

Website Product Disclosure

Storebrand Infrastructure Fund II

a Sub-Fund of

Storebrand Alternative Investments S.A. SICAV-RAIF

Updated 30.05.2024

a) Summary

English

Storebrand Infrastructure Fund II ("the Fund") promotes environmental or social characteristics but does not have as its objective a sustainable investment.

The Fund will make investments in core/core+ infrastructure assets that largely will contribute to the achievement of net zero by 2050. The fund will primarily invest into assets that contribute to the environmental objective of climate change mitigation within the themes "energy transition", "decarbonization" and "digitalization". The Fund will focus on investments that contribute to climate change mitigation by 1) enabling the transition to cleaner energy production, 2) transitioning the consumption of energy from fossil sources to renewable sources, or 3) supporting deployment of decarbonization and energy efficiency technologies.

The Fund's will primarily invest in the construction-ready and operational stage of infrastructure projects or companies, with a buy-and-hold strategy. The Fund will focus on 1) investments in the geographical regions of Europe and North America, 2) economic infrastructure/energy assets, 3) controllable asset risks rather than market/commodity-based risks and 4) safeguarding ESG criteria.

The Fund expects to invest a minimum of 60% of its capital in sustainable investments. The Fund does not commit to a minimum share of investments aligned with the EU Taxonomy nor investments with a social objective.

The Fund will track the performance of the assets in terms of sustainability, both with sustainability indicators and exposure to Principal Adverse Impacts (PAIs).

The Fund will measure how the E/S characteristics promoted by the Fund are met by continuously monitoring and report on the asset allocation of the Fund and by that ensuring that investments are made within the defined themes "energy transition", "decarbonization" and "digitalization". Disclosure of PAI indicators and sustainability indicators will also measure how the promoted characteristics are met.

Data availability and coverage will vary from asset to asset, and the methods used to evaluate sustainability factors are subject to uncertainty. The Fund normally relies on data from portfolio companies gathered by its Sourcing Partners, and data quality is ensured by Sourcing Partners. If the Investment Advisor sources and manages an investment with no involvement of a Sourcing Partner, the data collection will be handled either by an investment partner or the Investment Advisor, with or without the involvement of third parties.

Asset-level ESG Due Diligence will be carried out for all investments.

The Fund is guided by the Engagement and Voting Policy of Storebrand Asset Management ([Engagement and Voting Policy.pdf \(storebrand.com\)](#)), and will regularly engage with its Sourcing and/or investment partners, continuously seeking to influence them to focus on sustainability efforts in underlying companies/projects.

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

b) No Sustainable Investment Objective

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

However, the Fund will have minimum proportion of 60% sustainable investments.

c) Environmental or Social Characteristics of the Financial Product

The Storebrand Infrastructure Fund II will primarily make investments that contribute to the environmental objective of climate change mitigation. The Fund's investments will mostly contribute to the objective by

1) enabling the transition to cleaner energy production, 2) transitioning the consumption of energy from fossil sources to renewable sources, and 3) supporting deployment of decarbonization and energy efficiency technologies. By focusing on three themes, "energy transition", "decarbonization" and digitalization", the Fund selects assets by positive screening.

To ensure that the sustainable investments of the Fund do not cause significant harm to any environmental or social sustainable investment objective, the investments will be assessed against the principal adverse impact indicators (PAIs) in Table 1 of Annex 1 as part of the ESG due diligence process.

The Infrastructure Assets the Fund invests in will primarily contribute to the achievement of UNs SDG 7, 8, 11 and 13.

Moreover, the Fund promotes environmental characteristics by applying the Storebrand Exclusion Policy ([Storebrand-Exclusion Policy.pdf](#)) and excluding investments in companies which derive a large part of their net sales from the production or distribution of fossil fuels and entities with large fossil fuel reserves. The application of Storebrand's Exclusion Policy also ensures that the Fund does not invest in companies with business operations linked to banned weapons, nuclear weapons, weapons and war materials, alcohol, tobacco, cannabis,

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

pornography and commercial gambling, and ones that violate international norms and conventions related to human rights, labour law or combat corruption and bribery.

d) Investment Strategy

The investment objective of the Fund is to maximise the risk-adjusted return net of all expenses through investing in core/core+ Infrastructure Assets that contribute to the achievement of net zero by 2050.

The Fund's will primarily invest in the construction-ready and operational stage of infrastructure projects or companies, with a buy-and-hold strategy. The Fund will focus on 1) investments in the geographical regions of Europe and North America, 2) economic infrastructure/energy assets, 3) controllable asset risks rather than market/commodity-based risks and 4) safeguarding ESG criteria.

The Fund will make infrastructure investments along the themes, "energy transition", "decarbonization" and "digitalization". Relevant subsectors include, but are not limited to, renewable energy production, storage, transmission and distribution, electric transportation, Carbon Capture and Storage (CCS) and other decarbonization technologies, district heating, fiber, telecom towers. The Fund takes into consideration sustainability risks when making investment decisions. Each investment will undergo an ESG due diligence prior to investment, noting that the ESG due diligence also assesses compliance with regulations related to environmental protection, labour rights, corporate governance. A third party advisor will conduct the ESG Due Diligence.

