arcus
infrastructure partners

Sustainability-related disclosures

Arcus European Infrastructure Fund 4 SCSp "AEIF4" or "the Fund"

Effective October 2025

EN – English – Website section 'Summary'

(a) Summary

The following information relates to AEIF4, and is provided in accordance with Article 10(1)(a) to (c) of the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the "SFDR"). The information required pursuant to Article 10(1)(d) of SFDR, being the periodic reports to be provided in accordance with Article 11 and annex IV of the SFDR, will be published following the date on which periodic reporting is first provided in respect of the Fund.

Section	Summary
Sustainable investment objective	The Fund has a minimum allocation of 50% of its investment portfolio to qualify as "sustainable investments" under SFDR with either: (i) an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy; or (ii) a social objective, to be reached after the Fund's investment portfolio construction period is completed. The Fund does not commit to a minimum % Taxonomy alignment. This section also describes how the 50% sustainable investment target may not be met until the end of the Fund's investment period or during the time of divesting the Fund's investments, how principal adverse impacts are taken into account and how the Fund's investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.
Environmental or social characteristics	This section describes the environmental and social characteristics within the meaning of the SFDR that the Fund promotes.
Investment strategy	This section describes the investment strategy of the Fund used to meet the environmental and social characteristics promoted by the Fund, which is to make infrastructure investments in mid-market segment across Europe, with a focus on the Digital, Transport, Logistics & Industrials and Energy sectors. This section also describes the Fund's policy to assess good governance practices.
Proportion of investments	This section states that the Fund expects minimum 90% of its investment portfolio to promote environmental and social characteristics and a minimum proportion of 50% of its investment portfolio to qualify as "sustainable investments" under SFDR.
Monitoring of environmental or social characteristics	This section describes how the environmental and social characteristics promoted by the Fund are monitored across all the Fund's investee companies throughout the lifecycle of the Fund. This section also refers to the *"Due diligence"* and "*Investment strategy*" sections for specific detail on the monitoring of such characteristics at the investment selection and the investee company level respectively.
Methodologies	This section refers to the "*Investment strategy*", "*Monitoring of environmental or social characteristics*" and "*Due diligence*" sections, which describe how Arcus measure the attainment of the selected environmental and social characteristics promoted by the Fund.
Data sources and processing	This section describes how the Fund collects data from portfolio companies, the measures used to ensure data quality, how data is processed and the proportion of data that are estimated.
Limitation to methodologies and data	This section mentions the limitations of the methodologies and data sources used, in particular, the limitation posed by insufficient or sparse data which may result from portfolio companies not having clear and robust data systems in place.
Due diligence	This section describes the screening process that Arcus applies to select potential investments as part of the investment decision-making process.

Engagement policies	This section refers to the *"Investment strategy"* section which details the manner in which Arcus engages with portfolio companies to ensure good governance practices.
Designated reference benchmark	There is no index designated as a reference benchmark.

NL – Nederlands – Website 'Samenvatting'

(a) Samenvatting

De volgende informatie heeft betrekking op AEIF4 (of het Fonds) en wordt verstrekt in overeenstemming met artikel 10, lid 1, onder a) tot en met c), van Verordening (EU) 2019/2088 van het Europees Parlement en de Raad van 27 november 2019 betreffende informatieverschaffing over duurzaamheid in de financiëledienstensector (de "SFDR"). De op grond van artikel 10, lid 1, onder d), van de SFDR vereiste informatie, zijnde de periodieke verslagen die moeten worden verstrekt overeenkomstig artikel 11 en bijlage IV van de SFDR, zal worden gepubliceerd na de datum waarop de periodieke verslaglegging voor het eerst met betrekking tot het Fonds is verstrekt.

