Sustainability-related disclosures[1]

VESPER NEXT GENERATION INFASTRUCTURE FUND I SCSp

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**") and the Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment and amending EU Regulation 2019/2088 (the "**Taxonomy Regulation**") (together the "**Disclosure Regulations**") aim at providing more transparency to investors on sustainability risks integration, on the consideration of adverse sustainability impacts in the investment processes and on the promotion of environmental, social and/or governance ("**ESG**") factors. In particular, it requires fund managers and advisers to disclose specific ESG-related information to investors on their websites. The Disclosure Regulations has been complemented by the EU implementing measures (so-called regulatory and technical standards or "**RTS**"), as applicable from time to time.

The financial product that is the subject of this disclosure is a Luxembourg special limited partnership known as "VESPER NEXT GENERATION INFASTRUCTURE FUND I SCSp" (or the "**Fund**") managed by Sanne LIS S.A., in its capacity as alternative investment fund manager (the "**AIFM**").

The Fund promotes environmental and social characteristics pursuant to article 8 of SFDR. This disclosure has been prepared in accordance with the requirements of article 10 of SFDR as supplemented by the Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 (the "**SFDR RTS**").

A. Summary

No Sustainable investment objective
The Fund promotes environmental and social characteristics, but does not have as its objective a sustainable investment. The Fund will consider principal adverse impacts on sustainability factors for the purpose of Article 7 of SFDR ("**PAI**") and follows a comprehensive impact and ESG assessment which includes the application of proprietary ESG assessment tools tailored to the investment strategy for screening ESG risks and factors.

E/S characteristics of the Fund
Through its thematic investment philosophy which is focused on decarbonised, connected and sustainable infrastructure, the Fund actively promotes both E/S characteristics. The Fund's four key investment themes are the following: (1) Clean, digital and decentralised energy; (2) Decarbonised mobility and connected logistic; (3) Data centric, low latency, digital infrastructure; and (4) Sustainable, circular and healthy living. These key investment themes of the Fund are naturally connected with 8 of the 17 UN SDGs.

Investment strategy
The investment objective of the Fund is to generate attractive, risk-adjusted returns through both long-term capital appreciation and current income by pursuing infrastructure investment opportunities in next generation infrastructure focusing on companies active in (i) energy transition and decarbonisation, (ii) clean mobility and logistics, (iii) digital infrastructure, and (iv) circular economy and sustainable infrastructure solutions for ageing and healthy life. Through the Vesper IR Policy, sustainability considerations are systematically integrated into the Fund's investment analysis and decision-making process, including the integration of sustainability risks and the consideration of PAI.

Proportion of investments
The planned proportion of investments used to meet the environmental and/or social characteristics is 85% of the Fund's total assets. The Fund may invest up to 15% of its total assets in other investments,

[1] Defined terms used in this disclosure (unless defined herein) are as set out in the private placement memorandum of the Fund (the "**PPM**"). Terms used in the summary have the same meaning as in the rest of this website disclosure.

which include cash, money market instruments and cash-equivalents (which do not include environmental or social safeguards).

Monitoring of E/S characteristics

In order to measure the attainment of each of the environmental or social characteristics promoted by the Fund, Vesper Advisory and the AIFM use a combination of clear and measurable indicators made of: (i) the UN SDGs; and (ii) the PAI indicators referred to in Annex I of the SFDR RTS (certain indicators from tables 1, 2 and 3). Adverse sustainability impacts of Portfolio Companies are monitored on a quarterly basis, through portfolio review meetings, and annually through a comprehensive ESG survey. The progress made by the Fund in relation to the PAI and information on the PAI Indicators will be included and available as part of the annual report of the Fund.

Methodologies

The methodology for measuring how the environmental or social characteristics promoted by the Fund are met is based on its binding investment strategy (i.e. thematic investment approach, screening exclusions, exclusion of sanctioned companies, and PAI indicators).

Data sources and processing

The Fund uses data collected from property managers, as well as third party resources, and, where actual data is not available, has developed techniques to estimate data to ensure that it can assess and monitor alignment with the E/S characteristics promoted by the Fund.

Limitations to methodologies and data

Limitations in both methodology and data include but are not limited to lack of industry standardization in respect of data and reporting and limited and inconsistent reporting by infrastructure underlying companies.

