RESPONSIBLE INVESTMENT POLICY

INVESTMENT GUIDELINES FOR RESPONSIBLE INVESTING

YIELCO INVESTMENTS AG ("YIELCO")

[Q3 2023]

OUR GUIDING PRINCIPLE FOR RESPONSIBLE INVESTING

The consideration of ESG criteria (Environmental, Social and Governance) in the selection of co-investments and target funds for investments in the private market, primarily in the infrastructure, private equity and private debt segments, is an integral part of YIELCO's corporate philosophy. This is also reflected in YIELCO's overall strategy of generating long-term, sustainable and stable returns across all asset classes in a volatile capital market environment. Corporate and social responsibility are cornerstones for long-term and sustainable success and minimizes inherent risks related to ESG factors. In addition, for YIELCO, a sustainable investment approach means ensuring our fiduciary duties to our investors and partners. Therefore, YIELCO considers the sustainability aspect within a holistic risk management framework.

By taking ESG criteria into account, risks are to be minimized and negative impacts on the environment and society avoided on the one hand, and opportunities for growth and value creation are to be identified on the other. Aspects from the areas of environment, social and corporate governance are taken into account in all process steps of the assessment in order to evaluate whether events or conditions can actually or potentially have a material negative impact on these investment assets. Both short-, medium- and long-term negative impacts of sustainability risks should be mitigated as best as possible and, in the best case, avoided altogether. Consideration of sustainability risks is therefore an integral part of the due diligence process. Here, the focus of the diligence process is on the known types of risk, such as a potential market, liquidity or reputational risk, as well as a general operational or strategic risk (risk minimization). Furthermore, in the context of double materiality, potentially negative impacts on the environment and society are to be avoided. Furthermore, by considering ESG factors in the due diligence process, YIELCO specifically seeks to make and promote investments that address generally accepted sustainability standards. The consideration of ESG criteria is intended to ensure long-term performance in order to achieve the best possible risk-adjusted return (return optimization). The aim is to achieve a sustainable risk-return profile.

The key principles to which YIELCO is committed in implementing responsible investing are as follows:

- Integration of sustainability-related information into the investment process through the systematic consideration of ESG criteria in both the selection and review processes.
- Engagement to promote and drive the implementation of ESG standards and best practice approaches among target fund managers and their portfolio companies to improve ESG performance.
- Transparency to stakeholders in the form of communication and reporting on corporate and investment activities.

Diagram 1: Key sustainability aspects in the due diligence process

ENVIRONMENTAL

- General environmental protection & resource management
- Climate protection or adaptation to climate change
- Mitigation of climate change, in particular commitment to CO2 reduction and implementation of energy efficiency measures
- Protection of global biodiversity

SOCIAL

- Implementation and compliance with labor laws at company and portfolio level
- Safety and health management along the entire value chain
- Promotion of equality and diversity as well as training and further development opportunities
- General social and societal engagement

GOVERNANCE

- General Corporate policy and ethical principles
- Sustainability and risk management by the board of directors and the supervisory board
- Information management / disclosure and reporting
- Compliance and risk management
- Ownership and remuneration structure respectively incentives as well as conflicts of interest
- Data management and cyber security management

Review of qualitative and quantitative indicators based on systematic ESG due diligence process

Source: YIELCO, 2023

By signing the UN Principles for Responsible Investment (UNPRI), YIELCO underscores its ambitions to implement practical consideration of the concept of sustainability in line with the global sustainability agenda. We believe that long-term value creation is consistent with an economically efficient and sustainable financial system.