Paragraaf	Samenvatting
Duurzame beleggingsdoelstelling	Het Fonds heeft een minimale toewijzing van 50% van zijn beleggingsportefeuille om te kwalificeren als "duurzame beleggingen" onder SFDR met: (i) een milieudoelstelling in economische activiteiten die niet kwalificeren als ecologisch duurzaam volgens de EU-taxonomie; of (ii) een maatschappelijke doelstelling die moet worden bereikt nadat de investeringsperiode van de beleggingsportefeuille van het Fonds is voltooid. Het Fonds heeft geen doelstelling tot een minimale aandeel belegingen dat voldoet aan de ecologisch duurzaamheids criteria van de EU- taxonomie. In deze paragraaf wordt ook beschreven hoe het Fonds mogelijkerwijs niet kan voldoen aan de doelstelling van 50% duurzame beleggingen tot na het afronden van de investeringsperiode van het Fonds of tijdens de periode van het afstoten van de beleggingen van het Fonds. Verder wordt beschreven hoe rekening wordt gehouden met de belangrijkste ongunstige effecten en hoe de beleggingen van het Fonds in overeenstemming zijn met de OECD-richtlijnen voor multinationale ondernemingen en de UN Guiding Principles on Business and Human Rights.
Ecologische of sociale kenmerken	In deze paragraaf worden de ecologische en sociale kenmerken, die het Fonds promoot, in de zin van de SFDR beschreven.
Beleggingsstrategie	In deze paragraaf wordt de beleggingsstrategie van het Fonds beschreven die wordt gebruikt om te voldoen aan de ecologische en sociale kenmerken die door het Fonds worden gepromoot, namelijk het doen van infrastructuurinvesteringen in het middensegment in heel Europa, met een focus op de sectoren Digitaal, Transport, Logistiek & Industrie en Energie. In deze paragraaf wordt ook het beleid van het Fonds beschreven om praktijken op het gebied van goed bestuur te beoordelen.
Aandeel van de investeringen	In deze paragraaf wordt gesteld dat het Fonds verwacht dat minimaal 90% van zijn beleggingsportefeuille ecologische en sociale kenmerken zal promoten en dat een minimumpercentage van 50% van zijn beleggingsportefeuille kwalificeert als "duurzame beleggingen" onder SFDR.
Monitoring van ecologische of sociale kenmerken	In deze paragraaf wordt beschreven hoe de ecologische en sociale kenmerken die door het Fonds worden gepromoot, gedurende de hele levenscyclus van het Fonds worden gemonitord in alle portefeuillebedrijven van het Fonds. In deze paragraaf wordt ook verwezen naar de paragrafen "Due diligence" en "Beleggingsstrategie" voor specifieke details over de monitoring van dergelijke kenmerken op respectievelijk het niveau van de beleggingsselectie en de portefeuilleonderneming.
Methoden	In deze paragraaf wordt verwezen naar de *paragrafen* "*Beleggingsstrategie*", "*Monitoring van ecologische of sociale kenmerken*" en "*Due diligence*", die beschrijven hoe Arcus de verwezenlijking meet, van de geselecteerde ecologische en sociale kenmerken die door het Fonds worden gepromoot.
Gegevensbronnen en -verwerking	In deze paragraaf wordt beschreven hoe het Fonds gegevens verzamelt van portefeuillebedrijven, welke maatregelen worden genomen om de kwaliteit van de gegevens te waarborgen, hoe gegevens worden verwerkt en welk deel van de gegevens wordt geschat.
Beperking tot methodologieën en gegevens	In deze paragraaf worden de beperkingen van de gebruikte methodologieën en gegevensbronnen vermeld, met name de beperking die wordt veroorzaakt door

	ontoereikende of schaarse gegevens die het gevolg kunnen zijn van het feit dat portefeuillebedrijven niet over duidelijke en robuuste gegevenssystemen beschikken.
Due diligence	In deze paragraaf wordt het screeningproces beschreven dat Arcus toepast om mogelijke investeringen te selecteren als onderdeel van het besluitvormingsproces.
Beleid voor betrokkenheid	Deze paragraaf verwijst naar de paragraaf "*Beleggingsstrategie*", waarin de manier wordt beschreven waarop Arcus samenwerkt met de ondernemingen waarin wordt geïnvesteerd om goede bestuurspraktijken te waarborgen.
Aangewezen referentiebenchmark	Er is geen index aangewezen als referentiebenchmark.

