

Sustainable Finance Disclosure Regulation ("SFDR")

Article 10 website disclosure – EDIF all funds

Transparency of the promotion of environmental or social characteristics and of sustainable investments on websites (Regulation (EU) 2019/2088)

Product name	Legal entity identifier
European Diversified Infrastructure Fund FCP-SIF	222100D6IJOL25B4TS19
European Diversified Infrastructure German Feeder Fund SCA, SICAV-SIF	254900PA54CLA6K7QB70
European Diversified Infrastructure Feeder Fund II SCA, SICAV-SIF	254900VFPT1X8C7COI90
European Diversified Infrastructure Fund II SCSp	222100783YRIP8Y6JD67
EDIF II Feeder Fund S.C.A. RAIF	254900CS64VGI4N25I11
EDIF II FF II S.C.A. RAIF	25490035L65VW68YAD27
European Diversified Infrastructure Fund III SCSp	25490060JRKFY51QYQ65
EDIF III Feeder Fund SCA SICAV-RAIF	254900HZ1LMIKMRAHF77
Infrastructure (Lux) III S.C.A. SICAV-RAIF	2549003F2C1R5I258T82
Infrastructure (Lux) III S.C.A. SICAV-RAIF – EDIF III	254900L5YEU3S99BN723
Infrastructure (Lux) III S.C.A. SICAV-RAIF – EFW Co-invest	2549003ILHTBNQ4PH520
Infrastructure (Lux) III S.C.A. SICAV-RAIF – Glasfaser Co-invest	254900GYX54PV9996416
Benedict Renewable Investments S.à r.l. SICAV-RAIF	254900UDS1BN7N0F4Q53

This statement is prepared by First Sentier Investors (Ireland) Limited (FSI IRE) which is the financial market participant and alternative investment manager for the Funds. In this statement, “we” refers to FSI IRE and to the investment manager of the Funds, First Sentier Investors International Limited.

1. Summary

The Fund promotes environmental and social characteristics in four key areas: health and safety, environment, diversity, and employee engagement. Together with good governance, these constitute our “Five Minimum Standards” for Environmental, Social and Governance (ESG) performance: a set of actions that we aim for all portfolio companies to put in place following Igneo’s investment in the business.

The “Five Minimum Standards” are not investment prerequisites. Instead, the due diligence process for all new investment opportunities includes an assessment of the target company’s status against the Five Minimum Standards, and, following acquisition, we actively engage all portfolio companies at the board and management team level with the aim of ensuring the Five Minimum Standards are put in place.

We aim for all portfolio companies to implement the Five Minimum Standards. Therefore, all of the Fund’s assets will be invested to attain the environmental and social characteristics promoted – excluding investments in instruments which seek to achieve the broader objectives of the Fund, such as those used for the purposes of hedging and cash held as ancillary liquidity.

The Fund does not commit to a minimum alignment of its investments with the EU Taxonomy. While the Fund may make investments in economic activities that contribute to an environmental objective, the Fund does not commit to making such investments and does not commit to making investments that take into account the EU criteria for environmentally sustainable economic activities.

Sustainability indicators have been set to measure the attainment of each of the environmental and social characteristics promoted. Data is gathered on an annual basis directly from portfolio companies. Definitions, guidance, methodologies, and training is provided to support portfolio companies in measuring the indicators and to help ensure consistency and accuracy in the data. We also review the data to identify anomalies and inconsistencies, and where needed correct these through engagement and clarification with the portfolio company.

We have a proven and rigorous investment process encompassing opportunity origination, due diligence, investment selection, structuring, execution and proactive asset management. A key focus of due diligence is on long-term sustainability and the potential for value creation in the business. This includes due diligence on the environmental and social characteristics promoted for all new investment opportunities.

A proactive approach to engagement and asset management is a key part of our investment strategy, including when it comes to the environmental and social characteristics and our wider management of ESG issues. By having board representation and targeting a lead or co-lead position in all portfolio companies, we are able to closely monitor ESG performance and drive key initiatives, through engagement at the board level and regular, direct engagement with the management teams.