All investments of the Fund are to comply with Storebrand's Sustainable Investment Policy at the time of investment ([Sustainable Investment Policy \(4\).pdf](#)). The Sustainable Investment Policy describes the different methods and approaches Storebrand applies to mitigate sustainability risk and create value through its investments, and includes Storebrand's commitments within the themes climate, nature and biodiversity, deforestation and human rights.

e) Proportion of Investments

It is expected that 100% of the Fund's investments (excluding cash and other liquid assets as well as derivatives (which are used solely for non-speculative purposes) will be aligned with the environmental characteristics promoted by the Fund.

While the Fund does not have sustainable investment as an objective, a minimum 60% of the investments are expected to be in activities that qualify as environmentally sustainable by the end of the investment period.

The majority of the Fund's investments are expected to be within "energy transition" and "decarbonization".

f) Monitoring of Environmental or Social Characteristics

The Fund will measure the attainment of the environmental and social characteristics promoted with the below sustainability indicators at the level of the infrastructure assets it invests in.

1. Total renewable energy capacity of the Fund's portfolio (MW)
2. Total renewable energy generated by renewable energy generating assets (MWh) in the Fund's portfolio
3. GHG intensity of the Fund's investee companies (including scope 3)

In addition to the above indicators, the Fund will consider and report annually on all mandatory Table 1 PAIs. The Fund will publish the principal adverse impact indicators annually in the periodic report.

Any relevant additional Table 2 and Table 3 PAIs may be included with time.

Day to day monitoring of HSE (Health, Safety and Environment) and other ESG-topics is normally done by the Fund's Sourcing Partners and will be reported upon regularly to the Investment Advisor. If the Investment Advisor sources and manages an investment with no involvement of a Sourcing Partner, the ongoing monitoring will be handled either by an investment partner or the Investment Advisor, potentially with the support from external advisors.

g) Methodologies

The methodology for measuring how the E/S characteristics promoted by the Fund are met is based on the Fund's investment objective, and the commitments made in the pre-contractual disclosure.

Asset allocation based on themes: The Fund's thematic investment focus is on "energy transition", "decarbonization" and "digitalization". The thematic focus has been defined with the intention to direct long-term private capital to infrastructure sectors and technologies necessary for achieving and enabling net zero by 2050. Relevant subsectors under the themes include, but are not limited to, renewable energy production, storage, transmission and distribution, electric transportation, CCS and other decarbonization technologies, district heating, fiber, telecom towers. Most of the Fund's investments are expected to be within "energy transition" and "decarbonization", and the Investment Advisor will continuously monitor the asset allocation of the portfolio.

Indicators: The Fund has selected sustainability indicators largely related to renewable energy production and carbon footprint. It is expected that indicators 1. and 2. will develop positively throughout the investment period of the Fund, as more capital is allocated to renewable energy production. Indicator 3. may fluctuate throughout the investment period, depending on the investments made in each reference period, but is expected to develop positively throughout the Fund's term.

The Fund will report on the PAI indicators on an annual basis to measure progress and ensure alignment with social and environmental indicators.

h) Data Sources and Processing

The data monitoring described above is based on data from portfolio assets, normally gathered by the Fund's Sourcing Partners from the asset operators. If the Investment Advisor sources and manages an investment with no involvement of a Sourcing Partner, the data collecting and

processing will be handled either by an investment partner or the Investment Advisor, potentially with the support from external advisors.

i) Limitations to Methodologies and Data

The Fund relies on data from portfolio companies gathered by the Sourcing Partners or any other investment partners of the Fund. Data availability and coverage will vary from asset to asset.

Data and the methods used to evaluate sustainability factors are subject to uncertainty, and interpretation of the suggested methodologies may vary. Given that the Fund will largely invest with partners, there is risk that figures reported by different investment partners of the Fund are calculated differently.

The Fund is continuously working to improve the data collecting process and to ensure that indicators, such as the sustainability indicators and the Principal Adverse Indicators, are calculated by different partners of the Fund using the same methodology. In cases where different methodologies are used for different parts of the portfolio, it shall be clearly stated in the periodic sustainability disclosures.

j) Due Diligence

Asset-level ESG Due Diligence will be carried out for all investments. Normally, the ESG Due Diligence will be carried out by an external advisor to the Fund's Sourcing Partner. If the Investment Advisor sources and manages an investment with no involvement of a Sourcing Partner, the ESG Due Diligence may be carried out and/or initiated by an investment partner or the Investment Advisor with the support from external advisors.

The ESG Due Diligence shall identify and address environmental, social and governance risks in the investment opportunity as well as compliance with regulations and guidelines, such as the UN Global Compact and the OECD Guidelines.

The investment committee will assess the key findings before an investment decision is made.

k) Engagement Policies

The Fund will actively engage with its Sourcing Partners, or other investment partners in cases where the investment is not sourced by an external party, seeking to influence them to move in an even more sustainable direction and complete any outstanding ESG action points.

The Sourcing Partner of the Fund will in most cases represent the Fund and practice active ownership through board representation.

The Fund is guided by the Storebrand Asset Management's method for active ownership and the Engagement principles and process ([Engagement principles and process - www.storebrand.com](https://www.storebrand.com/engagement-principles-and-process)) The Fund will engage with underlying companies, either directly or via investment partners, in order to address ESG concerns and influence into a more sustainable direction.

k) Designated reference benchmark

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

