

# Sustainability-related disclosures

## TN Co-Investment Vehicle SCSp “the Fund”

## EN – English – Website section ‘Summary’

### (a) Summary

The following information relates to the TN Co-investment Vehicle, and is provided in accordance with Article 10(1)(a) to (c) of 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 (“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 SFDR, will be published following the date on which periodic reporting is first provided in respect of the Fund.

Section	Summary
No sustainable investment objective	The Fund promotes environmental or social characteristics, but does not have an objective of sustainable investment within the meaning of SFDR.
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 invest indirectly, alongside AEIF4 in the investee company and to make follow-on investments. This section also describes the Fund’s policy to assess good governance practices.
Proportion of investments	This section states that the Fund expects the investment in the investee company and any follow-on investments to promote environmental and social characteristics but does not have an objective of sustainable investment within the meaning of SFDR.
Monitoring of environmental or social characteristics	This section describes how the environmental and social characteristics promoted by the Fund are monitored across the Fund’s investment in the investee company and to make follow-on investments, throughout the lifecycle of the Fund. This section also refers to the “ <i>Due diligence</i> ” and “ <i>Investment strategy</i> ” 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 “ <i>Investment strategy</i> ”, “ <i>Monitoring of environmental or social characteristics</i> ” and “ <i>Due diligence</i> ” sections, which describe how Arcus measures 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 the investee company and to make follow-on investments, 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 the investee company and to make follow-on investments not having clear and robust data systems in place.
Due diligence	This section describes the screening process that Arcus applies to select any potential follow-on investments as part of the investment decision-making process.
Engagement policies	This section refers to the “ <i>Investment strategy</i> ” section which details the manner in which Arcus engages with the investee company 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 de TN Co-investment Vehicle (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 informatieverstrekking over duurzaamheid in de financiële dienstensector ("SFDR"). De op grond van artikel 10, lid 1, onder d), van SFDR vereiste informatie, zijnde de periodieke verslagen die moeten worden verstrekt overeenkomstig artikel 11 en bijlage IV van SFDR, zal worden gepubliceerd na de datum waarop de periodieke verslaglegging voor het eerst met betrekking tot het Fonds is verstrekt.

Paragraaf	Samenvatting
Geen duurzame beleggingsdoelstelling	Het Fonds promoot ecologische of sociale kenmerken, maar heeft geen duurzame beleggingen tot doel in de zin van SFDR.
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 om indirect, samen met AEIF4, te beleggen in de onderneming en om vervolginvesteringen te doen. In deze paragraaf wordt ook het beleid van het Fonds beschreven om goed bestuur te beoordelen.
Aandeel van de investeringen	In deze paragraaf wordt gesteld dat het Fonds verwacht, dat de belegging in de onderneming en eventuele vervolfbeleggingen ecologische en sociale kenmerken promoten, maar dat het Fonds niet de doelstelling heeft om duurzaam te beleggen in de zin van SFDR.
Monitoring van ecologische of sociale kenmerken	In deze paragraaf wordt beschreven hoe de ecologische en sociale kenmerken die door het Fonds worden gepromoot, worden gemonitord gedurende de hele levenscyclus 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 het niveau van de onderneming.
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 de onderneming waarin wordt belegd, welke maatregelen worden genomen om de kwaliteit van de gegevens te waarborgen, hoe de 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 de onderneming waarin wordt geïnvesteerd en mogelijke vervolginvesteringen, omdat deze mogelijk niet over duidelijke en robuuste gegevenssystemen beschikken.
Due diligence	In deze paragraaf wordt het screeningproces beschreven dat Arcus toepast om mogelijke vervolginvesteringen 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 onderneming 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 (« 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
Aucun objectif d'investissement durable	Le Fonds promeut des caractéristiques environnementales ou sociales, mais n'a pas d'objectif d'investissement durable au sens de la SFDR.
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 investir indirectement, aux côtés d'AEIF4 dans la société cible et à effectuer des investissements complémentaires. 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 s'attend à ce que la société émettrice et tout investissement de suivi promeuvent des caractéristiques environnementales et sociales, mais n'a pas d'objectif d'investissement durable au sens de la SFDR.
Suivi des caractéristiques environnementales ou sociales	Cette section décrit comment les caractéristiques environnementales et sociales promues par le Fonds sont contrôlées tout au long de l'investissement du Fonds dans la société émettrice et lors des investissements de suivi, 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 la manière dont le Fonds recueille des données auprès de l'entreprise bénéficiaire et pour réaliser des investissements de suivi, les mesures utilisées pour garantir la qualité des données, la manière dont les données sont traitées et la proportion de données qui sont 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 éparées qui peuvent résulter du fait que l'entreprise bénéficiaire de l'investissement et des investissements de suivi ne dispose pas de systèmes de données clairs et robustes.
Diligence raisonnable	La présente section décrit le processus de sélection qu'Arcus applique pour sélectionner tout investissement de suivi potentiel dans le cadre du processus de prise de décision 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) No sustainable investment objective**