2. No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

3. Environmental or social characteristics of the financial product

The Fund promotes environmental and social characteristics and incorporates these into the investment and asset management process. This includes our “Five Minimum Standards” for environmental, social and governance (ESG) performance (of which four are relevant to the environmental and social characteristics promoted by the Fund): a set of actions in five key areas that we aim for all portfolio companies to put in place following Igneo’s investment in the business. These are:

1. Health and safety

- a. Set a zero accident target
- b. Track and report work-related accidents using standardised metrics

2. Environment

- a. Set greenhouse gas (GHG) emissions reduction targets
- b. Track and report scope 1, 2 and material scope 3 GHG emissions

3. Diversity

- a. Set out priorities for increasing diversity and inclusion in the business
- b. Report on representation in the business

4. Employee engagement

- a. Carry out regular employee engagement surveys
- b. Put in place apprenticeship and/or continuous development programmes

“Good governance” constitutes the final of the “Five Minimum Standards” on which we engage all portfolio companies, as described below.

4. Investment strategy

(a) The Fund’s investment objective is to generate sustainable long-term returns by building a diversified portfolio of primarily European unlisted infrastructure investments. The Fund’s strategy is to target mature, primarily European, income-generating economic infrastructure where the application of specialist skills in deal origination, evaluation and proactive asset management creates sustainable long-term value and generates attractive risk-adjusted returns for investors. The Fund targets sole or controlling investments in portfolio companies and seeks to ensure board representation. This enables the Manager to apply a proactive approach to asset management and better influence ESG practices to add value and manage risks.

The “Five Minimum Standards” are not investment prerequisites, i.e., the investment selection process does not preclude investments in businesses that do not at the time of acquisition have all of the environmental and social characteristics that the Fund promotes in place. Instead, the due diligence process for all new investment opportunities will include an assessment of the target company’s status against the Five Minimum Standards, and, following acquisition, the Manager will actively engage all portfolio companies with the aim of ensuring the “Five Minimum Standards” are put in place.

We will not proceed with a transaction that had material environmental, social or governance risks that could not be remedied within a reasonable timeframe through our proactive engagement and asset management approach.

(b) The companies in which the Fund invests follow good governance practices. We assess governance practices (including management structures, employee relations, remuneration of staff and tax compliance) as part of our due diligence to ensure acceptable standards are in place prior to making an investment decision. We then take active steps to work with investee companies to improve corporate governance standards following our investment, through:

- Independent board representation
- Implementing risk management systems or risk registers
- Adhering to relevant standards or certifications
- Carrying out regular cyber security and modern slavery risk assessments, and
- Carrying out regular customer satisfaction surveys

Together with the environmental and social characteristics promoted by the Fund as listed above, these make up our “Five Minimum Standards” for ESG performance.

First Sentier Investors (FSI) is also a signatory to the UK Stewardship Code (2020) (the Code) and the Principles for Responsible Investment (PRI). As a signatory to the Code the PRI, the good governance practices of investee companies are assessed prior to making an investment decision and periodically thereafter. FSI’s Stewardship Report can be found at: <https://www.firstsentierinvestors.com/uk/en/institutional/responsible-investing/reports-and-policies.html>

5. Proportion of investments

#1 Aligned with E/S characteristics – 90%

We aim for all portfolio companies to implement the environmental and social characteristics that the Fund promotes (i.e. the “Five Minimum Standards”) following our investment in the business, and we will engage all portfolio companies to this end. All of the Fund’s assets will be therefore be invested to attain the environmental and social characteristics promoted, excluding those described as “#2 Other” below.

#2 Other – 10%

Up to approximately 10% of the Fund’s assets will be in investments which seek to achieve the broader objectives of the Fund, including instruments which are used for the purposes of hedging and cash held as ancillary liquidity. Further details on the purposes of such investments are set out below.

As the Fund is a closed-ended investment vehicle with a fixed lifespan, and which will seek to invest opportunistically in illiquid assets, we consider that it is appropriate to measure the minimum proportion of investments aligned with the environmental and social (E/S) characteristics by reference to final closing commitments of the Fund. Consequently, there may be periods during the lifecycle of the Fund (including its initial investment period and the divestment period) where the proportion of the Fund’s portfolio invested in E/S aligned positions is less than 90%. In such cases the Fund’s assets which are not invested, and which are not part of the “#2 Other” category, will be held in cash.

