Responsible Investment Policy

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V2.0	30 June 2023	Annual review of ESG Policy. A full revision of the Policy.
V2.5	20 June 2024	Annual review of ESG Policy. Renaming to Responsible Investment Policy with removal of the Purpose, Mission and Vision. Insertion of Responsible Investment Principles and adjustment to the timing of the ESG Screening Tool completion in relation to the TPAF. Change the name of the ESG Team/Committee to the Sustainability Team/Committee.
V3	29 April 2025	Annual review of RI Policy. Updated name to CVC DIF; document format; ESG Path to Sustainability Engagement Program, ESG Screening Checklist to ESG Factor Identification Tool; Moved description of tools to separate document.

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1. Introduction

1.1 Background

DIF Management B.V. (“CVC DIF” or the “Manager”) is a private markets fund manager currently holding over €18 billion of investments through its investment funds (the “Funds”). CVC DIF follows a unique set of private markets strategies in infrastructure equity, focusing on developing highly diversified portfolios across a broad spectrum of projects and companies in Europe, the Americas and Australasia.

This Responsible Investment Policy (the “Policy”) applies to CVC DIF, the Funds it manages (in general multi-year closed-end funds), and the financial investments in companies made by the Funds, i.e. 100% of the Assets Under Management (“AUM” or the “Funds’ Investments”)[1]. This Policy contains CVC DIF’s commitment to responsible investment through the integration of sustainability factors[2] into the key steps of the Funds’ Investment Cycle (“Investment Cycle”).

1.2 Objectives

CVC DIF is committed to being a responsible investor, has been a signatory to the United Nations Principles of Responsible Investment (“UNPRI”) since 2011 and is committed to implementing its six principles. Responsible investment involves considering sustainability factors that are assessed as financially material to the investment when making investment decisions, to optimise risk-adjusted returns in line with our fiduciary duty. Responsible investment complements traditional financial analysis and portfolio construction techniques and is based on the generally accepted appreciation that sustainability factors can affect the risk and return profile of investments. Integrating the consideration of sustainability factors involves seeking out information on environmental, social and/or governance topics, assessing the materiality of that information, and integrating information judged to be material into investment analysis and decision-making processes.

Within the overall approach to responsible investment, CVC DIF may develop and maintain policies relating to specific sustainability topics. This Responsible Investment Policy outlines the processes by which we incorporate consideration of sustainability topics, including any policy positions on specific topics, into the investment decision-making processes.

1.3 Legal / Regulatory Framework

In developing this policy, CVC DIF has taken into account current international regulations, standards and guidelines and will take into account relevant future (international) regulations, standards and guidelines, such as but not limited to:

- Corporate Sustainability Reporting Directive (“CSRD”)
- EU Taxonomy Regulation
- Equator Principles
- Organisation for Economic Co-operation and Development (“OECD”) Guidelines for Multinational Enterprises on Responsible Business Conduct
- Principles for Responsible Investment (“PRI”)

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[1] Excluding any working capital / cash in the Fund

[2] Sustainability factors in the context of this policy do not mean the comprehensive list of the principal adverse impacts (PAIs) to sustainability factors. Rather, “sustainability factors” mean environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters, as per EU regulation (EU) 2019/2088.

- Sustainable Development Goals ("SDG")
- Sustainable Finance Disclosure Regulation ("SFDR")
- Task Force on Climate-Related Financial Disclosures ("TCFD")
- UN Guiding Principles for Business and Human Rights ("UNGP")
- UN Global Compact

Reference has also been made to other relevant CVC DIF policies and manuals that contribute to or support the consideration of material sustainability factors in the investment process, such as:

- Code of Conduct
- Risk Management Policy
- GDPR Privacy Policies
- IT and Information Security Policy
- Remuneration Policy
- Conflict of Interest and Allocation Policy
- Anti-Bribery and Corruption Policy
- Policy to prevent Money Laundering and Terrorism Financing
- Whistleblower Policy
- Policy on Safe Working Environment

In addition, this policy is aligned with the CVC Group level Responsible Investment Policy.

2. Overall Approach to Responsible Investment

As a global fund manager, CVC DIF has a responsibility to take into account material[3] sustainability factors[4] in investment decision-making. CVC DIF considers relevant sustainability factors during the origination process and actively manages the investments owned by the Funds, addressing sustainability factors by directly engaging with the investments. Aiming to maintain a high degree of transparency CVC DIF manages a full annual sustainability reporting programme. CVC DIF is also an active industry participant, contributing to industry and external sustainability initiatives and events including industry-level sustainability policy and regulatory advocacy.

