Sustainability-related disclosures – Copenhagen Infrastructure Green Credit Fund ('CI GCF I')

These sustainability-related disclosures have been prepared pursuant to Article 10 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ('Regulation').

This website product disclosure has been prepared and published based on the facts, information and legislative guidance available in relation to the Regulation in connection with its effective date (10 March 2021). This statement may therefore be subject to changes, updates and general revision in connection with any developments in that respect; especially following the disclosure of any further legislation, guidance and recommendations concerning the Regulation (including any delegated acts thereto) by the Danish or EU legislators/supervisory authorities. A clear explanation will be published if any changes or amendments are made to the below.

Summary

Financial product: Copenhagen Infrastructure Green Credit Fund I ('CI GCF I'), managed by Copenhagen Infrastructure Partners P/S, company number (CVR no.) 37994006 ('CIP').

At the date of this document, CI GCF I has been assessed as being a financial product referred to in Article 9(2) of the Regulation having a sustainable investment objective (a 'Dark Green' financial product), as its financially-driven objective is to invest in economic activities that contribute to the following environmental objectives:

(1) Increased global renewable energy capacity
(2) Increased global renewable energy generation
(3) Reduction in greenhouse gas emissions

Several mechanisms are in place, such as setting ESG standards, excluding certain asset classes, covering ESG as part of due diligence processes, having internal ESG support in place, and monitoring sustainability performance of sponsors/borrowers, to ensure that the investments of CI GCF I do not significantly harm these objectives. CI GCF I's investment strategy is to invest in energy infrastructure including: solar power generation; onshore wind generation; offshore wind generation; other renewable power generation assets including, but not limited to, hydro power generation, geothermal power generation, biomass power generation, and reserve power generation; district heating and waste-to-energy; energy-related storage; distribution and transmission grids, pipelines and assets; energy-related logistics and transportation assets, provided in each case that such assets facilitate or form part of the renewable energy transition; other energy-related assets, activities or businesses and other sustainable energy solutions, such as Power-to-X, provided in each case that such assets or activities (as applicable) facilitate or form part of the renewable energy transition. This strategy is set out in the fund documentation governing CI GCF I, which is binding and used to select investments to attain CI GCF I's objectives. CIP monitors the objectives through seeking structured reporting from investee companies, and uses industry-standard methodologies to calculate the following sustainability indicators:

- renewable energy capacity
- renewable power generation
- estimated CO_2 emissions avoided

Data is checked and no material limitations to methodologies or data are expected. CIP conducts ESG-specific risk assessments as part of its due diligence processes. CI GCF I currently does not invest in listed securities and therefore has not implemented a policy on how to integrate shareholder engagement in its investment strategy. CI GCF I's objectives are to be attained through CI GCF I investing according to its investment strategy and applying the abovementioned sustainability indicators.

No significant harm to the sustainable investment objectives

Several mechanisms are in place with respect to CI GCF I to ensure that the investments of CI GCF I do not significantly harm the objectives it is seeking to pursue. These include the following, where relevant:

1. Excluding coal-fired and nuclear-fired power plants as well as upstream oil and gas projects and choosing not to pursue investments that do not materially align with CI GCF I's defined ESG Standards
2. Due diligence conducted, relied on or reviewed by CIP's investment team
3. Internal ESG-specific resources dedicated to support investments made by CI GCF I
4. Incorporating contractual clauses and/or financial covenants covering minimum standards of conduct on investee companies
5. Monitoring of sustainability performance of investee companies through seeking mandatory reporting
6. Responding to sustainability incidents of which CIP becomes aware

Indicators for potential adverse impacts, such as those included in Annex I of the Regulatory Technical Standards (RTS) developed through the Joint Committee of the European Supervisory Authorities, are taken into account through the following non-exclusive list of procedures employed by CIP:

1. An assessment of potential material ESG risks for all investments prior to final investment decision
2. Monitoring of relevant potential adverse impacts through seeking mandatory reporting
3. Responding to incidents of which CIP becomes aware relating to relevant potential adverse impacts

The investments in which CI GCF I is seeking to invest are expected to be 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.