6. Monitoring of environmental or social characteristics

We gather data on the following sustainability indicators from portfolio companies on an annual basis to measure the attainment of each of the environmental and social characteristics promoted by the Fund:

1. Health and safety

- a. Is a zero accident target in place? (yes/no)
- b. The Accident Frequency Rate (“AFR” per 100,000 hours worked)

2. Environment

- a. Has the company set greenhouse gas emissions reduction targets? (yes/no)
- b. Greenhouse gas emissions (tCO₂e)

3. Diversity

- a. Has the company set out clear priorities for increasing diversity and inclusion? (yes/no)
- b. % women on the board, in senior management and among all employees and new hires

4. Employee engagement

- a. Does the company conduct regular employee engagement surveys? (yes/no)
- b. Does the company have apprenticeship and/or continuous professional development programmes for employees in place? (yes/no)

These indicators are monitored through engagement with the portfolio companies, via our representation on the boards of the companies and direct engagement with the company management teams. Please refer to sections 7, 8 and 9 below for information on the internal and external control mechanisms related to gathering the data.

7. Methodologies

- The methodology used to measure the Accident Frequency Rate for each portfolio company is as follows:
(Number of lost-time injuries among employees/Number of hours worked by employees) * 100,000
A lost-time injury is defined as an accident at work that leads to a person taking a day or a shift or more off work.
- Portfolio companies are asked to use the GHG Protocol guidance to measure and report greenhouse gas emissions.
- For measuring diversity data, "Senior Management Team" is defined as the Chief Executive Officer and all direct reports excluding Personal or Executive Assistants and administrative staff.
- For the Accident Frequency Rate, GHG emissions and diversity data, the data are reported on a gross/100% basis i.e. no weighting is applied based on the Manager's ownership stake in the portfolio companies.

8. Data sources and processing

- a. Data on the sustainability indicators are gathered directly from the portfolio companies.
- b. We provide portfolio companies with definitions, guidance and external standards to use when gathering and reporting the data to us, to help ensure consistency and accuracy. We also review the data ourselves to identify anomalies and potential inconsistencies that may indicate errors in the data. When these are identified, we engage the portfolio company directly to confirm or where needed correct the data. We also provide training for portfolio companies on the measurement of particular data points where needed to help ensure consistency and accuracy.
- c. We engage with our portfolio companies to mitigate material changes in historical data and minimise the occurrence of restatements. We support our companies to gather data in timely fashion, make more accurate estimates and pursue 3rd party independent verification where possible. Additionally, we periodically update our guidance for data collection in order to ensure comparability across sectors and geographies.
- d. We process the data ourselves; no data are exported or processed by a third party.
- e. Our aim is that 0% of the data is estimated by the Manager. However, in certain reference periods it is possible that a small proportion of the data may be estimated, for example if for any reason one or more portfolio companies are unable to measure a particular indicator accurately. When such estimates are required, we will disclose them in the relevant periodic report.

9. Limitations to methodologies and data

We do not require the data gathered from portfolio companies to be audited by a third party. We believe our own review of the data and engagement with the companies is sufficient to ensure reasonable accuracy in measuring the attainment of the environmental and social characteristics. However, we ultimately rely on the information provided by the portfolio companies.

In the periodic reports disclosing the extent to which the sustainability indicators have been met in each reference period, we will include data from all portfolio companies in which we managed an ownership stake for the full reference period – i.e., the data excludes portfolio companies that were either divested or acquired part-way through the relevant reference period. Similarly, portfolio companies are only included in data for previous reference periods from the first full reference period during which we owned a stake in the business. This helps to ensure accuracy of the data and consistency and comparability of the data between each reference period.

Regarding measurement of the Accident Frequency Rate, there is some variation in the definition of lost-time injuries between countries and companies that may affect the consistency in reporting by portfolio companies. For example, typically injuries that occur during working hours are reportable as lost-time injuries, and injuries that occur during travel to or from work are not, but this varies in some jurisdictions. We do not believe this has a material impact on the accuracy or validity of data gathered to measure the attainment of the health and safety characteristic.