By embracing responsible investment as a core value, CVC DIF goes beyond compliance and actively seeks to create positive sustainable outcomes, in line with the expectations of the infrastructure users and communities that the investments serve. CVC DIF recognises that its primary fiduciary responsibilities are to the financial outcomes of the Funds' investments.

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[3] Materiality refers to whether a consideration is of real importance or great consequence. Industry states that "Materiality is contextual; that is, the materiality of sustainability factors depends on the investor's objectives and time horizon and the specifics of the investment. Materiality is also dynamic: The materiality of a specific sustainability factor may change over time." (Source: Definitions for Responsible Investment Approaches through gsi-alliance.org)

[4] Sustainability factors in the context of this policy do not mean the comprehensive list of the principal adverse impacts (PAIs) to sustainability factors. Rather, "sustainability factors" mean environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters, as per EU regulation (EU) 2019/2088.

Effectively addressing sustainability factors contributes to realizing good financial outcomes as well as to meeting the expectations of the Funds' investors. CVC DIF's approach is therefore that of a "responsible investor" that aims to make the future better for people, not only in terms of their financial future, but also in terms of the places where people live and work.

2.1 Investing Responsibly at CVC DIF

Investing responsibly is a core value for CVC DIF, key to its approach to managing sustainability factors in CVC DIF's and the Funds' business operations. CVC DIF understands that being responsible means taking sustainability factors into account in relevant steps of the decision-making process. In 2024 CVC DIF undertook a Double Materiality Assessment ("DMA"), and used a risk management approach to determine the materiality of sustainability factors at both the firm level and at the portfolio level. Responsible Investment itself was identified as a material topic.

The following sustainability factors, split into Environmental, Social, and Governance factors, have been identified as strategically important to manage across the portfolio either from an inside-out (also known as the "impact materiality") perspective or from an outside-in (also known as the "financial materiality") perspective. CVC DIF considers that it is a fiduciary duty, as well as a compliance requirement in several jurisdictions that we operate in, to consider both impact and financial materiality in assessing the importance of sustainability factors. The rationale is that factors that are not financially material in the present but that have the potential to become financially material over time also need to be considered and managed appropriately. The DMA was used to establish the importance of actively managing the following set of factors across the portfolio:

Environmental factors

CVC DIF focuses on engaging with the portfolio to decarbonise and advance environmental stewardship, and on supporting our portfolio companies in navigating physical and transition risk. Consideration is also given to other environmental factors such as energy consumption, waste generated, air emissions and biodiversity, whilst aiming to improve the overall performance of the Fund's Investments.

Recognising the potential risks posed by climate change, CVC DIF has committed itself to be a Net Zero Asset Manager by 2050 or sooner in line with the Paris Agreement. CVC DIF has adopted the Net Zero Investment Framework ("NZIF"), which provides a set of indicators that can be used to classify and track the level of alignment of investments to Net Zero.

Using the NZIF, CVC DIF set the following interim targets to become Net Zero:

- 70% of the CVC DIF Funds' AUM aligning with Net Zero by 2030; and
- 100% of the CVC DIF Funds' AUM aligned with Net Zero by 2040.

Social factors

CVC DIF focuses on the social factors of safety, employee potential, community and supply chain, with the following objectives, which the Manager believes to be aligned with growth in the value within the investments:

- Maintaining workplaces that promote the safety of the workforce for both employees and contractors;
- Promoting inclusive workplaces that successfully manage talent;
- Delivering value to communities; and
- Maintaining responsible practices in supply chains

Consideration is also given to other social factors, including human rights, forced labour, child labour, bribery and corruption. The performance of Funds' Investments on these topics is tracked by monitoring compliance with the internationally recognised UN Global Compact and OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

Governance factors

CVC DIF focuses on responsible business conduct with the objective of driving accountability, promoting robust governance and transparent business practices. CVC DIF expects all its Funds' Investments to maintain a governance framework that ensures sound management structures, employee relations, staff remuneration and tax compliance, and compliance with laws, regulations, and industry best practices.

2.2 Responsible Investment Implementation within the Investment Cycle

CVC DIF is a responsible infrastructure manager, aiming to deliver high-performing infrastructure investments that create long-term value for our stakeholders. The Manager delivers on this by making investments on behalf of the Funds by following the responsible investing processes, which integrate the consideration of material sustainability factors into the key steps of the investment decision-making process. Good management of sustainability-related risks and opportunities is considered core to good decision-making and risk management. The Investment Teams are responsible for executing CVC DIF's responsible investment processes. They are supported by the Sustainability Team, who provide tools, training, guidance and support on assessing and integrating sustainability factors into the decision-making process.

