



quinbrook
infrastructure
PARTNERS

Stewardship Policy

ADOPTED BY BOARD AUGUST 2023



I. Stewardship Approach and Objectives

Commitment to Responsible Stewardship, Transparency and Active Governance Practices

Quinbrook Infrastructure Partners Group¹ (“Quinbrook”) is a specialist low carbon and renewable energy infrastructure investor and asset manager. Quinbrook is committed to the responsible stewardship of its investee Portfolio Companies (or “Investees”) and their activities in a manner consistent with its broader firm policies and the investment objectives set for each investment product managed. Quinbrook believes that, through active management, adherence to the principles of Responsible Investing (“RI”), the consideration of climate, environmental, social and governance, sustainability related impacts, issues, risks, and opportunities, Quinbrook is better able to protect and enhance the value of investments over all time horizons.

Quinbrook’s core business is dedicated to creating, building, and managing new infrastructure asset solutions and associated operational businesses and applying technological innovations that together have a long-term, positive impact on climate risk mitigation, improved environmental outcomes, and the support of local economies, stakeholders, and communities through financial, employment and other tangible benefits. Mobilising investment in new climate-responsive infrastructure technologies, such as renewable power generation, is central to meeting the 2015 Paris Agreement commitments to “holding the increase in the global average temperature to well below 2°C above pre-industrial levels”².

Quinbrook aims to be an active and responsible manager of the assets in which it invests and by fostering a culture of ethical behaviour and integrity within the organisation and the wider network of people and organisations it interacts with. Quinbrook also believes that a business culture where management behaviour, employee training and education, situational awareness, team incentivisation and operational procedures, at every level, prioritise adherence to RI and ESG principles is central to responsible stewardship.

Typically, Quinbrook is a sole or majority equity investor and owner, maintaining overall voting control, Board oversight and control with key agenda-setting discretions along with day-to-day engagement with Investees. Therefore, Quinbrook is capable of a high degree of active engagement and in driving Investee outcomes over the short and long-term. Quinbrook’s senior team has significant ‘hands-on’, industry experience acquired over many decades of building, owning, and operating similar assets and businesses. Moreover, that experience is utilised in negotiating and agreeing contractual mechanisms that seek to align the aims of Quinbrook and its investors with those of the management teams of the Investees.

Stewardship Objectives

Quinbrook works to consistently improve the formal integration of its commitment to climate, RI and ESG across its various business functions and to improve its systems, record keeping, data collection and use, impact measurement, and timely reporting of its RI and ESG processes in action, as well as the practical outcomes it achieves through managed investments. Quinbrook is

¹ The ‘Group’ shall be defined as Quinbrook Holdings Limited and its direct and indirect wholly owned/controlled subsidiaries.

² <http://www.oecd.org/g20/topics/financing-for-investment/clean-energy-infrastructure.htm>

committed to iteratively and continuously improving the communication of its stewardship activities and ongoing performance that results from its active ownership. Beyond this, three key objectives for Quinbrook are to:

1. Continue to maintain and implement disciplined oversight and controls at Investees, encompassing active exercise of voting rights and discretions, monitoring and improving where necessary, alignment mechanisms and incentive structures, and promoting engaged and participative Board representation so that the 'top-down' influence is exerted in decision-making and impact outcomes that are consistent with Quinbrook's policies and specific investment objectives;
2. Regularly and closely engage with Investees to support implementation of Quinbrook's ESG and RI principles and practices across a range of applications spanning both initial investing and operational asset management and monitoring progress through day-to-day direct engagement with Investee employees, senior management, and relevant advisors and consultants;
3. Provide thought leadership and positive influence through encouraging collegiate information flow and cooperation between Investees, promoting external collaborations, community engagements and market or regulatory representations that promote and enhance Quinbrook's commitment to RI and ESG principles. This includes publishing thought leadership and 'case study' information where practicable to support broader adoption of these principles in the wider investment community.

Quinbrook believes that these commitments and actions are intrinsically tied to both short and long-term risk mitigation, capital protection and sustainable value growth. Through these levels of engagement, Quinbrook is able to better ensure that Investees are more accountable and that they are working to support more sustainable outcomes for Investors, the broader economy, society and the environment.

This Stewardship Policy seeks to outline the principles, processes, tools, and mechanisms Quinbrook uses and will use going forward to both implement and improve its Stewardship activities.

