric Vehicle charging stations companies to foster the adoption of individual electric mobility.

- **Current Investments:** Osprey (EV charging, UK), SIIT (EV charging, France), Stations-e (EV charging, France), Kople (EV charging, Norway)

Transport & Environment



Efficient public transport (buses, regional trains, etc.) provide all citizens affordable means to commute, which is of increasing importance (more mobility, congestion risks in cities, etc.) and participate to the avoidance of GHG emissions (limiting the use of personal cars, etc.). This sector also offers good improvement prospects by pushing towards greener (electric, hydrogen) public transport, as Cube IM has undertaken since its initial investments in that space in 2011. By efficiently managing the storage, transportation, and distribution of temperature-sensitive goods, it ensures timely access to vital resources like food and pharmaceuticals. The sector guarantees the accessibility of such goods and fosters trust in supply chains, ensuring that consumers receive safe products, of which freshness and quality have been preserved. In addition, Cube IM has undertaken investments in the Waste Collection sector. Waste collection is the crucial first step in waste management, ensuring that waste is properly sorted and directed to appropriate facilities. This process minimizes environmental impact and is essential for maintaining hygiene and public health.

- **Current Investments:** CFTR (buses, France), Mekka (buses, Norway), Umove (buses, Denmark), Dispam (temperature-controlled logistics, France), Muller Group (temperature-controlled logistics, Austria), Sepur (waste collection, France), Verdis (waste collection, Nordics)

- **Past Investments:** Boreal (buses and ferries, Norway), Netinera (regional trains, Germany), Hansea (buses, Belgium) , Eurotunnel (regional trains, UK & France), Saur (water distribution, wastewater management and waste collection, France)

Telecom & Digital



Our strategy is to focus primarily on open-access networks in semi-dense and rural areas, where the digital divide creates a new exodus for businesses and people from less dense (and more affordable) locations to already congested cities. By encouraging the use of teleworking, e-government services, videoconference, etc. such networks may allow the avoidance GHG emissions. Investing in data centers further supports the expansion of digital economy and meets growing demands for data processing, data storage and cloud computing. Despite large amount of heat generation, data centers are pursuing more energy-efficient operations by implementing efficient cooling systems, optimizing server configurations, and improving server designs and hardware efficiency. In addition, we are developing IoT networks using low-energy Zero-G technologies. “Zero-G” IoT presents interesting characteristics as a low energy, low radiation, low-cost technology whose many use cases enable energy savings, may contribute to the circular economy and optimal utilization of scarce resources.

- **Current Investments:** dst telecomunicações (FttP, Portugal), G.Network (FttP, UK), Heliot (OG IoT, DACH), Rune Slovenia (FttP), Rune Croatia (FttP), Vento Rede (FttP, Spain), Unifiber (FttP, Italy), Asteo (FttP, Spain), Fibernet (FttP, Finland), FirstColo (Data Center, Germany), ClioFiber (FttP, Italy), GleSYS (Data Center, Sweden & Finland)
- **Past Investments:** Islalink (submarine cables, Spain), Covage (FttP, France), Trooli (FttP, UK) , Scancom (fibre, Czech Republic), Rodin (FttP, Netherlands).

Active role as a Shareholder

The Manager most often aims at taking co-controlling or controlling positions into the companies. The Manager therefore takes an active role in the development of the portfolio’s companies, fully incorporating the ESG dimensions into it from the Due Diligence with the support of external advisors, throughout the holding period. Within the CEBF, clear guidelines have also been set up to adequately keep an active role in ESG issues, even for minority investments.

Responsible Investment guidelines

Cube IM notably strives to integrate Sustainability Risks into its investment decision making, risk management and remuneration processes and discloses the results of the assessment of the likely impacts on the returns of the Funds it manages.

Cube IM has notably formalized in 2016 an “Environmental and Social Management System – Responsible Investment Policy and Implementations” (“ESMS”, “ESMS-RI”) for Cube II, Cube III and CEBF. Cube IM’s ESMS is notably based on the UN PRI and on the European Investment Bank’s (EIB) Environmental and Social Standards (encompassing also widely recognized standards, such as the International Labour Organization Standards). Through Cube IM’s ESMS, Cube IM implements the following:



1. Assess ESG issues at the time of investment (an external advisor is retained as part of the Due Diligence process for the assessment and the creation of a medium-term improvement plan) – topics addressed are notably:

- ESG Governance,
- Business Ethics,
- Human Resources,
- Health & Safety (including wellbeing in the workplace),
- Supply Chain,
- Environment,
- Community Involvement,
- Climate-Related Risks

For Cube III, company-level Principal Adverse Impacts (PAIs) are assessed, especially for those investment that might be considered sustainable investments for the fund.