2.3 Integration of Sustainability Factors in the Investment Cycle

Product Design

The Manager develops and implements diversified fund management strategies in the infrastructure sector, employing investment strategies with specific portfolio composition, diversification and risk/return profiles for each fund.

In principle, all new products will be classified as disclosing under Article 8 per the SFDR, whereby the Funds promote relevant environmental and social characteristics that align with the Funds' objectives. This approach ensures that each Fund prioritises financial returns while actively managing specific environmental and social characteristics that the Manager has selected as contributing to the Fund's strategy. None of CVC DIF's current products aims to make sustainable investments.

Our ongoing interactions with the investor community inform us about the relevance of certain sustainability factor preferences, priorities and risk appetite during the Fund design process. Certain preferences, for example, a hard exclusion for controversial weapons, may be thereafter specified in the Fund member's agreement via an Exclusion List. The Funds are prohibited from investing in projects or companies whose business activity is included in the Exclusion List as specified in the respective Fund's members' agreement (together with the investment strategy of the Fund, known as the "Fund Mandate"). As a fundamental aspect of the Manager's governance and risk management processes, the Manager ensures that all investments comply with the exclusion criteria for the Fund. Please refer to the Fund documentation for more information.

Pre-investment – Acquire with insight

During origination, pre-investment sustainability screening needs to be performed to ensure that all new[5] investment opportunities align with the Fund's mandate. Investment Teams must conduct sustainability screening on all potential opportunities before submitting a non-binding offer.

The first screen contains a check to ensure that the target does not operate within the Fund's Exclusion List. The second screen pertains to the Manager's commitment to be a Net Zero investor by 2050 or sooner and the Fund's commitments to NZIF Alignment, where the Investment Team screens for the ability of the investment to become Aligning to Net Zero by 2030. Investment opportunities that do not meet the Managers' criteria for the potential to decarbonise in line with Net Zero by 2050 are referred to the Sustainability Committee, which decides on whether to proceed with developing the investment opportunity. The decision of this Committee is binding.

Specific fund mandates require an additional screening to meet the requirements of those respective funds. Investment opportunities that do not meet the Fund mandate's specific criteria are referred to the Sustainability Committee, which decides whether to proceed with developing the investment opportunity. The decision of this Committee is binding.

The pre-investment screens are mandatory for every new investment and a requirement of being able to pass the Transaction Pre-Approval Form ("TPAF") stage of the origination process, and help prevent the Fund from making investments that are misaligned with the mandate of the Fund.

Due Diligence on sustainability factors

Once a new opportunity passes the TPAF stage, the Investment Team must complete the ESG Factor Identification Tool to identify potentially material sustainability topics to be investigated during the due diligence process. As part of the ESG Factor Identification, a high-level screening of potential climate-related risks and opportunities is also performed. This high-level screening results in an overall risk classification and flags specific climate-related risks for which additional due diligence must be performed. The ESG Factor Identification tool recommends certain due diligence based on whether an investment includes brownfield or greenfield developments.

The Manager's policy is that all new investment opportunities undergo due diligence. The scope of due diligence varies on a case-by-case basis, and it is carried out for both companies and projects, specifically including contracts and agreements, in some or all of the following areas (non-exhaustive): commercial, legal, technical/construction, finance, taxation, insurance, sustainability factors, etc. In all cases, due diligence (including an adverse media screening) will also cover counterparties under its established policies and procedures designed to comply with applicable laws and regulations. Counterparties include the investment company itself and members of the investment company's C-suite. The Manager will screen for bribery and corruption risks concerning all counterparties.

Post-investment - Scaling and Enhancing Investment Impact

As a Manager with an active-management approach to the investments of the Funds that it manages, CVC DIF is an active steward and engages with the portfolio companies actively throughout the holding period. For investments where CVC DIF representatives have a board position, those representatives are responsible for exercising oversight on sustainability performance within the investment and driving performance on sustainability outcomes as appropriate for that company.

During the post-closing period, if material sustainability factors have been identified during the due diligence part of the investment cycle, they should be incorporated into the 100-day and value creation plans. This approach enables a comprehensive understanding of the potential impact and

[5] "New" in the context of "new investments" means "initial" investments or the first time that an investment in a company is made by the Fund.

risks associated with sustainability factors and facilitates the development of targeted actions and value creation strategies that align with the Fund's mandate.