FR – Français – Section 'Résumé' du site web

(a) Résumé

Les informations suivantes concernent le AEIF4 (ou le Fonds) et sont fournies conformément à l'article 10(1)(a) à (c) du règlement (UE) 2019/2088 du Parlement européen et du Conseil du 27 novembre 2019 relatif aux informations à fournir en matière de développement durable dans le secteur des services financiers (le « SFDR »). Les informations requises en vertu de l'article 10(1)(d) du SFDR, à savoir les rapports périodiques à fournir conformément à l'article 11 et à l'annexe IV du SFDR, seront publiées après la date à laquelle les rapports périodiques sont fournis pour la première fois en ce qui concerne le Fonds.

Section	Résumé
Objectif d'investissement durable	Le Fonds doit allouer au moins 50 % de son portefeuille d'investissement à des « investissements durables » au sens du SFDR, avec soit : (i) un objectif environnemental dans des activités économiques qui ne sont pas considérées comme durables sur le plan environnemental au sens de la taxonomie de l'UE ; soit (ii) un objectif social, à atteindre après la période de constitution du portefeuille d'investissement du Fonds. Le Fonds ne s'engage pas à respecter un pourcentage minimum d'alignement sur la taxonomie. Cette section décrit également comment l'objectif de 50 % d'investissements durables peut ne pas être atteint avant la fin de la période d'investissement du Fonds ou pendant la période de désinvestissement du Fonds, comment les principaux impacts négatifs sont pris en compte et comment les investissements du Fonds sont alignés sur les Principes directeurs de l'OCDE à l'intention des entreprises multinationales et les Principes directeurs des Nations Unies relatifs aux entreprises et aux droits de l'homme.
Caractéristiques environnementales ou sociales	Cette section décrit les caractéristiques environnementales et sociales au sens du SFDR que le Fonds promeut.
Stratégie d'investissement	Cette section décrit la stratégie d'investissement du Fonds utilisée pour répondre aux caractéristiques environnementales et sociales promues par le Fonds, qui consiste à réaliser des investissements dans des infrastructures du segment intermédiaire du marché à travers l'Europe, en mettant l'accent sur les secteurs du numérique, des transports, de la logistique et de l'industrie, ainsi que de l'énergie. Cette section décrit également la politique du Fonds en matière d'évaluation des bonnes pratiques de gouvernance.
Proportion des investissements	Cette section indique que le Fonds prévoit qu'au moins 90 % de son portefeuille d'investissement favorisera des caractéristiques environnementales et sociales et qu'au moins 50 % de son portefeuille d'investissement sera considéré comme des « investissements durables » au sens du SFDR.
Suivi des caractéristiques environnementales ou sociales	Cette section décrit comment les caractéristiques environnementales et sociales promues par le Fonds sont surveillées dans toutes les sociétés dans lesquelles le Fonds investit tout au long du cycle de vie du Fonds. Cette section renvoie également aux sections « Due diligence » et « Stratégie d'investissement » pour

	plus de détails sur la surveillance de ces caractéristiques au niveau de la sélection des investissements et des sociétés bénéficiaires respectivement.
Méthodologies	Cette section fait référence aux sections « Stratégie d'investissement », « Suivi des caractéristiques environnementales ou sociales » et « Diligence raisonnable », qui décrivent la manière dont Arcus mesure la réalisation des caractéristiques environnementales et sociales sélectionnées et promues par le Fonds.
Sources et traitement des données	Cette section décrit comment le Fonds collecte les données auprès des sociétés en portefeuille, les mesures utilisées pour garantir la qualité des données, la manière dont les données sont traitées et la proportion de données estimées.
Limitation des méthodologies et des données	Cette section mentionne les limites des méthodologies et des sources de données utilisées, en particulier la limitation posée par des données insuffisantes ou éparses qui peuvent résulter du fait que les sociétés en portefeuille ne disposent pas de systèmes de données clairs et robustes.
Diligence raisonnable	Cette section décrit le processus de sélection qu'Arcus applique pour choisir les investissements potentiels dans le cadre du processus décisionnel en matière d'investissement.
Politiques d'engagement	Cette section renvoie à la section « Stratégie d'investissement » qui détaille la manière dont Arcus collabore avec les sociétés de son portefeuille afin de garantir de bonnes pratiques de gouvernance.
Référence désignée	Il n'y a pas d'indice désigné comme référence.