The Fund promotes environmental and social characteristics but does not have as its objective sustainable investment and does not commit to a minimum proportion of its investment portfolio to qualify as “sustainable investments” under SFDR. The Fund does not commit to a minimum % Taxonomy alignment.

**(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”).

Table 1			
Environmental impacts	Characteristics	Indicators (as relevant reported annually)	SDGs (as relevant)
<b>GHG emissions</b>	Promote reducing CO2 emissions intensity and support the investee company to 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.	<ul style="list-style-type: none"> <li>• Scope 1 &amp; 2 GHG emissions (tCO2e) in line with the GHG protocol in contrast to a benchmark year.</li> <li>• Scope 3 GHG emissions from the five most material Scope 3 emissions categories.</li> <li>• 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”.</li> </ul>	 
<b>Energy efficiency</b>	Promote reducing energy/fuels intensity and the use of sustainable fuels.	<ul style="list-style-type: none"> <li>• Energy intensity (Energy consumption in GWh per million EUR of revenue of the Partnership). illustrating efforts and contribution to SDG 7 “Industry, innovation and infrastructure”.</li> <li>• The percentage of renewable energy of the total energy consumption/ production illustrating efforts and contribution to SDG 7 “Affordable and clean energy”.</li> </ul>	 
<b>Climate change</b>	Assess the climate related resilience of the investee company in line with TCFD recommendations within one full calendar year of acquisition of the investee company and promote the continuous improvement of the resilience of identified climate change impacts.	<ul style="list-style-type: none"> <li>• Annual reporting on Climate Related Risks and Opportunities</li> <li>• 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”.</li> </ul>	

Social Impacts	Characteristics	Indicators (as relevant reported annually)	SDGs (as relevant)
<b>Diversity and equal opportunity</b>	Commit to develop and promote diversity and equal opportunity for all employment practices and activities.	<ul style="list-style-type: none"> <li>Total employees, gender balance.</li> <li>Gender balance of the Board.</li> <li>Average unadjusted gender pay gap.</li> </ul>	
<b>Health and safety</b>	Commit to maintaining safe and healthy working conditions through control of health and safety risks at the investee company and a safe environment for all those attending the working premises.	<ul style="list-style-type: none"> <li>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”.</li> <li>The number of lost-time injuries among employees.</li> </ul>	 
<b>Objectives and Remuneration</b>	Promote the investee company’s CEO, or equivalent position, variable remuneration being partly linked to meeting specific sustainability objectives.	<ul style="list-style-type: none"> <li>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.</li> </ul>	

#### (d) Investment strategy

The investment strategy of the Fund is to invest indirectly, alongside AEIF4 (as defined below), in the investee company (an infrastructure asset) and to make follow-on investments. The three environmental and three social characteristics that have been set out in Table 1 above are considered generally material across the infrastructure sector and are all directly applicable to the investee company and any follow-on investments.

“AEIF4” Arcus European Infrastructure Fund 4 SCSp from time to time, and/or any other limited partnership agreement governing any additional alternative investment vehicle(s) or parallel limited partnership(s) established alongside Arcus European Infrastructure Fund 4 SCSp as part of AEIF4.