2. Alignment with the Stewardship Code

Quinbrook seeks to support and apply the UK Stewardship Code (the "Code") guidance and the 12 principles of stewardship, all in a manner that is relevant and applicable to Quinbrook.

As a direct investor focused on unlisted energy infrastructure assets and businesses, Quinbrook typically has very strong levels of engagement, influence and day-to-day contact with Investees as discussed above. This is achieved through either sole or majority ownership controls over companies and project assets and the representation by Quinbrook team members on Investee Boards, including in the majority of cases, holding the Chair position on those Boards.

Consistent with the Code, Quinbrook's relevant objectives are to:

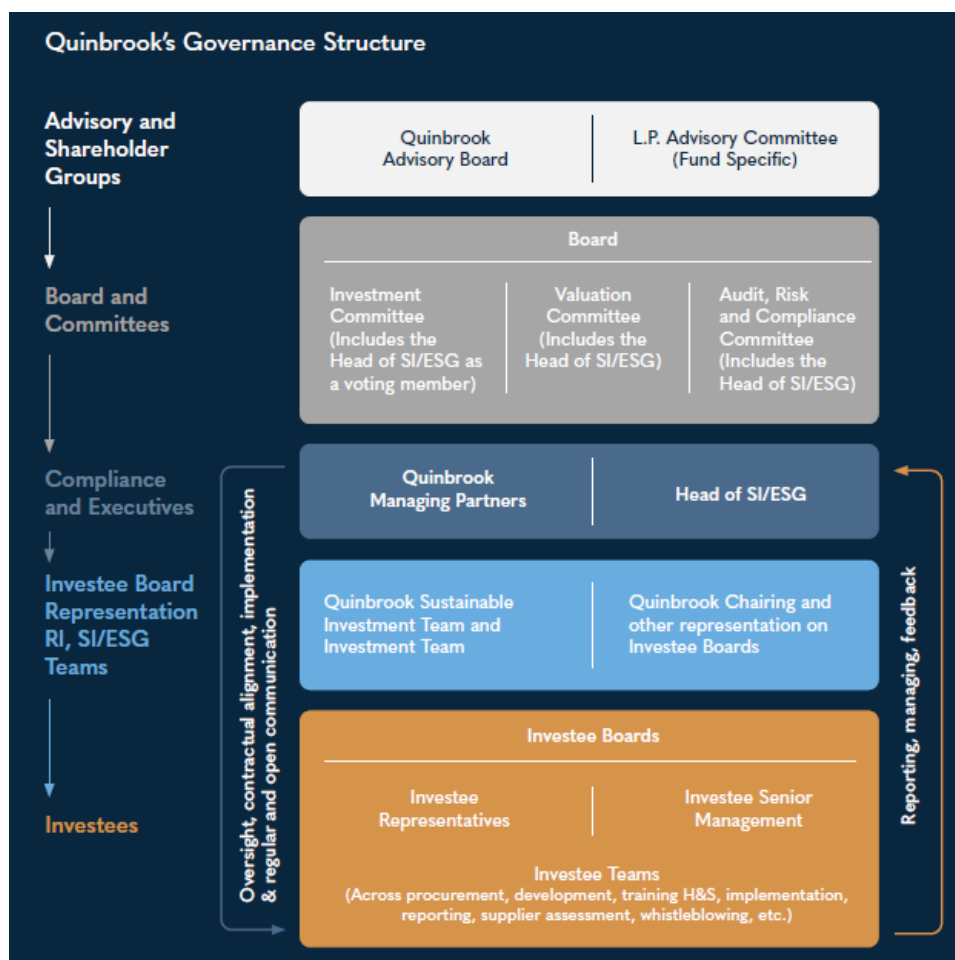
1. Uphold the Investee’s purpose, investment beliefs, strategy, and culture to create long-term value for its clients, leading to sustainable benefits for the economies within which it operates, and more broadly, also for the environment and society at-large;
2. Provide governance oversight, human and financial resources and appropriate incentives supporting active stewardship;
3. Manage, mitigate and/or disclose any conflicts of interest in line with Quinbrook’s Conflict of Interest Policy and fiduciary duty;
4. Identify and respond to market-wide and systemic risks and support a well-functioning financial system;
5. Objectively assess the effectiveness of Quinbrook’s stewardship, governance and overall RI and ESG activities on a regular basis and identify areas for further improvement on a continuous basis;
6. Take account of client needs for regular and transparent communication concerning the activities and outcomes of Quinbrook’s stewardship activities and impact on investment performance;
7. Systematically integrate the practice of stewardship within investment practices and processes, including through active monitoring and management of risks, impacts and opportunities around climate, environmental, social and governance issues;
8. Monitor and ensure accountability of Investees to adhere to policies and practices that are consistent with Quinbrook’s stewardship commitments;
9. Engage with Investees proactively to maintain and enhance the value of invested assets wherever practicable; and
10. Participate in collaborative engagement to influence Investees in a positive and constructive way that encourages adherence to Quinbrook’s stewardship objectives broadly and its RI and ESG policies specifically.