As noted above, we aim for 100% of the data to be measured by the portfolio companies, not estimated by the manager. Occasionally however, estimates may be required for example when a portfolio company may be unable to measure a particular indicator. In our experience, this does not occur frequently enough to affect the validity of the data gathered to measure the attainment of the environmental and social characteristics, and when any estimates are required, we will transparently disclose them in the periodic reports.

Some of the sustainability indicators are monitored using a simple "Yes/No", indicating whether the portfolio companies have put this in place or not. In most cases, one of the other sustainability indicators is then used to monitor actual performance against the environmental or social issue in question. For example, in the case of health and safety, we aim for all portfolio companies to put a zero accident target in place, as we consider this an important element of building a strong health and safety culture. This is monitored using a simple "Yes/No" (Sustainability Indicator 1a). We then also monitor health and safety performance using the Accident Frequency Rate (Sustainability Indicator 1b). For indicators 4a and 4b – whether the portfolio companies have put in place employee engagement surveys and apprenticeship or CPD programmes – there is no single metric that we can use to report portfolio-wide performance beyond the "Yes/No". This is because different portfolio companies take different approaches to these topics, and there is no universal, quantitative indicator of progress. We consider this appropriate as it is important that the portfolio companies are given the flexibility to select a methodology that is most appropriate for their business on these topics (based on things like the industry, the number of employees, historical approaches to employee engagement, etc.). In these cases, we also track performance at each company individually, using our role on the board and relationships with the management teams to monitor progress and seek to drive improvements, based on the specific methodologies and approaches that each company takes to the issue in question.

There is currently no market consensus or universally accepted criteria, framework or purely objective way to integrate Responsible Investment or environmental, social and governance factors into investment decisions. For example, Igneo's Five Minimum Standards (as described above) represent five indicators that we have identified as important for the purposes of our responsible investment approach and the long-term value of our investments. However, the Five Minimum Standards do not represent an exhaustive assessment of all sustainability issues relevant to our portfolio companies. There is no guarantee that all risks and opportunities will be identified, nor that our actions will result in improved performance or positive environmental or social impacts. Nevertheless, we will report progress to ensure that investors can identify the extent of any such improvements or positive impacts.