The Fund intends to attain the promoted characteristics through the application of its investment strategy by consistently following the binding elements as outlined in the pre-contractual disclosure and guiding the investee company towards improvement of the sustainability indicators as set out in Table 1 above. Arcus will advise that these material sustainability factors are included as part of the investee company's annual objectives to steer the adoption of material sustainability factors in ongoing operations and will monitor that the investee company allocates sufficient resources to this. Arcus also assesses, and monitors on an ongoing basis, whether the investee company applies good governance practices (in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance).

Arcus’ primary objective is to deliver returns to its investors in line with the investment proposal. Arcus believes in investing with a long-term view which creates sustainable value for the Fund investors and the employees of the investee company and any follow-on investments, customers and other stakeholders. With this objective in mind, it seeks to monitor and improve the

management and performance of the investee company and any follow-on investments, including the environmental and social characteristics promoted by the Fund.

For the management of the investment of the Fund in the investee company and any follow-on investments, an asset manager is appointed. The asset manager is responsible for identifying and managing ESG risks and opportunities in relation to the investee company and any follow-on investments. Investment professionals of the AIFM (including asset managers) receive training on ESG issues and are expected to periodically update their knowledge.

A part of this process is ensuring that the investee company and any follow-on investments manage all relevant ESG risks effectively and seek to maximise value from ESG opportunities. ESG is monitored at asset level as part of the AIFM's risk management framework. Quarterly risk assessments are prepared by asset managers and reviewed by the Head of Risk and Compliance. The risk reviews are reported to the Investment Committee, AEIMNL board and GP board as relevant on a quarterly basis and any urgent issues are reported on an ad-hoc basis to all appropriate committees and investors.

#### **(e) Proportion of investments**

The Fund expects a minimum of 90% of its investment portfolio to promote environmental and social characteristics. The remaining maximum 10% of the Fund's portfolio will comprise cash and cash equivalents. The Fund does not commit to a minimum proportion of its investment portfolio to qualify as "sustainable investments" under SFDR. The Fund does not commit to a minimum % Taxonomy alignment.

#### **(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.

Arcus seeks to ensure that the investee companies act responsibly and operate in compliance with the relevant laws and regulations applicable in the countries in which the businesses operate. 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 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, 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 the Fund 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 three environmental and three 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 the Fund 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:



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.



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



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.



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



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, and demographic transitions leading to accelerated urbanisation.



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 in providing 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 company into which the Fund is invested. To ensure data quality is adhered to, the Fund will have standardised data templates 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 at investee company level to investors and, where possible, on a broader cumulative basis. The data will be predominantly processed in Excel.

Table 1 above sets out the indicators linked to each of the environmental and social characteristics, which 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 those 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

TN Co-investment Vehicle is limited to promoting the three environmental and three social characteristics that have been set out in Table 1 above. These characteristics are considered generally material across the infrastructure sector. The Fund will report on these indicators and demonstrate progress and alignment against the UN SDGs as part of its annual financial statements reported to investors.

Furthermore, the Fund is limited by the ESG objectives and principles Arcus follows for its investment funds, such as the United Nations Principles for Responsible Investment ("PRI"), United Nations Global Compact ("UNGC"), Sustainable Development Goals ("SDGs") and Task Force on Climate related Financial Disclosures ("TCFD"). The Arcus ESG policy also outlines the Arcus ESG Committee's terms of reference, incorporating guidelines regarding responsible investing, and details Arcus' approach to ESG reporting to investors.

Arcus views the data limitations on the characteristics identified to be relatively minor but, if they are to occur, the Fund will highlight them and adapt its methodology to manage them.

**(j) Due diligence**

Arcus undertakes due diligence as part of its pre-investment process for the initial investment and all material follow-on investments. As part of this process, all potentially material ESG factors, including sustainability risks and opportunities, are thoroughly identified and analysed by the OMT deal team, and the companies' management of those factors should be evaluated. At the beginning of the due diligence process, the deal team will discuss the identified ESG factors, including sustainability risks and opportunities, with a designated member of the ESG Committee to ensure the application of a consistent, best practice approach. Adverse impacts are systematically addressed during the due diligence processes and included in the Final Investment Approval Request (FIAR). Where necessary, third-party independent experts or consultants are used to further analyse material ESG risks and/or opportunities.

**(k) Engagement policies**

Please refer to section (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.



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We invest. We manage. We grow.