- 2.** Monitor throughout the duration of the investment compliance with the ESG policies directly or with the support of external advisors;
- 3.** Promote compliance with applicable local regulations, and where appropriate, relevant international standards and industry best practices – notably with the ISO norms;
- 4.** Promote compliance with the best practice in terms of procurement;
- 5.** Discuss KPIs and initiatives and encourage ESG best practice at the portfolio companies’ Board level and through a continuous dialogue with the portfolio companies’ management teams;
- 6.** Promote and maintain the highest standards of integrity and good corporate governance;
- 7.** Encourage portfolio companies to mitigate adverse environmental and social impacts and enhance positive effects on the environment, employees and wider society.

The Manager discusses, encourages and fosters ESG best practices at the portfolio companies’ board level (or equivalent governing body), and through a regular dialogue between the investment team and the portfolio companies’ management teams, throughout the holding period of the portfolio companies.

The Manager gathers information on the PAIs of its portfolio companies on a yearly basis, allowing to assess whether all investments, including sustainable investments, do no significant harm (“DNSH”) to environmental or social objectives.

Sustainable commitment

Climate Change

In line with its environmental commitment and fiduciary duty, Cube IM analyses potential climate-related risks during the Due Diligence phase and its risk management report. Our team supports the objectives of the Paris agreement and endeavors to favor investments and sectors aligned with such objectives.

Climate-change is probably the largest challenge we are collectively facing, with large consequences on the ecosystems, often with feedback loop effects (e.g. loss of ice cap translates in a loss of Albedo, etc.), from acidification of the ocean, more extreme weather events to a loss in worldwide biodiversity, sometimes referred to as the 6th extinction. Human populations are becoming and are at risk of becoming increasingly impacted: decreasing crop yield, land erosion, desertification, more areas where living conditions could be compromised: in a 4°C world a part of the equatorial regions would present for more than 100 days a year unsustainable humidity/temperature conditions - leading to an increased risk of famine, climatic mass displacement and civil unrest. Despite Paris agreement, the current trajectory remains worrying, with limited chance left to limit global warming to +1.5°C or even +2°C given the drastic decrease per annum required in absolute GHG emissions. The earth being, as the human body, a non-linear system, every 0.1°C is important, irrespective of the round political target, hence the efforts to curb climate warming needs to be strengthened further. In parallel, acknowledging the current trajectory, adaptation measures need to be increasingly adopted. Infrastructure can contribute to both the fight against and to the adaptation to climate change. Some portfolio companies have reached a high level of formalization to set up science-based carbon reduction targets. For example, Cube III’s Dispam has achieved the Label CO2, awarded to top industry participants by Objectif CO2. Maintaining this label requires progressive alignment with a net-zero trajectory, positioning the company as a leader in the field. Cube II’s CFTR also aims to secure this label for one of its subsidiaries by 2024. Furthermore, Cube II’s dstelecom has already validated its SBTi objectives and is making notable progress. Cube III’s Enetiqa recently joined the SBTi to supplement its existing decarbonisation plan in a controlled and value-accretive manner, while Cube III’s Sepur is set to join this year. Additionally, several other Cube III companies (RiverRidge, Glesys, FirstColo, Müller and Verdis) are considering joining the SBTi in the coming years to enhance the formalization of their objectives. Infrastructure investments which will be successful over the long-term are likely to be the ones compatible with those two dimensions.

For Cube IM, the climate-related risks and opportunities in the portfolio are notably discussed and monitored by the ESG Coordination Team and the ESG Committee (for the Board of Cube IM), liaising with the Investment and Risk Management Teams. The organisation and responsibilities follow the aforementioned organisation and responsibilities, described in the ESMS-RI. Cube IM notably strives to follow the recommendations of the Task Force on Climate-related Financial Disclosures, to consider a transition to a lower-carbon economy consistent with a 2°C or lower scenario and, where relevant, scenarios consistent with increased physical climate-related risks.