Due diligence

In evaluating investment opportunities during the origination / due diligence process, the Fund applies a target screening and exclusion list of economic activities having adverse impacts on sustainability factors in which it does not invest in (e.g. including, but not limited to coal, tobacco, controversial weapons, pornography, illegal drugs). In addition to these exclusions, the Fund focuses on the identification and assessment of the adverse impacts that a potential target company may have on sustainability factors, both applying the Vesper IR Policy and other internal frameworks and with the help of consultants and industry experts.

Engagement policies

During the holding period, the Fund engages with the investee companies to help them reduce the adverse impacts of their business activities on sustainability factors.

Designated reference benchmark

No index has been designated as a reference benchmark to meet the environmental or social characteristics promoted by the Fund.

B. No sustainable investment objective

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

The Fund does not commit to make any sustainable investment within the meaning of Article 2(17) of SFDR.

The investments underlying this Fund do not take into account the EU criteria for environmentally sustainable economic activities, including with regards to environmentally sustainable fossil gas and nuclear energy activities. As a result, the Taxonomy Regulation “do not significant harm” principle does not apply.

The Fund will consider PAI for the purpose of Article 7 of SFDR and follows a comprehensive impact and ESG assessment which includes the application of proprietary ESG assessment tools tailored to the investment strategy for screening ESG risks and factors.

C. Environmental or social characteristics of the financial product

Through its thematic investment philosophy which is focused on decarbonised, connected and sustainable infrastructure, the Fund actively promotes both environmental and social ("**E/S**") characteristics. In fact, the Fund's four key investment themes are the following:

1. Clean, digital and decentralised energy;
2. Decarbonised mobility and connected logistic;
3. Data centric, low latency, digital infrastructure; and
4. Sustainable, circular and healthy living.

These key investment themes of the Fund are naturally connected with 8 of the 17 United Nations Sustainable Development Goals ("**UN SDGs**") set by the 2030 Agenda for Sustainable Development adopted by the United Nations (respectively):

1. Affordable and clean energy (no. 7); and climate action (no. 13);
2. Industry, innovation and infrastructure (no. 9); life below water (no. 14); and sustainable cities and communities (no. 11);
3. Industry, innovation and infrastructure (no. 9); and sustainable cities and communities (no. 11);
4. Responsible consumption and production (no. 12); good health and well-being (no. 3); sustainable cities and communities (no. 11); and clean water and sanitation (no. 6);

and with 5 of the 6 environmental objectives set out by Article 9 of the Taxonomy Regulation:

1. Climate change mitigation;
2. Climate change adaptation;
3. Sustainable use and protection of water and marine resources;
4. Transition to a circular economy;
5. Pollution prevention and control.

For the avoidance of any doubt, environmental objectives are referred here as they may be connected to certain UN SDGs (see list above) but there is no commitment to a minimum share of investments aligned with the Taxonomy at this stage or a commitment to a minimum share of sustainable investments within the meaning of Article 2 (17) of SFDR.

Nonetheless, it is expected that the majority of the Fund's investments will directly contribute to many of the 17 UN SDGs adopted by all UN member states ("**UN SDG 2015**").

The E/S characteristics naturally promoted by the Fund's four key investment themes are complemented by an additional set of specific social and governance factors (that are seen to be material under the Responsible Investment Policy of the Fund (the "**Vesper IR Policy**")) at investee company level and consist, among others, of:

- Employees health and safety;
- Employees engagement and satisfaction;
- Employees diversity and inclusion (i.e. no discrimination of gender, nationality, faith);
- Responsible sourcing (i.e. no direct or indirect use of child or forced labour);
- Effective board structure and compositions;
- Top executives remuneration and link to ESG performance;
- Robust anti-bribery and anti corruption;
- Conflict of Interests and whistleblowing protection;
- Robust personal data protection and privacy;
- Robust Cyber protection.