(b) Sustainable investment objective of the financial product

The Fund has a minimum allocation of 50% of its investment portfolio to qualify as "sustainable investments" under SFDR with either: (i) an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy; or (ii) a social objective, to be reached after the Funds investment portfolio construction period is completed. The Fund does not commit to a minimum % Taxonomy alignment.

For the avoidance of doubt, the 50% sustainable investment target may not be met until the end of the Fund's investment period (when the Fund's acquisition of a portfolio of investments is complete) or met during the time of divesting the Fund's investments (when after some investment exits the Fund may no longer retain 50% sustainable investments within its portfolio).

Principal adverse impact indicators are taken into account by the Fund through the following processes: (i) an assessment of material ESG risks for all investments at the origination, initial evaluation and full due diligence stages of the investment review process prior to acquisition of all investments; (ii) the implementation of management plans for relevant potential adverse impacts where relevant to that investment, if applicable; and (iii) ongoing monitoring of relevant potential adverse impacts at the investee company level.

The Fund will seek to ensure that investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights by:

- considering historic incidents in potential target investments as part of the ESG assessment during the origination, initial evaluation and full due diligence stages of the investment review process prior to acquisition;
- engaging with investee companies post-investment to implement processes and compliance mechanisms to monitor adherence to the standards; and
- following an escalation process in case of any confirmed violations of the standards, to implement remedial and preventative actions.

(c) Environmental or social characteristics

The Fund will use the following indicators to measure attainment of the promoted environmental and social characteristics. The Fund's progress against and alignment with the promoted environmental and social characteristics will be included in annual periodic disclosures that will be appended to the Fund's annual financial statements, along with the Article 22 periodic disclosures mandated under the Alternative Investment Fund Managers Directive (“AIFMD”). For the avoidance of doubt, due to the diversified investment allocation in the Fund, not all environmental and social characteristics will be relevant to every Fund investment and therefore investments will report on specific indicators relevant to them. Accordingly, Arcus will also provide reporting on the Fund’ s data coverage of the indicators.

Table 1

Environmental impacts	**Characteristics**	**Indicators** (as relevant reported annually)	**SDGs** (as relevant)
GHG emissions	Promote reducing CO2 emissions intensity and support the Fund’s investee companies advance transition planning to establish interim and long-term science-based CO2 emission reduction targets within operational control within two full calendar years of acquisition of each investee company.	• Scope 1 & 2 GHG emissions (tCO2e) in line with the GHG protocol in contrast to a benchmark year. • Scope 3 GHG emissions from the five most material Scope 3 emissions categories. • GHG intensity in tonnes of GHG emissions by EUR millions of revenue (tCO2e) illustrating efforts and contribution to SDG 7 “Affordable and clean energy” and SDG 9 “Industry, innovation and infrastructure”.	7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Energy efficiency	Promote reducing energy intensity and the use and production of renewable energy.	• Energy intensity (Energy consumption in GWh per million EUR of revenue of the Partnership). illustrating efforts and contribution to SDG 9 “Industry, innovation and infrastructure”. • The percentage of renewable energy of the total energy consumption/ production illustrating efforts and contribution to SDG 7 “Affordable and clean energy”.	7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Climate change	Assess the climate related resilience of the investee companies in line with TCFD recommendations within one full calendar year of acquisition of each investee company and promote the continuous improvement of the resilience of identified climate change impacts.	• Annual reporting on Climate Related Risks and Opportunities • Provide transparency on the resilience of the portfolio in line with the TCFD recommendations (or its successor) illustrating efforts and contribution to SDG 13 “Climate action”.	13 CLIMATE ACTION
Responsible use of resources	Encourage the economically efficient use of natural resources and seek ways to reduce and/or recycle material waste-streams that result from operational activity.	• The emissions intensity of Scope 3, Category 5 “Waste Generate in Operations” in tonnes of GHG emissions by EUR millions of revenue (tCO2e). • The percentage of recycling of the total waste generated illustrating efforts and contribution to SDG 12	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

	“Responsible consumption and Production”.