The TCFD notably distinguishes two types of risks: transition risks (policy & legal, technology, market, reputation) and physical risks (acute, chronic) as well as several types of opportunities (resource efficiency, energy source, products and services, markets and resilience).

As part of its climate strategy amongst portfolio companies, Cube IM focuses on climate adaptation solutions vis-à-vis those risks and in light of the work of the Intergovernmental Panel on Climate Change (IPCC). In order to ensure that portfolio companies and assets can tackle climate risks, the integration of specific action points in the action plans mentioned in 'ESG organisation' have become a necessity. These actions can be analyses and mapping of climate impacts over the companies' value chains, the analysis of the resilience of assets against those risks, specific mitigating initiatives, etc.

Cube IM strives to invest primarily in sectors, which present some degree of alignment with the objectives of the transition to a lower-carbon economy and present more opportunities than risks if adequately managed. This is analysed for each new investment in a dedicated climate change and resilience section. High-level comparison with the EU taxonomy have also been integrated in our Due Diligence. The climate-related risks most often, in the case of Cube's portfolio, are not linked to adverse climatic events, but to potential tightening the environmental regulations. For instance, In the case of the public transport platform: regulations will shape the future of the bus activity and need to be anticipated (electric bus pilot projects, etc.) to turn those risks into opportunities. Not anticipating these regulations could cause Cube's public transport portfolio companies to lose their competitive advantage and hence their contracts at renewal. On the contrary, being able to anticipate these regulations or willingness from the local authorities to provide greener services, fast and ahead of the market, would result in a better positioning and enhanced growth. Increasing resource efficiency (ecodriving) also proved to be a source of economies. Similar examples can be found across the portfolio's companies. For instance, IDEX had put great R&D efforts (over the 2011-2018 Cube I's holding period) to move from gas-fired district heating networks to greener district-heating networks. Those greener district-heating networks made the best out of the available local resources (river, lake, etc.), pioneered in France the incorporation of green energies such as biomass, geothermic energy, CSP and were increasingly smarter (using any node of the network as a cold or heat source: e.g. a datacenter can be a heat source for the rest of the network). Cube IM has though identified some risks linked to adverse climatic events and mitigate them at the portfolio's company level. An example of acute physical risk from weather event can be found for DST telecomunicações. Indeed, global warming may be the cause of occasionally hotter and dryer summers in southern Europe, hence increasing the likelihood of forest fires. This is a risk well identified for DST telecomunicações infrastructure, which partly relies on poles in rural areas. This risk is taken into account when designing networks (avoiding crossing wooded areas, having back-up power sources at PoP level, etc.). In order to increase the resilience of its infrastructure against power disruptions caused by wildfires, DST telecomunicações has deployed PV panels over the majority of its PoP and is project-piloting the addition of wind resource and of geothermal energy.

Human capital & Human rights

Cube IM's Funds have a focused geographical scope: the European region (the EU, UK, Norway, Switzerland, Iceland). Within that geographical scope, human rights, labour rights and business ethics have to be respected as a matter of European and/or national law and it follows that those companies are de facto aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights. The legal due diligence ensure compliance with applicable laws.

The ESG due diligence includes the review of topics such as child labour, trade union rights, discrimination, business ethics, management-employee relations, minimum remuneration, supply chain as well as tax fraud. For Cube III, the human rights-related issues are assessed using relevant PAI indicators.

Cube IM will work with portfolio companies to ensure that, where required, their ESG action plans systematically include responsible business and procurement practices, for example through the adoption of a Code of Ethics and sustainable procurement policy, encompassing rules to respect human rights across the company operation and mitigate potential human right risks along the supply chain.

Organization and allocation of responsibilities

In 2017, the Manager appointed an ESG Committee, which meets at least once a year, comprised of four Partners, the Head of ESG the Compliance Officer and an independent director. The ESG Committee is completed from time to time by the rest of the ESG Coordination Team. The Partners and the senior members of the Investment Team, as well as the Head of Investor Relations and Head of Risk Management, Valuation and Financial Communication are invited from time to time to attend the ESG Committee.