D. Investment strategy

The investment objective of the Fund is to generate attractive, risk-adjusted returns through both long-term capital appreciation and current income by pursuing investment opportunities in next generation infrastructure focusing on companies active in:

- Clean, digital and decentralised energy including smart meters and energy efficiency services, energy storage, green Hydrogen, and Carbon capture.
- Decarbonised mobility and connected logistic including EV & hydrogen public charging, fleets telematics and energy management, ports & shipping decarbonization, and specialty logistic.
- Data centric low latency digital infrastructure including FTTH, FWA networks and 5G densification, digital twins, fintech platforms & infrastructure, and datacenter infrastructure.
- Sustainable, circular and healthy living including waste to energy and products, sustainable solutions for the habitat, long term health care and diagnostic services, sustainable food value chain & reverse logistic.

The Fund will mainly target assets whose principal places of business are located in the EU Member States, as well as other OECD countries.

The Fund will seek to make investments with sufficient influence over the key strategic, commercial and financial decisions of each Portfolio Company so as to implement its “value add” strategy. The principal policy of the Partnership will therefore be to make Investments that provide control, joint control or any other significant influence (e.g., through negative control).

The Fund’s “value add” investment strategy, was built across different sectors, geographies and economic cycles and leverages on the longstanding investment experience and execution track record established in the infrastructure space by the founding partners of Vesper Advisory. The Fund’s investment strategy is built across three main pillars:

- **Thematic investing approach**: search of investments that are aligned with the UN SDGs and offer strong return generation potential leveraging on the direct exposure to growth megatrends and on business models that are suitable for active value creation strategies.

- **Centrality of capital protection**[2]: screening and investing only in target companies that provide robust business models and strong capital protection characteristics.

- **Proprietary industrial, high-performance governance framework:** comprehensive active governance framework, which leverages on strong economic alignment between shareholders, board members and top management team, a clear ownership of key value creation initiatives at board and management level and a systematic measurement and tracking of execution.

The effective implementation of such investment strategy, is based on two additional critical factors: **(i) Targeting investments opportunities that provide control, joint control or significant influence**, in order to ensure that the Fund has the required influence over the key strategic, commercial and financial decisions of the investee companies to implement its “value add” operational strategy; and **(ii) Incorporating sustainability factors into the whole investment process**, in order to reflect in the investment analysis and the decision making process of the Fund the additional impacts that sustainability factors can generate on the target company, both on the risk side (i.e. higher cost of capital, stranded asset, technology disruption, carbon pricing, etc.) and on the return generation side (i.e. extension of the economic life, amplification of growth potential and profitability, etc.).

[2] “Centrality of capital protection” refers to the relevance that downside risk analysis has in the overall investment process performed by Vesper Advisory. However, from a technical point of view, the capital is not guaranteed which means that Investors could lose up to 100% of the amount invested.

Through the Vesper IR Policy, sustainability considerations are systematically integrated into the Fund's investment analysis and decision-making process, including the integration of sustainability risks and the consideration of PAI as follows:

- **Origination:**

a) Thematic sourcing: application of a thematic sourcing approach focused on decarbonized, connected and sustainable infrastructure, aligned with the UN SDGs and Principles for Responsible Investment ("**PRI**");

b) Exclusions list: screening excludes opportunities with illegal or harmful products / services that cannot be managed responsibly; and

c) Assessment of ESG factors: high level identifications and assessment of the adverse impacts that a potential target company may have on sustainability factors negative;

- **Due Diligence:** incorporation of ESG due diligence completed on all investment opportunities to identify and address material ESG risks (avoid or address) and seizing positive return implications. During due diligence, the Fund tests the overall Taxonomy alignment, by checking criteria for environmentally sustainable activities (as defined under Article 3 of the Taxonomy) and consistency with the requirements under Articles 17 and 18 of the Taxonomy i.e. (i) substantial positive contribution to environmental objectives (defined at article 9 of the Taxonomy); (ii) the Do No Significant Harm (DNSH); and (iii) social minimum safeguards.[3]

- **Ownership:**

a) Post-Acquisition: engagement on ESG governance implemented at the level of each Portfolio Company with Board, CxO and investment team alignment and ownership of ESG initiatives.

b) Value Creation and Reporting: engagement on ESG governance implemented at the level of each Portfolio Company with Board, CxO and the Investment Team alignment and ownership of ESG initiatives.

Policy to assess good governance practices of the investee companies

All companies in which investments are made are subject to a pre-investment good governance assessment and ongoing post-investment review of governance practices as provided in the Vesper RI Policy which sets out the guidelines to: (i) review investee companies' governance frameworks and procedures; (ii) highlight gaps and areas for improvements versus sound governance practices (i.e. employees relationships, remuneration of staff, diversity, etc.); and (iii) set ESG action plans to address potential risks and apply good practices.