Consideration of sustainability criteria in the investment process

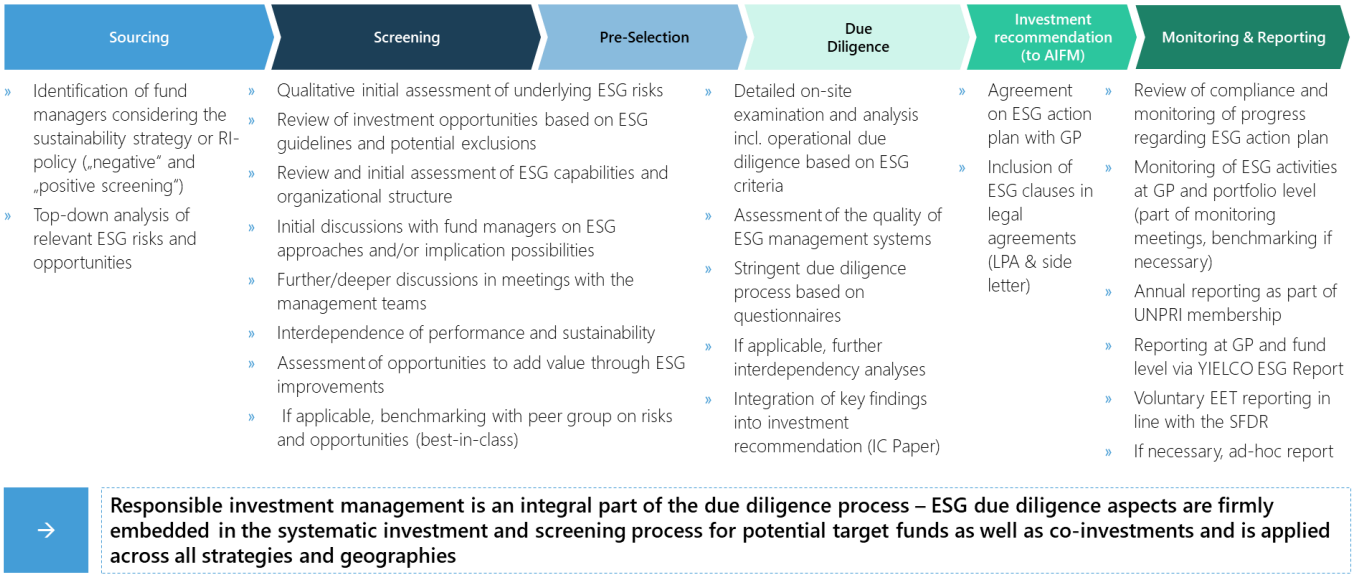
Systematic due diligence standards and investment processes are an essential prerequisite for successful investment management. Responsible investment management is also the foundation for achieving long-term financial returns while having a positive impact on society and the environment. Consideration of ESG criteria is therefore an integral part and firmly embedded across the entire due diligence process and in the following investment recommendation process for potential target funds as well as co-investments, and is applied regardless of strategy or geography.

This screening process was implemented on the basis of the partners' extensive investment experience and includes a detailed and holistic consideration of ESG criteria by YIELCO throughout the entire process. ESG criteria are part of every investment recommendation and are regularly investigated as part of the monitoring process.

ESG criteria are extensively reviewed, analyzed and finally assessed independently and individually as part of the proprietary YIELCO scoring model during the various process steps when reviewing fund investments as well as co-investments. The instruments that YIELCO uses to systematically take ESG criteria into account are multidimensional. In its implementation, YIELCO relies on a proactive, hybrid application of different instruments and procedures. In doing so, YIELCO uses a combination of exclusion/negative criteria as well as positive criteria where possible. In addition, YIELCO relies on individual but structured engagement through active dialog, supported by side-letter arrangements (in the case of fund investments) and, if necessary, influence in the Investors Advisory Board or Limited Partner Advisory Committee (LPAC).

The following diagram shows the main process steps.

Diagram 2: ESG integration in the investment process



Source: YIELCO, 2025

1. YIELCO evaluates the ESG strategy. During the sourcing process, essential ESG risks and opportunities are identified. The negative screening criteria or the exclusion list are a first filter.
2. In the initial screening and pre-screening, an initial assessment of potential risks and opportunities takes place. YIELCO checks whether the investment strategy may violate exclusion criteria based on historical investment activities. Additionally, team capabilities and organizational structure are assessed. YIELCO has initial discussions with the GP about its ESG approach and engages the manager at this early step in the process to identify improvements to the ESG approach as needed. Opportunities with an increased strategic focus on, for example, industry sectors are analyzed in more detail and discussed in investment team meetings to determine the extent to which the strategy is consistent with internal investment guidelines and what potential future risks seem possible with respect to ESG factors. In parallel, opportunities with identical or similar strategies and track records are identified to compare them in terms of their sustainability strategies.
3. ESG aspects are part of the due diligence questionnaire and are discussed in detail during pre-selection and on-site operational due diligence based on the DDQ and the results of the initial qualitative assessment. The portfolio, if any, is reviewed and assessed for potential risks.
4. The results from the previous process steps are incorporated into the proprietary YIELCO scoring model as a dedicated assessment aspect. The ESG policy and ESG strategy of the underlying fund is evaluated by YIELCO using the investment process criterion. The ESG strategy as well as the implementation or realization of "ESG Policy Guidelines", "Ethics Policy", "Codes of Conduct", or similar, are reviewed in detail, personally questioned during the on-site. In addition, YIELCO has developed a dedicated ESG scoring model through which an evaluation of about a dozen qualitative criteria in different categories is performed. The scoring takes place on the basis of the previously evaluated results of the respective process steps as well as on the basis of the documents provided by the manager in combination with the ESG DDQ developed in-house. The results of the ESG due diligence and the ESG scoring are finally included in the investment recommendation and are discussed and considered by the investment committee. Measures to be implemented are integrated into the contract negotiations prior to the underwriting process, if applicable.
5. Contractual fixation (side letter agreements) during the underwriting process is a proven engagement tool (for fund investments) to achieve improvements in terms of ESG activities. For this purpose, clauses on the

ESG strategy of the GP or fund are implemented as standard in alignment with the internal ESG strategy. Furthermore, clauses related to ESG reporting are intended to ensure the provision of non-financial data or ESG KPIs in order to produce high-quality ESG reports in the future and to meet the requirements of increasing regulatory obligations.