Renaud de Matharel
Chairman & CEO



Emmanuel Rogy
Partner



Saket Trivedi
Partner



Stefan Weis
Partner



Aurélien Roelens
Managing Director & Head of ESG



Thomas Bedos
Compliance Officer



Anne Canel
Independent Director

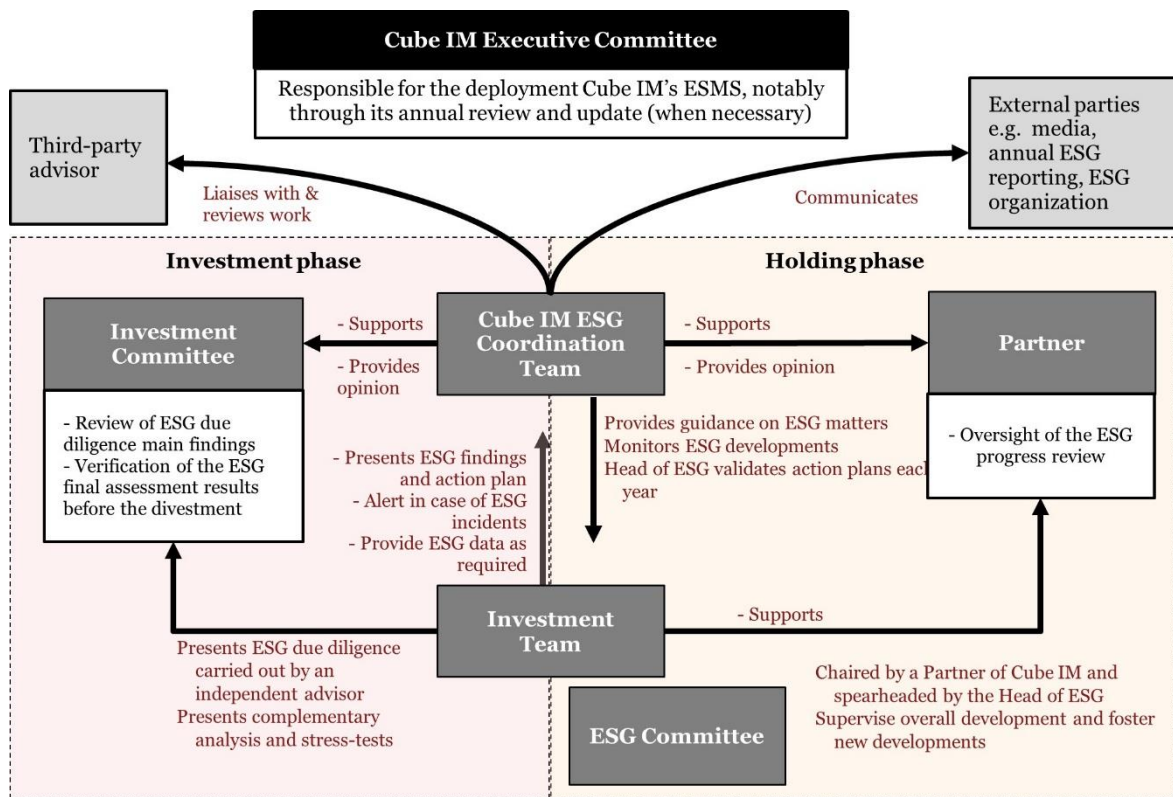
The ESG Committee supervises, on behalf of Cube IM's Board of Directors, the progress achieved on ESG issues, and fosters new developments.

The ESG Committee oversees the overall political engagements (if any) of Cube IM in relation to ESG topics. As per internal procedures, Cube IM and any of its representatives should ensure that communication towards external stakeholders are consistent with the Manager's ESMS and responsible investment approach. As regards political engagement specifically, Cube IM often contributes to discussions through other organizations and is represented by them. For example, Cube IM's Head of ESG represented the LPEA at the Haut Comité de la Place Financière (high level committee of the financial sector) in Luxembourg to foster the development of sustainable finance.

The ESG Coordination Team, part of the Investment team, is led by Aurélien Roelens (the Head of ESG).

The ESG Coordination Team includes a Senior ESG Associate and an ESG Analyst, who are Investment Team members fully dedicated to fostering ESG across the portfolios, under the supervision of the Head of ESG.

Since July 2017, five Investment Team members have been given responsibilities in the ESG Coordination Team to help closely monitor certain sectors and foster the development of best practices across the portfolio companies in each sector.