E. Proportion of investments

#1	Investments aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product*	85%
	#1A - Sustainable	0%
	#1B - Other E/S characteristics – covers investments aligned with the environmental or social	100%

[3] For the avoidance of any doubt, there is no commitment to a minimum share of investments aligned with the Taxonomy at this stage or a commitment to a minimum share of sustainable investments within the meaning of Article 2 (17) of SFDR.

	characteristics that do not qualify as Sustainable Investments**	
#2	Other Investments that include the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as Sustainable Investments***	15%

* The planned minimum proportion of the investments which are used to meet the E/S characteristics of the Fund is 85% of its total net asset, having said that compliance with this planned minimum proportion will be progressively reached during the construction phase of the portfolio which corresponds to the period starting from the date the first investment is completed to the Full Investment Date.

** The Fund does not commit to making a minimum share in sustainable investments within the meaning of Article 2(17) of SFDR, although in practice the Fund may make sustainable investments (within the meaning of SFDR) such that the expected proportion of sustainable investments may be above 0% of the Fund's total net asset.

*** All investments of the Fund will be used to meet the E/S characteristics as described above. Having said that, the Fund can hold cash, money market instruments and other cash-equivalent assets for the purposes of liquidity management, and derivatives for hedging purposes. These assets are not used to meet the E/S characteristics of the Fund.

F. Monitoring of environmental or social characteristics

In order to measure the attainment of each of the environmental or social characteristics promoted by the Fund, Vesper Advisory and the AIFM use a combination of clear and measurable indicators made of: (i) the UN SDGs; and (ii) the PAI indicators referred to in Annex I of the SFDR RTS (certain indicators from tables 1, 2 and 3 – see full list in Appendix D "*SFDR RTS Annex*" of the PPM) (the "**PAI Indicators**").

More precisely, the selection of such indicators is supported by the following considerations:

- **UN SDG**: 17 UN SDGs set out a strategic blue print that is aimed at delivering economic prosperity, while achieving positive environmental and social goals, that is not only widely accepted by governments and institutional investors, but contains specific and measurable indicators that allow investors to assess whether an investee company or entity is helping to attain any of the 17 goals and the E/S characteristics that are aligned with those goals;

- **PAI**: Financial products that fall under Article 8 of the SFDR may pursue reduction of negative externalities caused by the underlying investee companies, such as principal adverse impacts on sustainability factors referred to in point (a) of Article 7(1) of SFDR[4]. Furthermore, as clarified by the ESAs (Clarifications on the ESAs' draft RTS under SFDR, dated 2 June 2022), it is possible to use the PAI Indicators for principal adverse impact to measure the environmental or social characteristics or the overall sustainable impact of the financial product (for Article 8 SFDR financial products), e.g. by showing improvements of the investments against those indicators over time.

Adverse sustainability impacts of Portfolio Companies are monitored on a quarterly basis, through portfolio review meetings, and annually through a comprehensive ESG survey. The progress made by

[4] ESA Q&A dated 17 July 2021.

the Fund in relation to the PAI and information on the PAI Indicators will be included and available as part of the annual report of the Fund.

G. Methodologies

The methodology for measuring how the environmental or social characteristics promoted by the Fund are met is based on its binding investment strategy, as outlined below.

1. Thematic investment approach: the Fund aims to invest in the four key investment themes which are naturally connected to certain UN SDGs and environmental objectives set out by the Taxonomy.

2. Screening exclusions: the thematic investment approach is complemented by an additional sustainability screening which is based on the systematic application of the exclusions list which aims to exclude all investments opportunities with illegal or harmful products / services that cannot be managed responsibly. In this respect, the Fund applies, during the origination / due diligence process, a target screening and exclusion of economic activities having adverse impacts on sustainability factors in which it does not invest in (e.g. including, but not limited to coal, tobacco, controversial weapons, pornography, illegal drugs) as set out in the Vesper RI Policy.