CVC DIF integrates consideration of sustainability factors within the period of ownership for each Fund's investment through:

1. Our Sustainability Engagement Programme: annually evaluates the current sustainability outcomes and performance of each Funds' Investment and engages with them to develop an annual ESG Action Plan.
2. Addressing pressing sustainability factors in 100-day plans
3. Sustainability integration into Value Creation Plans
4. Board oversight of sustainability performance via the CVC DIF representatives on the boards of the investee companies

The Sustainability Engagement Programme includes a comprehensive survey of qualitative and quantitative key performance indicators ("KPIs") for the investments, such as the sustainability outcomes of: greenhouse gas ("GHG") emissions; energy consumption; and Health & Safety statistics. Additionally, as part of CVC DIF's Sustainability Engagement Programme, the Funds' Investments define action plans for improving their sustainability performance. The CVC DIF representatives on the boards of the Funds' Investments have a responsibility to raise sustainability topics on the board agendas, including the actions defined in the ESG Action Plan, and play a direct role in influencing the sustainability trajectory of that investment.

Through the Sustainability Engagement Programme, CVC DIF supports the integration of sustainability factors during the holding period for each Fund's Investment. Specific examples include:

1. **Measurement of GHG emissions**: CVC DIF provides investments with tooling and templates
2. **Best practice sharing**: CVC DIF collects best practices identified during the Sustainability Engagement Programme and shares them with CVC DIF Investment Teams and the investments
3. **Sustainability Policies**: CVC DIF offers support to companies that are working on developing their sustainability policies

Divestments – Capturing portfolio performance

CVC DIF believes strong sustainability performance contributes to the Funds' Investments' overall (financial) performance. In addition to reducing the risk of stranded investments (risk that an investment may not achieve its expected value due to the progression of the energy transition), we believe that our active engagement with the Funds' Investments in areas such as safety, environment and local communities are factors that contribute to long-term (financial) performance as well.

CVC DIF provides potential buyers with relevant information on an investment's ESG performance by including results from CVC DIF's Sustainability Engagement Programme in the data room. This includes providing a dedicated sustainability section in the Investment Memorandum and covering sustainability as part of the vendor due diligence.

Sustainability Reporting – Tracking portfolio performance

Reporting detailed information on the sustainability performance of the Funds and the underlying investments is a key element of CVC DIF's responsible investment strategy and information is communicated through its website, in Fund reports and during formal meetings and events.

Sustainability reporting consists of metrics that track performance on material sustainability topics and those that are collected due to regulatory requirements and investor requests. They are reported via an annual sustainability report, fund-level annual ESG reporting and an ESG section in the fund-level quarterly report. Additionally, CVC DIF provides reporting according to relevant standards that support investors in meeting their regulatory and industry best-practice requirements.

CVC DIF aims to disclose the activities and analysis it undertakes about climate-related risks and opportunities in line with TCFD recommendations for disclosure of climate-related risks and opportunities.

CVC DIF will publish this Policy on its website. CVC DIF reports annually to UNPRI, reflecting its commitment to the six principles of UNPRI, and annually on the Net Zero status of the portfolio using the Net Zero Investment Framework. CVC DIF also reports sustainability information every quarter to LPs.

3. Governance

3.1 Roles and Responsibilities

Good internal governance is critical to implementing our Responsible Investment Policy. Therefore, CVC DIF has set up the following governance structure for Responsible Investment:

Sustainability Team

The Sustainability Team is primarily responsible for the development and maintenance of the Responsible Investment Policy. This includes working together and assisting other teams, like Investor Relations, Investments, Value Creation, Divestments, Risk, Legal, and Compliance, to develop processes, procedures and templates to support the implementation. In addition, the Sustainability Team monitors and reports the sustainability performance of the Funds' Investments to internal and external stakeholders.

Investment Team

The Investment Team is primarily responsible for considering material sustainability factors within the investment decision-making process throughout the lifecycle of an investment.

Sustainability Committee

CVC DIF's Executive Committee ("ExCo") is integral to the Sustainability Committee. The Sustainability Committee conducts the following key roles and responsibilities:

- review and develop the sustainability strategy of the Manager and the Funds;
- review the Responsible Investment Policy;
- advise on sustainability-related matters in each of CVC DIF's business areas, including investor relations, finance, and investment management;
- develop, review and monitor the implementation of the sustainability strategy and Responsible Investment Policy;
- discuss investment opportunities of a Fund with significant sustainability risks;

- decide on / provide a binding opinion on investment opportunities of a Fund that score in the lowest quarter of the applied IBT[6];
- decide on / provide a binding opinion on investment opportunities that did not pass the Net Zero screen requirement at the pre-TPAF stage;
- pursue initiatives to promote sustainability internally and externally;
- set CVC DIF's sustainability objectives, targets and KPIs for CVC DIF Staff;
- review and approve the annual Sustainability Report; and
- review and monitor sustainability training for CVC DIF staff.