The ESG Coordination Team supports the other members of the Investment Team from the Due diligence phase through the holding period (allocation of responsibilities is further described later in this report). The ESG Coordination Team also monitors and acts on ESG topics in the corporate life of the Manager and provides ad-hoc training to other team members. Cube IM's ESG Coordination team has launched a series of training sessions for Cube and portfolio companies to enhance understanding toward GHG accounting, climate risk analysis, EU Regulations, EU Taxonomy, SBTi etc. The training programs will continue to roll out in the future. The ESG Coordination team also helps defining ESG objectives, which are ultimately translated into specific objectives and incentives for the Manager Team member.

The Head of ESG will notably provide opinions to the Investment Committee and to the ESG Committee and validate the actions plans set up for all portfolio's companies. The Investment Committee and the ESG Committee would be informed by climate-related issues through Investment Committee notes as required by the ESMS.



Aurélien Roelens²
Managing Director & Head of ESG



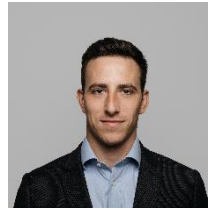
Erwann Duquesne³
Senior ESG Associate



Yu Jou Yang (Tiffany)⁴
ESG Analyst



Sebastiano Nardin
Investment Analyst



Niccolò Ricci
Investment Associate



Ankit Kakkirala
Investment Analyst



Mathys Lopez
Investment Analyst



Stefano Berta
Investment Associate

² **Head of ESG – background:** Aurélien, Investment Director, CAIA, has 12 years' experience in ESG integration in private equity and close to 20 years' experience with environmental and social projects. Aurélien is responsible for Cube IM's ESG initiatives since 2010, including the development of due diligence methodology in 2014 and of the ESMS-RI in 2016, and the oversight of all ESG-related issues within the portfolios. Since 2017, he is a member of the ESG Committee of Cube IM and attends all Investment Committees. He has also participated to several third-party research and to industry work group and frequently speaks on ESG topics either in industry events or in academic sessions. He took part in the early working groups of the GRESB Infrastructure and is, has been from 2018 to 2022 a member of the Benchmark Infrastructure Committee - EMEA. He is also representing the Luxembourg Private Equity Association ("LPEA") at the "Haut Comité de la Place Financière" Sustainability workshop and is co-chairing the ESG Club of the LPEA, notably organizing ESG trainings. In addition to its minor in Environmental Sciences as part of its MSc in Engineering and trainings in Ethics and Responsible Investment as part of HEC Paris and EM Lyon academic programs (including HEC's "Energy in a Carbon Concerned Economy" (HEC certificate). 2003, he organized sustainable development events with the support of the European Commission, the French Ministry of Environment and local authorities, participates or participated to several projects on economic inclusion and to research on ocean-climate interactions.

³ **Senior ESG Associate – background:** Erwann joined Cube IM in late 2021 as a member of the Investment Team fully dedicated to ESG. Prior to joining Cube, he worked as a consultant and auditor specialised in Sustainability and ESG-related topics. He served clients from a variety of sectors, including Mining and Metals, Air Transports, Real Estate Finance, Public Sector, Banking and Private Equity. He participated in the audits of CSR and ESG reports and supported companies of various sizes in improving their non-financial reporting and sustainability practices and complying with various regulatory or voluntary schemes (e.g. SFDR, EU Taxonomy, NFRD/CSRD, PRI, GRESB, GRI, etc.). He contributed to white papers and guides for professionals of the financial sector. He is an evaluator for Time for the Planet, an organisation aiming at launching and financing open-source solutions and enterprises that innovate towards climate change mitigation.

⁴ **ESG Analyst – background:** Tiffany joined Cube IM in 2022 as a member of the ESG Coordination Team. She has a Master's degree from Imperial College Business School for Climate Change, Management and Finance Programme, which has a strong focus on net-zero strategy, climate mitigation and adaptation, clean-tech investments, and climate finance. Before her Master's studies, she has been working at the London Stock Exchange Group in Taiwan for Sustainable Investment Research. The experience was mainly focused on assessing the ESG performance of companies from various sectors, covering finance, semiconductor, industrials, automotive and so on. Part of the role was to engage with companies on adopting reporting frameworks such as GRI and SASB standards and enhancing alignments toward TCFD guidance.

The Investment team in charge of the portfolio company jointly with Cube's Head of ESG and ESG Coordination Team designs a comprehensive ESG action plan, with the support of a third-party advisor. This action plan is communicated and discussed with the management of the portfolio company to ensure it is understood and will be swiftly implemented.