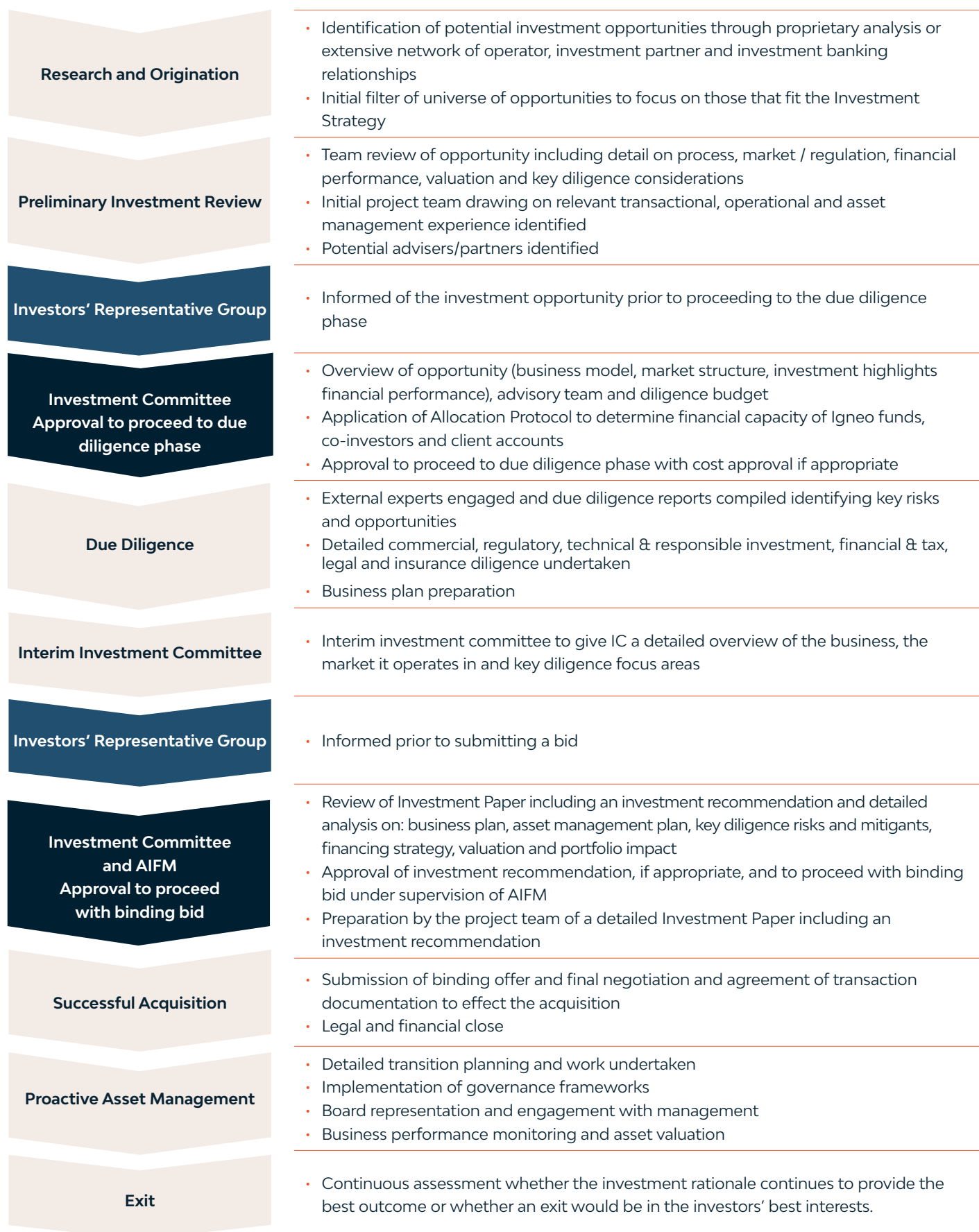
The application of the "Five Minimum Standards" may also include subjective elements where we will apply our professional judgment based on available information. No assurance can be given that a portfolio company will meet any or all client expectations regarding 'ESG', 'sustainable', 'responsible' or other similarly labelled objectives or that no adverse environmental, social, or other impacts will occur. Investors should carefully assess our disclosures to understand our approach and review its alignment with their expectations for their investments.

The investment process may rely on subjective judgements, estimates, assumptions, methodologies, models and data. The standards for sustainability related data, methodologies and models are constantly evolving, vary regionally, and are not subject to the same standards for financial information. We strive to provide accurate information and data to our investors but we can make no warranty as to the quality or completeness of the information and data provided to us by the portfolio companies. Any limitations with the information and data provided by the portfolio companies could impact the manner in which we manage the funds, monitor the "Five Minimum Standards" and integrate sustainability risks and opportunities into the investment process.

10. Due diligence

Igneo has a proven and rigorous investment process encompassing opportunity origination, investment selection, structuring, execution and proactive asset management.

The figure below illustrates the key phases of the investment process.



The transaction execution capability has been evolving since the Igneo team started working together in 2007. The investment team has a strong track record of transaction execution with 40 transactions closed¹ since 2009. The investment team comprises 40² experienced individuals with M&A, financing, operational and legal backgrounds and diverse sector experience across the core sectors targeted by the fund (transportation, regulated utilities, renewables, telecommunications etc.).

Across all opportunities, Igneo will engage with (i) market-leading specialist advisors, (ii) management teams of existing portfolio companies, and (iii) external advisors or ex-employees of target companies to fully understand the risks and opportunities of such an investment.

The Investment Committee and Investors' Representative Group ('IRG') are updated on progress throughout the transaction process and this forum both enables transparency and ensures alignment with investors. The submission of fully financed and documented, binding offers within tight timescales is Igneo's operating standard. Igneo has developed a reputation with consortium partners, advisors and vendors for being a professional and highly reliable counterparty.