Social Impacts	Characteristics	**Indicators** (as relevant reported annually)	**SDGs** (as relevant)
Diversity and equal opportunity	Commit to develop and promote diversity and equal opportunity for all employment practices and activities.	• Total employees, gender balance. • Gender balance of the Board. • Average unadjusted gender pay gap.	
Health and safety	Commit to maintaining safe and healthy working conditions through control of health and safety risks at investee companies and a safe environment for all those attending the working premises.	• The number of recordable injuries among employees illustrating efforts and contribution to SDG 3 "Good health and well-being", SDG 8 "Decent work and economic growth". • The number of lost-time injuries among employees.	
Labour standards and human rights	Commit to ensuring the UN Global Compact principles for human rights and labour standards are followed by investee company.	• Annually report on compliance with UNGC principles for Human Rights and Labour.	
Objectives and Remuneration	Promote Fund investee company CEO, or equivalent position, variable remuneration being partly linked to meeting specific sustainability objectives.	• Annually report on the share of invested capital in investee companies with a CEO, or equivalent position, that has variable remuneration partly linked to meeting specific sustainability objectives.	

(d) Investment strategy

The Fund, will seek to leverage key secular and technological trends to identify compelling infrastructure investment opportunities in the mid-market segment across Europe, with a focus on the Digital, Transport, Logistics & Industrials and Energy sectors. Within these sectors, overarching trends such as net zero, the circular economy, and digitisation are driving the need for significant investments aimed at improving, upgrading, and developing infrastructure across various value chains. Furthermore, Arcus has identified attractive opportunities in sub-sectors at the intersection of the Firm's key sectors, that demonstrate strong infrastructure characteristics and promising growth dynamics.

Arcus will target mid-market transactions, where businesses tend to have a greater need and opportunity for professionalisation, presenting considerable potential for value creation. Through the rigorous application of the Arcus Asset Management Framework, Arcus employs multiple value-creation levers, including scaling up businesses, implementing operational improvements, enacting strategic enhancements, optimising financial performance, and enhancing reporting capabilities. Arcus collaborates closely with management teams to realise substantial value through these initiatives, ultimately seeking to achieve both significant growth and a 're-rating' of risk in the businesses during the Fund's ownership period.

With respect to good governance practices of investee companies, the Fund will only make investments which provide outright control, co-control or where it has the capacity to significantly influence key matters such as business strategy, capital structure, management team composition and significant operational initiatives to ensure good governance practices.

The Fund allocates significant internal resources to managing its investments. A dedicated "Asset Manager" is appointed to each investee company with responsibility for board and shareholder-level interaction with the business including in relation to ESG. The Asset Managers spend a significant amount of their time building and maintaining relationships with investee company management teams, supporting the company and applying experience and judgment to key decisions.

With respect to corporate governance, senior Arcus personnel, including the Asset Manager, sit on the key operating and shareholder boards of investee companies. Arcus appointed directors seek to regularly challenge company management, and other board members in a constructive and supportive manner, and seek to ensure that high standards of governance are observed.

Clear and effective governance positions are an essential prerequisite in every investment. Through the shareholders agreement, the Fund establishes a strong and effective board, with the appropriate governance structures (e.g., sub-committees, frequency of meetings) and with appointees to those bodies having an appropriate balance of Arcus representatives, co-shareholders, executive management and independent non-executive directors. The management of ESG risks, mitigants and opportunities is also incorporated into the investee company's governance approach.

ESG factors and more specifically governance factors are assessed by the Asset Manager and asset management team on a day-to-day basis and reported through the risk and ESG reporting quarterly, which the Investment Committee reviews. This is done with the aim of aggregating the asset level data and getting an overarching view as to where risks are concentrated across the portfolio as a whole. ESG factors are an important element of Arcus' Asset Management Framework and continues to be assessed and managed pragmatically over the life-cycle of any investment.

Asset Review Meetings are held quarterly. The presentations for these meetings are shared with all Asset Managers, the relevant asset team, the Investment Committee, and the Heads of Investor Relations, Legal, Risk & Compliance, ESG and Finance. A specific topic is selected for each quarterly meeting, such as ESG, annual budget review, and topics focusing on key areas of the Arcus Asset Management Framework (such as long-term incentive plans, management team performance and investment projects). These asset reviews are used to monitor progress against key initiatives at portfolio companies, track early warning signals for potential issues to manage, and facilitate sharing of best practices between asset management teams.