3.2 Training Employees on Responsible Investment

CVC DIF believes all employees should be educated on sustainability topics and how to integrate these factors into investment decision-making. This is why new joiners receive sustainability induction training. Moreover, all CVC DIF employees receive annual training on sustainability. The Investment Team receives in-depth responsible investment training on integrating consideration of sustainability factors into the decision-making during the origination process and during the holding period. They also received additional specific training relating to the consideration of Net Zero in investment decisions.

The Sustainability Team consists of technical experts who possess sustainability-specific knowledge, skills and experience about responsible investment and the relevant processes and procedures. The Sustainability Team undertakes training according to their individual needs relating to sustainability topics, and participates in industry forums, conferences and events to stay abreast of trends and methodologies for integrating sustainability factors into the decision-making process

3.3 Sustainability-related remuneration

CVC DIF's remuneration policy reflects its objectives for good corporate governance and sustained and long-term value creation for the investors in its Funds. Performance-based remuneration is awarded in a manner which is consistent with and promotes sound and effective risk management and does not encourage excessive risk-taking, which is inconsistent with the risk profiles, rules or instruments of incorporation of the CVC DIF Funds. Non-financial targets in support of performance-based remuneration include KPI's in relation to the use of the "ESG Factor Identification Tool" and contributions to the CVC DIF "Sustainability Engagement Programme", which integrates sustainability risk in remuneration.

4. Commitments & Memberships

CVC DIF is a member of multiple industry bodies through which it plays a role in the adoption of responsible investment practices across the industry. By actively engaging in these partnerships, the Manager strives to drive positive change and set an example within the industry. CVC DIF itself does not undertake political engagement. Political engagement only occurs through commitments, memberships or partnerships. These must be approved by the ExCo or a relevant committee with delegated authority per the CVC DIF Governance Regulations. Where political engagement is part of the industry body's mandate, the ExCo or appropriate committee should ensure that the scope of the mandate aligns with CVC DIF's commitments to the principles of PRI. Below are listed the most

[6] If relevant for the Fund. The Intrinsic Benefits Tool is used for the DIF VII, CIF III and DCAF Funds.

relevant industry groups through which CVC DIF collaborates with industry peers on advancing responsible investment.

4.1 UNPRI

CVC DIF has an ongoing commitment to being a responsible manager of investment funds, being a signatory to the UN-supported Principles of Responsible Investment. We will work to continually enhance our effectiveness in incorporating ESG factors into investment analysis and decision-making processes.

4.2 IIGCC

CVC DIF is a member of the Institutional Investors Group on Climate Change ("IIGCC") as part of its advocacy on climate change. With this initiative, CVC DIF works towards Net Zero solutions for the infrastructure investment market. Additionally, CVC DIF works with the IIGCC to contribute to developing infrastructure sector-specific guidance in Net Zero implementation and share best practices with industry peers as part of a working group.

4.3 Net Zero Commitment

CVC DIF is committed to supporting the Paris Agreement's objectives, in line with the global effort to achieve net zero GHG emissions by 2050 or sooner. As a fund manager, we have quantified and offset our carbon footprint since 2019. We are now taking steps to reduce our per capita footprint and will continue to offset any remaining footprint annually. We also commit to aligning our investment and asset management activities with the Paris Agreement by taking the following steps:

- Working with CVC DIF's Funds' Investments to assess GHG emissions and identify pathways to reduce emissions in line with a Paris-aligned goal of Net Zero target by 2050 or sooner
- Continuing our investment programme into renewable energy and related infrastructure to support the global energy transition to decarbonised sources of energy
- Reporting in line with the TCFD recommendations
- Reporting on our progress annually using the NZIF

4.4 Global Infrastructure Investor Association

CVC DIF is a member of the Global Infrastructure Investor Association ("GIIA"). GIIA is a global non-profit association that brings together private sector investors, fund managers and service providers to promote sustainable infrastructure investment and development. Within reason, CVC DIF's Sustainability Team will actively participate in the working groups, share insights by presenting the CVC DIF approach on specific responsible investment topics, and provide inputs on policy consultations drafted by the GIIA.

5. Review, Update and Approval of Responsible Investment Policy

The Sustainability Team will review this Responsible Investment Policy annually and in case of material changes in laws, regulations, objectives or strategy. This Policy is prepared by the Sustainability Team, reviewed by the Sustainability Committee and approved by the ExCo.