3. Exclusion of sanctioned companies: the Fund aims to exclude companies that breach accepted international standards and principles such as, but not limited to, the United Nations Global Compact and the United Nations Guiding Principles on Business and Human Rights. Companies that do not satisfy this exclusion criteria may be assessed as suitable for investment, or continued investment, by the Fund, if in the opinion of Vesper Advisory or the AIFM there are tangible mitigating factors for the company to be held.

4. PAI indicators: the Fund will report on the PAI Indicators (as defined above) on an annual basis to measure alignment and progress against the UN SDGs and improvements against the the selected PAI indicators under the SFDR RTS.

H. Data sources and processing

Data sources
The data sources used to measure and attain the E/S characteristics promoted by the Fund consist of the results provided through the regular monitoring of the indicators described in section "Methodologies", above.

Measures taken to ensure data quality
The Fund uses data collected from property managers, as well as third party resources, and, where actual data is not available, has developed techniques to estimate data to ensure that it can assess and monitor alignment with the E/S characteristics promoted by the Fund, as described in the following paragraphs.

Process of Data
In respect of data processing, once the Fund receives ESG data, the Fund performs its own internal process in an attempt to ensure accuracy and completeness, and proactively follows up with companies if the Fund identifies significant discrepancies or needs more information to improve the quality or completeness of the data.

Estimated Data
Whilst the Fund seeks to obtain as much actual data as possible in respect of a potential acquisition and on an ongoing basis in respect of its portfolio, actual data is not always available on a whole basis, for the entire reporting period. The Fund Manager expects that the ability to collect actual data will evolve and improve over the holding period of an investment as the Fund aims to implement and install methodologies to collect data and pursues its investment strategy. As a result, the proportion of

estimated data at any one time will vary depending on the asset, the length of time that the asset has been held by the Fund and the techniques put in place to collect data.

I. Limitations to methodologies and data

Limitations to the methodologies

Limitations in both methodology and data include but are not limited to lack of industry standardization in respect of data and reporting and limited and inconsistent reporting by infrastructure underlying companies.

How such limitations do not affect the environmental and social characteristics promoted by the Fund

The Fund Manager's adoption of these data estimate methods ensures that the limitations in collecting whole building data does not impact the alignment with the E/S characteristics promoted by the Fund.

Notwithstanding the challenges in data collection as described above, measures to find efficiencies and improve data collection methodologies are deployed by the Fund.

Sustainability factors continue to evolve and therefore methodologies and how data are collected are periodically reviewed.

J. Due diligence

In evaluating investment opportunities during the origination / due diligence process, the Fund applies a target screening and exclusion list of economic activities having adverse impacts on sustainability factors in which it does not invest in (e.g. including, but not limited to coal, tobacco, controversial weapons, pornography, illegal drugs). In addition to these exclusions, the Fund focuses on the identification and assessment of the adverse impacts that a potential target company may have on sustainability factors, both applying the Vesper IR Policy and other internal frameworks and with the help of consultants and industry experts. Finally, the outcome of the adverse sustainability impacts analysis is presented to the Investment Committee, which governs the decision whether or not to pursue an investment opportunity.

Such ESG due diligence are completed on all investment opportunities to identify and address material ESG risks (avoid or address) and seizing positive return implications. The Fund tests the overall Taxonomy alignment, by checking criteria for environmentally sustainable activities (as defined under Article 3 the Taxonomy) and consistency with the requirements under Articles 17 and 18 the Taxonomy i.e. Substantial positive contribution to environmental objectives (article 9 of the Taxonomy); the Do No Significant Harm (DNSH); and Social minimum safeguards[5].

K. Engagement policies

During the holding period ("ownership" stage), the Fund engages with the investee companies to help them reduce the adverse impacts of their business activities on sustainability factors:

a) Post-Acquisition: engagement on ESG governance implemented at the level of each Portfolio Company through boards and supervisory boards when the Fund is a member by the Investment Team to ensure alignment and ownership of ESG initiatives;

b) Value Creation and Reporting: engagement on ESG governance implemented at the level of each Portfolio Company with boards, supervisory boards when appropriate.

[5] For the avoidance of any doubt, there is no commitment to a minimum share of investments aligned with the Taxonomy at this stage or a commitment to a minimum share of sustainable investments within the meaning of Article 2 (17) of SFDR.

L. Designated reference benchmark

No index has been designated as a reference benchmark to meet the environmental or social characteristics promoted by the Fund.