Arcus believes its responsibility is to ensure that the right governance framework is in place to quickly identify, monitor, and where necessary, act on ESG considerations. Arcus puts in place people and processes that enable the continuous monitoring of investee companies.

(e) Proportion of investments

The Fund expects minimum 90% of its investment portfolio to promote environmental and social characteristics. The remaining maximum 10% of the Fund's portfolio will comprise of cash and cash equivalents. Further, the Fund expects a minimum proportion of 50% of its investment portfolio to qualify as "sustainable investments" under SFDR with either: (i) an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy; or (ii) a social objective, to be reached after the Funds investment portfolio construction period is completed. The Fund does not commit to a minimum % Taxonomy alignment.

For the avoidance of doubt, the 50% sustainable investment target may not be met until the end of the Fund’s investment period (when the Fund’s acquisition of a portfolio of investments is complete) or met during the time of divesting the Fund’s investments (when after some investment exits the Fund may no longer retain 50% sustainable investments within its portfolio).

(f) Monitoring of environmental or social characteristics

Arcus’ focus on managing ESG risks and pursuing ESG-aligned infrastructure opportunities stems from its aim to consistently act in the best interests of its investors and stakeholders. Arcus believes that incorporating ESG factors into policies and procedures builds responsible investee companies, generates sustainable value for all stakeholders and delivers better long-term results for investors.

The four environmental and four social characteristics that have been set out in Table 1 above are considered generally material across the infrastructure sector. The Fund will use the indicators listed as part of each of the characteristics to measure attainment of the promoted environmental and social characteristics. Please see below under the heading (j) Due diligence with respect to the Fund’s monitoring of environmental or social characteristics of portfolio companies at the investment selection stage. The Fund's progress against and alignment with the promoted environmental and social characteristics will be included in annual periodic disclosures that will be appended to the Fund's annual financial statements, along with the Article 22 periodic disclosures mandated under AIFMD. For the avoidance of doubt, due to the diversified investment allocation in the Fund, not all environmental and social characteristics will be relevant to every Fund investment and therefore investments will report on specific indicators relevant to them. Accordingly, Arcus will also provide reporting on the Fund’s data coverage of the indicators.

Arcus seeks to ensure that all investee companies act responsibly and operates in compliance with the relevant laws and regulations applicable in the countries and industry sectors in which the business operates. Arcus places particular emphasis on industry best practice in respect of key matters such as operational health and safety.

ESG risks and opportunities are continually assessed by the Arcus Asset Manager and formally monitored as part of monthly board reporting. ESG, including climate change-related risks and opportunities, are monitored at a firm level quarterly through quarterly risk reporting and ESG reporting. Climate change-related risks and opportunities are also integrated into the annual TCFD reporting cycle. The investment risk reporting is shared with the Investment Committee on a quarterly basis and any urgent issues are reported on an ad hoc basis to the Investment Committee and the ESG Committee.

In addition, as mentioned in more detail above under the heading “Investment Strategy”, one of the quarterly Arcus Asset Review Meeting topics for each investee company focuses on ESG. The agenda for this meeting includes discussing the investee company’s ESG approach; key ESG risks and opportunities (including climate change); key ESG KPIs reported and performance over time; and areas considered targets for the ESG continuous improvement programme.

(g) Methodologies

There is no index designated as a reference benchmark to promote the environmental or social characteristics. Please refer to sections (d) “Investment Strategy”, (f) “Monitoring of environmental or social characteristics” and (j) Due diligence above and below for a description of the methodologies used to measure how the environmental and social characteristics promoted by the Fund are met.

In addition, in its ESG policy, available on the Arcus' website, Arcus identifies ESG factors or characteristics that are material to AEIF4 and the broader infrastructure industry. The materiality of ESG factors is determined by the likelihood, magnitude and time-horizon of the ESG factors materialising.

The four environmental and four social characteristics that have been set out in Table 1 above are considered generally material across the infrastructure sector. For each characteristic Arcus has defined clear and measurable indicators. Arcus will provide transparency to AEIF4 investors through annual reporting on the corresponding indicators. To the extent possible, the indicators have been aligned with relevant international or industry standards.

As part of its ESG management Arcus has committed to responsible investment with relevant policies and procedures aligned with the following international principles and standards:

PRI Principles for Responsible Investment

Arcus is a signatory to and supporter of the six UN Principles for Responsible Investment.