6. In the context of side letter agreements to implement measures to improve the sustainability strategy and to review compliance and monitor progress on potentially agreed ESG action plans, are discussed and results demanded within the scope of possibilities to exert influence e.g. as part of the Investor Advisory Board or LPAC, in bilateral discussions or at AGMs.

   ESG activities and reporting of non-financial indicators and ESG KPIs are queried as part of annual ESG monitoring at GP, portfolio and, if applicable, co-investment level, reviewed internally and shared as part of the ESG Report.

In addition, YIELCO advocates for support and compliance with the UN Principles for Responsible Investment among target fund managers where they are not already supporters, and considers support to implement a policy and encourages dedicated reporting.

Irrespective of the tools mentioned so far for implementing a sustainable investment strategy and due diligence, YIELCO relies on an ongoing and constructive dialogue and exchange with partners and investors, the extended network and other market participants to address the issue of sustainable investing and to further advance the dialogue.

UN Principles for Responsible Investments (UN PRI) - The Six Principles for Responsible Investing

YIELCO Investments is a signatory and active supporter of the UNPRI (UN Principles for Responsible Investment) initiative. We stand behind the basic ideas and principles of the initiative out of conviction:

1. We will incorporate ESG issues into investment analysis and decision-making processes.
2. We will be active owners and incorporate ESG issues into our ownership policies and practices.
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.
4. We will promote acceptance and implementation of the Principles within the investment industry.
5. We will work together to enhance our effectiveness in implementing the Principles.
6. We will each report on our activities and progress towards implementing the Principles.

We have a deep conviction that sustainable investment practice is the guarantor of long-term value creation and therefore has a positive effect on the overall corporate performance and the financial performance in particular over the long-term.

Transparency & Reporting

As an active member of the UN PRI initiative, we are committed to preparing and providing the association with annual reporting on our activities as a company and at the underlying investment level.

In 2021, YIELCO integrated a systematic ESG reporting and monitoring process across all asset classes and at the company level by implementing a dedicated ESG report. The goal is to identify potential sustainability risks and create increased transparency to investors. Using a dedicated ESG software application, a variety of ESG performance metrics are recorded and consolidated. The results of this systematic logging of ESG-relevant indicators are in turn incorporated into monitoring and reporting in order to monitor potential ESG risks and, if necessary, to draw and initiate conclusions for action. The resulting ESG reporting is published once a year.

Effectiveness & Revision

The Responsible Investment Policy applies across all relevant asset classes of YIELCO Investments. It is applied to the review of target funds as well as co-investments and is independent of strategy or geography. In addition, the standards for our approach to responsible investing are discussed regularly and on an ongoing basis or reviewed in detail and across teams at least annually in a strategy meeting and revised if necessary.

Responsibilities & contact persons

YIELCO's management is involved and actively engaged in all process steps. Due to the interdisciplinary nature of the topic, YIELCO additionally relies on a complementary and interdisciplinary team from all departments for support in operational implementation.

For this purpose, YIELCO has implemented an ESG Committee (ESGC), which includes a partner from each asset class as well as responsibilities from the operational management and the finance department. This committee is in continuous exchange and also meets four times a year to discuss and decide on processes and measures. The ESGC is supplemented by the ESG Working Group (ESGWC), which accompanies and actively supports the implementation of processes and measures.

If you are interested in further information or have any questions regarding the content and implementation of the Sustainability Strategy, the Organizational Handbook or the Code of Conduct, or with regard to general information about YIELCO, please do not hesitate to contact us.

About YIELCO Investments AG

YIELCO is an independent, globally active, specialized investor and service provider in the field of alternative investments, focused on asset classes that generate attractive and/or long-term predictable and sustainable returns. YIELCO Investments is managed by experienced investment professionals who have been supporting institutional investors in all areas of alternative investments for an average of more than 15 years. On this basis, YIELCO has developed an innovative product and service offering that is characterized by attractive conditions and a high degree of alignment of interests with customers. An international advisory board complements the expertise with extensive experience in direct investments. Optimally diversified multi-manager portfolios, co-investments and managed accounts that take individual requirements into account enable investors to cost-effectively build up alternative investment portfolios in the infrastructure, private debt and private equity segments, taking ESG criteria into account.