Preliminary Investment Review

Once a potential opportunity has been identified and originated by the Igneo team, the opportunity is analysed with respect to key investment criteria, including:

- Portfolio fit (size, sector, geography, currency etc.);
- Risk profile (e.g. macro, political, regulatory, commercial);
- Environmental, social and governance issues and their potential impact on the business;
- Expected return (total return and yield) and risk; and
- Process structure and competitive position

At this stage, the opportunity is presented to the Igneo team for peer review and challenge. If deemed to be a suitably attractive opportunity, team members with appropriate industry specific and transaction skills are appointed to specific project teams to assess the opportunity further utilising the various specialist resources available within Igneo.

Investment Committee and IRG – Pre-Due Diligence

Following a preliminary investment review, a presentation is made to the Investment Committee to decide whether to progress the opportunity to a formal due diligence phase utilising external advisors. At this stage, the IRG is also notified of the opportunity.

Due Diligence

The objectives of the due diligence phase are to undertake a detailed assessment of the investment opportunity in order to fully understand its overall risk and return profile and suitability for the Fund. It is also used to develop a strategy to minimise execution risk and improve the probability of securing the investment on attractive terms.

The combination of specialist skills within the Igneo team means it is effective at executing infrastructure transactions. This provides greater control and influence over the terms of entry and ongoing management influence.

The due diligence process typically involves:

- Working with appropriate due diligence advisors, including but not limited to commercial, regulatory, technical & environmental, social and governance, financial & tax, and legal to undertake independent assessments of the business. A concerted effort is made to appoint advisors well in advance of a process to ensure the best possible advisory team can be retained for the transaction;
- Developing a detailed understanding of both the asset and the market it operates in ;
- Meeting with existing management teams, current owners and other key stakeholders (e.g. regulators) if possible;
- Identifying quantifiable and non-quantifiable risks and opportunities;
- Identifying a sustainable long-term financing strategy for the asset;
- Developing a financial model with long-term cash flow projections to support an investment business plan and stress test the investment profile; and
- Developing an asset management strategy for the business should we be successful

1 As at 31 August 2024

2 As at 1 October 2024

The due diligence process involves developing a detailed understanding of the impact of multiple factors relating to the investment opportunity. The key considerations are listed in the following table:

Macro Factors	Micro Factors (Asset Specific)	Partner Selection
<ul style="list-style-type: none"> • Industry/sector dynamics – competitive landscape • Country and political risk • Legal environment • Regulatory risk • Demand/utilisation risk • Macroeconomic conditions (for example, inflation, interest rates, FX rates) 	<ul style="list-style-type: none"> • Operational and financial track record • Management team capabilities • Capital investment profile and funding needs • Growth projects • Cost structure • Capital structure • Environmental, social and governance risks • Tax liabilities 	<ul style="list-style-type: none"> • Governance framework • Key stakeholder analysis • Clear long-term alignment

An in-depth analysis is undertaken to understand and quantify (where possible) the relevant key Environmental, Social and Governance (ESG) risks and opportunities and to identify any potential gaps in the company's existing policies.

Where applicable, and in parallel with the asset due diligence process, the due diligence phase involves:

- Negotiation of key transaction documentation (share purchase agreement, shareholder agreement, transition service agreement);
- Formulation of a bid strategy to position the Fund to successfully acquire the Investment with key stakeholders;
- Developing a robust governance framework; and
- Finalising due diligence reports, the financial model and an investment paper to support the Investment recommendation;

Based on the work undertaken during the due diligence phase, a detailed investment paper is drafted by the relevant project team and submitted to the Investment Committee.

Investment Recommendation

The transaction team prepares a detailed investment paper that covers:

- Details of investment profile;
- Fit with Fund strategy;
- Fit with existing portfolio;
- Environmental, social and governance considerations;
- Public relations considerations;
- Expected return profile including sensitivity and scenario analysis;
- Business plan and identification of any key risks in the ability to meet this plan;
- Disclosure of other risks associated with the Investment and options to manage or mitigate the risk exposure;
- Debt funding details;
- Acquisition structure;
- Capital requirements to implement an investment decision;
- Key due diligence findings (for example, environmental, social and governance, legal, tax, financial, regulatory and operational);
- Review of management team including politically exposed person ('PEP') sign-off;
- Summary of the governance framework;
- Discussion of the post-acquisition transition and implementation plan; and
- Investment recommendation.