Arcus is a signatory participant and supporter of the ten Principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption.

UK Stewardship Code

Arcus is a signatory to the twelve Principles of the UK Stewardship Code assessed by the FRC.

TCFD

Arcus aligns its disclosures with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") and continues its commitment under the framework now integrated into the ISSB's global sustainability standards.

GRESB

Arcus is a member of the GRESB infrastructure benchmark supporting and encouraging all assets and funds participation in the benchmark.

initiative climat international

Arcus is a signatory of the initiative Climat International to action on climate change.

Additionally, Arcus is supportive of the 2030 Agenda for Sustainable Development adopted by the United Nations Member States in 2015. Within the framework of the Sustainable Development Goals ("SDGs"), Arcus is particularly dedicated to advancing thirteen of the seventeen SDGs outlined below. This focus is strategically chosen as these goals are closely aligned with Arcus's investment philosophy and the prevailing long-term trends impacting the core European markets. These trends include the decarbonisation of the economy driven by climate change, demographic transitions leading to accelerated urbanisation, the promotion of a circular economy, and the increasing demand for digital data storage and usage.

Arcus' investment strategy is primarily led by commercial assessment of the infrastructure characteristics of a potential opportunity. Nevertheless, Arcus firmly believes in the significance of ESG factors in relation to infrastructure assets and that a commitment to good ESG practices aligns with the best interests of its investors and other stakeholders.

(h) Data sources and processing

Arcus recognises ESG data is instrumental to provide transparency to its investors and other stakeholders. Consistent data collection policies and processes allow regular reporting on progress compared to long-term ESG targets. Through participation in widely recognized benchmarks and commitments to international reporting standards, Arcus enables its key stakeholders to compare the Fund's performance against its peer group.

The data sources used to ascertain the environmental and social characteristics set out in Table 1 above will be taken directly from the investee companies into which the Fund is invested. To ensure data quality is adhered to, the Fund will have standardised data template and calculation methodologies that are consistently followed and are practical to process. The data will be collected on a quarterly basis to be included in broader annual reporting obligations. Reporting data will be provided on an investee company level to investors and on a broader cumulative basis where possible. The data will be predominantly processed in excel.

Table 1 above sets out the indicators linked to each of the environmental and social characteristics have been aligned with widely recognized benchmarks and international reporting standards. Each characteristic has been linked with one or more relevant SDGs and annually Arcus reports how the characteristics have contributed to these SDGs. Environmental intensity metrics have been included in the indicators to ensure investors can distinguish investee company size and growth profile from their environmental impact.

(i) Limitations to methodologies and data

Arcus do not anticipate material limitations to the methodologies referred to in section (g) "Methodologies" or section (h) "Data sources and processing" above. However, investors should be aware that portfolio companies may fail to meet reporting or performance targets where insufficient, incomplete or inherently uncertain data is available or where portfolio companies don't have clear and robust data systems in place. If so, Arcus will work with the portfolio companies to improve the reporting and monitoring processes.

(j) Due diligence

Throughout the origination process, Arcus considers ESG factors. The first level of screening for ESG risks and opportunities occurs during the Arcus origination team meetings. A traffic light system is used for each opportunity to assess its ESG profile. This decision is taken by the deal origination team and is reviewed by the ESG team. In cases where the ESG profile is red, the opportunity will be automatically discontinued.

When an investment opportunity enters the diligence phase, further analysis is undertaken on ESG risks and opportunities, typically involving the appointment of third-party independent experts or consultants.

Once an investment opportunity has passed the screening and due diligence phases, the results of the due diligence exercise are provided to the Investment Committee via a final Investment Approval Request ("IAR") that includes an evaluation of the material ESG Factors and any relevant Principal Adverse Impacts ("PAIs").

(k) Engagement policies

Please refer to sections (d) "Investment Strategy" which details the manner in which Arcus engages with portfolio companies to ensure good governance practices.

(l) Designated reference benchmark

Not applicable - there is no index designated as a reference benchmark.

Arcus Infrastructure Partners LLP
6th Floor, 1 Aldermanbury Square
London, EC2V 7HR
www.arcusip.com

We invest. We manage. We grow.