Progresses on this action plan are then closely monitored by the Investment team, with the support of the Head of ESG. Regular updates on progresses are discussed at the level of the board of the portfolio company. Besides, milestones in the action plan are integrated in the annual variable compensation for the management of the portfolio company. Action plans are regularly updated by the Investment team and the Head of ESG. Those updates consider the difficulties encountered and the positive results in a specific company in order to develop and implement best practices across the portfolio.

The Head of ESG validates ultimately the action plans and their updates on behalf on the ESG Committee.

Compliance: Cube IM's Compliance Officer regularly controls that the ESMS-RI (applying to Cube II and CEBF) procedures (applying to Cube II, Cube III and CEBF) are complied with, by the Investment team and the ESG Coordination team, notably for recently acquired assets. Since early 2021, the Cube IM's Compliance Officer has integrated the ESG Committee as a member in 2021.

Risk Management: The ESG risks of all assets in Cube IM's portfolios are considered in the Risk Management Report of each fund as part of the Investment Risk. Twice a year, the Head of ESG updates the list of identified ESG risks for each portfolio and discusses those risks with the Head of Risk Management, with a particular focus on Climate risks.

Monitoring

In addition to the notes towards the Investment Committee, the Head of ESG produces internal notes to the ESG Committee containing an overview of the progresses and highlighting specific issues to be discussed as well as new developments and recommendations.

The Compliance Officer performs regular controls to verify compliance with the ESMS-RI and reports to the governing bodies of Cube IM.

Understanding and incorporating LPs sustainability preferences

The Manager is proud to have many LPs, which are at the forefront of ESG commitments. The Manager is keen on maintaining an open and productive dialogue on ESG issues with its LPs and incorporate their sustainability preference into the investment activities, as done by Cube II through the clear exclusion of all coal power generation.

Reporting

The Manager produces an annual ESG report (c.a. 100 pages), which is distributed to the LPs to inform the LPs on the main actions, main DD results, main action plans, progresses, initiatives and potential incidents and provide a detailed set of KPIs. In addition, some ad hoc reporting is prepared for some LPs as a complement and some Cube II portfolio's companies are reporting to GRESB Infrastructure.

Selected KPIs

Governance

As part of the post-acquisition action plan, Cube IM assists its portfolio companies in deploying adequate procedures and afferent trainings. As of Q1 2024, 77% of the portfolio companies have adopted an ESG policy, 83% a Code of Ethics and 63% a sustainable procurement policy. 97% of the portfolio companies are covered by an ESG action plan validated by both the Board of portfolio company and the Head of ESG. Taking the portfolio companies acquired more than 6 months ago, the coverage percentage raises to 100%.

Environment

Cube IM (2022)	CO2 Emissions (tCO2eq)
Scope 1 Total	15.24
Scope 2 Total	5.62
Scope 3 Total	731.21
TOTAL scope 1, 2 and 3	752.08

Cube I (2017) tCO2eq	Sector	Scope 1	Scope 2	Scope 1 + 2	Carbon /m€ revenue	Avoided Impacts	Avoided Impacts /m€ revenue
Boreal	Public transport	78,368	21	78,389		46,026	
Hanseia	Public transport	31,473	648	32,121		81,465	
Netinera	Public transport	116,768	73,760	190,528		92,216	
Idex	Thermal energy	752,565	5,558	758,122		55,553	
Taranis	Thermal energy	146,200	276	146,476		(31,361)	
CNIM Dev	Thermal energy	287,060	3,284	290,344		281,631	
Fotosolarium	Renewable energy	-	113	113		2,475	
RPI	Renewable energy	-	1,138	1,138		57,938	
Covage	Telecommunication	329	344	673		46,933	
TOTAL		1,412,763	85,142	1,497,905	865	632,876	330

Weighted Average Carbon Intensity of 865 tCO2eq/m€ revenue (Cube I; 2017)

Cube II (2022) tCO2eq	Sector	Scope 1	Scope 2	Scope 3	Scope 1 + 2	Scope 1 + 2 + 3	Scope 1+2 /m€ revenue	Avoided Impacts	Avoided Impacts /m€ revenue
Umove	Transport & Environment	18,368	1,898	17,281	20,266	37,547		126,208	
Mekka	Transport & Environment	8,355	14	34,029	8,370	42,398		190,978	
CFTR	Transport & Environment	60,107	510	31,448	60,617	92,065		41,510	
CogenInfra	Energy Transition	96,163	7,627	65,248	103,791	169,039		(30,632)	
GEP	Energy Transition	133	-	167,256	133	167,389		22,064	
VarangerKraft	Energy Transition	18	433	22,602	452	23,054		12,011	
dstelecom	Telecom & Digital	591	-	27,123	591	27,714		4,955	