Investment Committee and IRG – Pre-Bid Submission

The investment paper and recommendation are presented to the Investment Committee which considers the merits of the investment including the stake and price.

Please note that the process is an interactive one and Investment Committee members are informed regularly of transaction opportunities. The final decision to proceed is the outcome of an iterative process.

The IRG is also notified of the proposal to make a bid for the investment.

11. Engagement policies

FSI has implemented a Global Responsible Investment and Stewardship Policy and Principles, available here:

<https://www.firstsentierinvestors.com/uk/en/institutional/responsible-investing/reports-and-policies.html>

Proactive Asset Management

Although there is value in sourcing and executing investments at the right price, Igneo believes it adds the majority of value post-acquisition. The Igneo team believes our approach to asset management can be distinguished from others through the following three important aspects:

a. Setting the conditions for active asset management

- **The Igneo team positions itself to manage each asset actively.**
When making an investment, we seek a sole or lead position in order to secure the right to appoint one or more directors to the board of the asset or its holding company. This enables the influence of key board decisions and actively manage the asset on an on-going basis.
- **The 'deal team' is not separated from the 'asset management team'.**
Igneo team members with extensive infrastructure/industrial operating experience are actively involved in the due diligence phase and subsequently appointed to manage the asset post acquisition. This integrated approach ensures end-to-end ownership of the acquisition plan.
- **All team members are incentivised to deliver on asset management.**
Every member of the Igneo team that has involvement in asset management has a substantial part of their annual bonus related to delivering the agreed asset management initiatives – including initiatives related to ESG performance.

b. Delivering value beyond financial optimisation

- **There is a focus on improvements beyond financial optimisation.**
A significant amount of time is spent understanding the business in order to support, challenge and add value to the business strategy and operation.
- **Clear annual asset management plans are developed.**
Once an asset has been acquired, an Igneo team 'Asset Lead', who has ultimate accountability to deliver the acquisition/business plan, is appointed. The Asset Lead develops an annual asset management plan that is presented to and challenged by the rest of the Igneo team. Initiatives can include strategic and organisational change, operational improvements, strengthening environmental, social and governance performance, refinance or M&A add-on opportunities. Each plan has clear targets and KPIs and is reviewed twice a year.
- **Strong relationships with management teams and stakeholders are built.**
Engagement is not limited to board meetings. The Igneo team develop a close and deep working relationship with management teams, employees and other stakeholders and seeks to proactively input into a wide number of areas where value can be added. This may include procurement, financing, treasury, stakeholder management, environmental, social and governance matters, asset management and regulatory optimisation. Depending on the size, sophistication and lifecycle of an investment, Igneo will alter the level of involvement in various parts of the business.

c. Focusing on both the 'what' and the 'how'

- **As a long-term investor, we consider long-term value and impact.**
Rather than just focusing on the end result, the Igneo team analyses the methods used to achieve it. Decisions and investments are made with a long-term mindset, including consideration of environmental, social and governance issues, which reduces risk and improves long-term investment returns.
- **Set minimum, responsible investment standards.**
The Igneo team believe that despite the assets varying in industry, jurisdiction and stage of development, that a number of consistent responsible investment standards are applicable across the portfolio. These are the environmental and social characteristics promoted by the Fund, described further above.

Management procedures applicable to sustainability-related controversies in investee companies

Sustainability-related controversies in investee companies would be managed through our proactive asset management approach described above. As board members we are included in the emergency reporting procedures of each of the portfolio companies. Sustainability-related issues or controversies that may have a material impact on investment performance, operational performance, reputation or has the potential to involve the media, community or regulatory attention (even if it has a low financial impact) will be included in investor notifications. Full coverage of the issue is then provided in the next quarterly report to ensure Investors are fully aware of the issue, the underlying drivers, the impact it has had on the business (financially and otherwise) as well as the measures undertaken to mitigate or prevent future re-occurrences.

12. Designated reference benchmark

Not applicable