Sustainable investment objective of the financial product

CI GCF I will seek to invest in economic activities that contribute to the following environmental objectives:

(1) Increased global renewable energy capacity
(2) Increased global renewable energy generation
(3) Reduction in greenhouse gas emissions

Sustainability indicators used to measure the attainment of the environmental objectives are:

- renewable energy capacity
- renewable power generation
- estimated CO_2 emissions avoided

Investment strategy

CI GCF I will invest in energy infrastructure assets within the following asset classes:

- solar power generation
- onshore wind generation
- offshore wind generation
- (i) other renewable power generation assets including, but not limited to, hydro power generation, geothermal power generation, biomass power generation, and reserve power generation; (ii) district heating and waste-to-energy; (iii) energy-related storage; (iv) distribution and transmission grids, pipelines and assets; (v) energy-related logistics and transportation assets, provided in each case that such assets facilitate or form part of the renewable energy transition;
- (i) other energy-related assets, activities or businesses; and (ii) other sustainable energy solutions, such as Power-to-X, provided in each case that such assets or activities (as applicable) facilitate or form part of the renewable energy transition

This investment strategy is established in the fund documentation governing CI GCF I. CI GCF I is not required to apply any additionally defined selection strategy to attain the environmental objectives. This fund documentation is the ‘binding element’ of the investment strategy. The investment strategy is implemented via a series of investment decision gateways, one of which is the final investment decision gateway. CIP will not present an investment to the CI GCF I decision-making body for final investment decision unless it falls within the abovementioned strategy.

CI GCF I's strategy for ensuring good governance practices in envisaged counterparties is ordinarily to confirm the governance structure/system of such counterparty. CIP will in accordance with market practice for professional lenders uses its "passive owner" governance rights and seek to include ESG-related covenants to secure the good governance practices of the counterparties in accordance with CIP's Responsible Investment Policy and ESG Standards.

Proportion of investments

Each investment made by CI GCF I is currently expected to align with its environmental objectives, and reference is made to the section *No significant harm to the sustainable investment objectives* above, which substantially applies to each investment. CI GCF I does not use derivatives to attain sustainable investment objectives.

Monitoring of sustainable investment objective

The environmental objectives and sustainability indicators used to measure the attainment of such objectives are monitored through reporting of required information provided to CIP by each CI GCF I investee company.

Methodologies

Estimated CO_2 emissions avoided are ordinarily calculated as the difference between the estimated CO_2 emissions resulting from the operation of assets in CI GCF I’s portfolio, and the estimated baseline CO_2 emissions that would have resulted from the “business as usual” scenario in the relevant countries (assuming recent energy balances). Other industry-standard methodologies may be used. The other two sustainability indicators are standalone figures and require no calculation.

Data source and processing

The data sources are expected to be reports provided to CI GCF I by investee companies containing relevant data. This report is typically approved and checked by a representative or similar from the investee company or relevant contractor to ensure data quality. Data is processed internally at CIP by a department. No data is expected to be estimated.

Limitations to methodologies and data

No material limitations expected, subject to data availability.

Due diligence

The due diligence carried out on the underlying energy infrastructure assets of CI GCF I typically consists of (where possible) engaging advisors to assess specific ESG matters or relying on or reviewing existing due diligence, evaluating the capacity/track record of contractors that are expected to provide goods or services to the assets, and establishing minimum contractual standards of conduct.

Engagement policies

CI GCF I does not invest in shares that are admitted to trading on a regulated market situated or operating within the EU, and the manager is therefore not required to have an engagement policy. If CIP has cause to believe that an investee company cannot or is unwilling to respect sustainability-related topics, CIP will seek to specifically engage with that party on such matters.

Attainment of the sustainable investment objective

No index has been designated as a reference benchmark for CI GCF I. Each environmental objective is considered to be attained through CI GCF I investing according to its investment strategy and applying the abovementioned sustainability indicators.