G.Network	Telecom & Digital	53	128	15,833	181	16,014	(6,716)
Heliot	Telecom & Digital	6	607	175	614	789	3,611
ViaNovus	EV charging	5	1	1,382	5	1,388	10,256
TOTAL		183,800	11,220	382,377	195,019	577,396	168
							374,245
							450

Weighted Average Carbon Intensity of 168 tCO₂eq/m€ revenue (Cube II; 2022)

Scope 1+2 Carbon intensity sector breakdown							
Cube II carbon / m€ revenue	2017	2018	2019	2020	2021	2022	
Transport & Environment	207	174	169	151	154	144	
Energy Transition		2,023	616	637	889	682	
Telecom & Digital	68	45	27	38	34	27	
EV charging				-	3	1	

Cube III (2022) tCO ₂ eq	Sector	Scope 1	Scope 2	Scope 3	Scope 1 + 2	Scope 1 + 2 + 3	Scope 1+2 /m€ revenue	Avoided Impacts	Avoided Impacts /m€ revenue
Sepur	Transport & Environment	23,523	799	48,984	24,322	73,306		NA	
Dispam	Transport & Environment	19,177	1,093	20,028	20,271	40,298		NA	
Müller	Transport & Environment	33,691	94	16,930	33,785	50,716		NA	
Station-e	EV charging	3	10	330	13	343		204	
Kople	EV charging	-	186	4,475	186	4,661		1,183	
Firstcolo	Telecom & Digital	166	1,239	4,180	1,406	5,586		NA	
Norsk Vannkraft	Energy Transition	-	13	1,521	13	1,534		1,472	
Enetiq	Energy Transition	236,377	14,362	89,401	250,738	340,139		88,484	
TOTAL		312,937	17,797	185,849	330,734	516,584	448	91,343	133

Weighted Average Carbon Intensity of 448 tCO₂eq/m€ revenue (Cube III; 2022)

CEBF (2022) tCO ₂ eq	Sector	Scope 1	Scope 2	Scope 3	Scope 1 + 2	Scope 1 + 2 + 3	Scope 1+2 /m€ revenue	Avoided Impacts	Avoided Impacts /m€ revenue
RedeAberta	Telecom & Digital	16	40	9,835	55	9,891		(8,922)	
Rodin	Telecom & Digital	26	49	6,359	75	6,434		(5,779)	
Rune Crow	Telecom & Digital	1	11	4,836	12	4,847		(4,597)	
Rune Enia	Telecom & Digital	65	-	4,832	65	4,897		(3,957)	

Asteo	Telecom & Digital	-	12	7,126	12	7,138	(6,845)
Unifiber	Telecom & Digital	-	-	1,780	-	1,780	(1,689)
TOTAL		107	112	34,768	219	34,987	(9,584)

Weighted Average Carbon Intensity of 55 tCO₂eq/m€ revenue (Cube CEBF; 2022)

Social

On the social side, the Manager invests notably in companies with growth potential and hence favors the direct creation of jobs. Most of the companies in Cube's portfolios have created direct jobs, mostly local jobs, since Cube's initial investment, as exemplified in the positive CAGR in FTE number over the holding period (6 companies exhibiting CAGR above 15% - excluding the CEBF). The historical weighted average (by FTEs at entry) CAGR is equal to ca 4%.

The Manager also strives to monitor social aspects in all portfolio's companies and encourage the management to take measures to enhance working conditions, with the primary focus being on work accidents reduction.

Cube II Portfolio	2019	2020	2021	2022	2023
Number of FTEs	5,433	5,765	6,274	6,942	7,617
% of employees who have undergone training during the year	65%	70%	60%	70%	60%
Average lost days due to work accidents	2.5	2.6	2.4	2.6	2.7
Number of fatal working accidents	-	-	-	-	-
Average lost days due to sickness (excluding maternity leave)	11.2	13.4	13.6	17.1	15.9
Average lost days due to strikes	-	-	0.04	0.05	0.04

Cube III Portfolio	2021	2022	2023
Number of FTEs	2	4,655	7,417
% of employees who have undergone training during the year	-	65%	65%
Average lost days due to work accidents	-	4.7	3.5
Number of fatal working accidents	-	-	-
Average lost days due to sickness (excluding maternity leave)	-	11.1	9.4
Average lost days due to strikes	-	-	0.0002

CEBF Portfolio	2019	2020	2021	2022	2023
Number of FTEs	89	142	257	320	82
% of employees who have undergone training during the year	63%	45%	79%	17%	30%
Average lost days due to work accidents	-	-	-	-	-
Number of fatal working accidents	-	-	-	-	-
Average lost days due to sickness (excluding maternity leave)	1.1	4.3	3.9	4.8	0.9
Average lost days due to strikes	-	-	-	-	-

The scope of CEBF data in 2023 is different from the past years due to exits of Trooli and Rodin.

Well-being at work is also a focus (especially amidst covid environment), with the development of several initiatives (facilities on campus, access to class for personal or professional development, innovation days, etc.) being implemented by portfolio companies.

The Manager also encourages portfolio’s companies to foster diversity with several internal actions (returning from maternity leave programs, etc.) as well as training and hiring plans towards targeted populations (refugees, long-term unemployed, veterans, etc.)

Sustainable Development Goals (SDGs)

The UN Sustainable Development Goals (SDG) are the blueprint to a better and more sustainable future for all. Though the SDGs are not directly used in the day-to-day ESG actions of the Manager, they are de facto present across the different actions and in the overall strategy.



Out of the 17 SDG, the Manager has identified four goals as core to its business:



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

"Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all"

Building resilient infrastructure is core to the activity and the main purpose of Cube IM’ strategy.

"By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities"

As part of Cube IM strategy, the Manager adopts clean and environmentally sound technologies in the portfolio companies including the development of Electric Vehicle charging network in the UK through Osprey or in France with SIIT, using electric and hydrogen buses through our Public Transport companies, using electric vans for London-based G.Network or the usage of biomass-powered boilers instead of gas-power. Cube IM monitors for all its portfolio companies the CO2 eq emissions (compared notably to the revenues), on top of the avoided impacts.

"Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries by 2020"

Though Cube IM works primarily in Europe, some areas, notably rural areas still lack access to high-speed internet, with the overall risk of a digital exodus. Through several of Cube I and Cube II’s portfolio companies and through the Connecting Europe Broadband Fund, Cube IM strives to provide fibre infrastructure to underserved areas, particularly in rural regions, thus reducing the infrastructure gap between rural and urban areas. It is also a question of insuring equality of rights to access this new community that is high speed internet (echoing to SDG’s sub goal 1.4)



Ensure access to affordable, reliable, sustainable and modern energy for all

"By 2030, increase substantially the share of renewable energy in the global energy mix"

"By 2030, double the global rate of improvement in energy efficiency"

The Manager has tackled both objectives through investments in all major renewable energy options (Solar PV, on-shore wind, geothermic, hydro and biomass) and in district heating, with a focus on further decreasing the GHG emissions stemming from both heat and electricity generation.



Make cities and human settlements inclusive, safe, resilient and sustainable

"By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons"

Through its Public Transport platform, the Manager provides safe, affordable, accessible and sustainable public transport in several European regions. The Manager pushes innovation to achieve greener means of transportation through new technologies as hydrogen and electric-powered vehicles.



Take urgent action to combat climate change and its impacts

"Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries"

"Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning"

The initial Due Diligences factor the risk of climate-related hazards on the infrastructure and potential mitigation actions are included in the action plan and developed throughout the monitoring phase (e.g. actions undertaken by dstelecom on the higher occurrence of fires in Portugal).

As mentioned in the specific section of this report, the Manager also strives to hold investments that contribute to the fight against climate change and to improve their contribution during the monitoring period through concrete initiatives in the action plans. The Manager will be keeping reinforcing its action in both measurements (scope 3 for all the assets, alignment with Paris agreement, etc.) and systematization of carbon reduction initiatives.

Through the action plans, the Manager look to contribute as well to SDG 3, 4, 5, 6, 8, 12, 16 and 17. SDG 8, in particular, is a key concern in all action plans when it comes to favouring local employment through hiring and/or training plans and providing not only safe but also attractive work conditions to the employees of all portfolio companies.