3. Governance and Transparency

Quinbrook’s Investee engagement strategy is founded on the principles of a regular, formal, and comprehensive scope of active management, constructed around robust governance practices which typically include sole or majority voting and ownership controls and discretions. Governance oversight is implemented through Board representation and control along with long-term alignment structures with the management teams of Investee companies. Quinbrook’s senior executives, dedicated ESG team members, and the broader investment team, all work in an integrated way with Investee teams to improve overall decision-making through clear demarcation of authority and approval delegations, adoption of a clear risk mitigation framework, the adoption of specific RI and ESG practices and their implementation, and the fostering of a compliance culture focused on transparency and accountability. Through this direct control,

influence, and engagement framework, Quinbrook aims to improve not only financial, but broader RI and ESG outcomes for its investors.

Figure 1: Quinbrook's Stewardship and RI Governance Structure.



Transparency

A central tenet of Quinbrook's investment and asset management strategy is the close proximity and transparency which typifies the way Quinbrook works with its Investee companies – most often renewable energy related businesses and project developers. Quinbrook insists on open and transparent disclosure of relevant information by Investee management teams and monitors this monthly with a comprehensive regular reporting agenda and detailed set of required disclosures. Through direct communications, Board representation, detailed reporting and both regular and close interaction at multiple levels of Investee organisations, Quinbrook is able to more thoroughly monitor the RI and ESG risks, implications, impacts and even unintended consequences of its investments. This is a very important aspect of working on new-build infrastructure projects in particular and enables effective stewardship across the broader investment portfolio where both individual and aggregated impacts on communities, the environment, jobs and training as examples, are each areas of focus.

4. Identification and Prioritisation of Key Engagement Areas

Quinbrook’s strategies target investments in new and existing assets and businesses that have a sustainable and positive impact on climate risk resilience, impact mitigation, and which progress the net zero transition. By prioritising new asset creation, Quinbrook directly support job creation and preservation, community engagement and benefit and enhanced environmental outcomes.

Implementation of ESG and RI principles is also prioritised during ongoing asset management, with decision-making frameworks that align with Quinbrook’s RI and ESG policies and goals. It is recognised, however, that there is also a need to prioritise engagement with multiple Investees across various portfolios to achieve a holistic perspective on both portfolio-wide risk and impact sensitivities.

Identification

Quinbrook seeks to both quantifiably and qualitatively assess overall risk exposures, their materiality and potential portfolio-wide or systemic impacts. Please refer to the RI and ESG Policy in relation to sustainability, UN SDGs, and climate risk, opportunity and impact identification, materiality and scoring assessment.

Stewardship Tools and Processes to Assess Prioritisation

To identify and manage key areas of risk, Quinbrook typically uses both top-down and bottom-up risk assessment structures, including through some of the following mechanisms:

Table 1: Quinbrook's ESG, Climate Risk and Stewardship Tools and Processes.

Internal Due Diligence	<p>Quinbrook has created a set of risk assessment and data collection tools, policies, and processes, for both Quinbrook and Investees, that support more robust assessment of Investee ESG and Climate risks and opportunities and enable ongoing monitoring of these risks over time. Areas of evaluation include Modern Slavery assessment, Supplier Codes of Conduct, ESG Due Diligence Questionnaires, and Portfolio Company Stewardship (including Policy and Process Implementation and quarterly data and TCFD reporting). Quinbrook also uses third party data providers to support detailed assessment, such as S&P CapIQ, Bloomberg, and Moody’s ESG.</p>
Investment Committee Assessment	<p>The results of the above risk and due diligence investigations are summarised for Investment Committee assessment using a structured ESG and climate materiality scoring matrix across (A) ESG and UN SDG alignment, and (B) Climate risk impacts.</p>

External and Third Party	<p>Quinbrook works with third party technical advisers to support its Stewardship activities, for example, cybersecurity auditing of Investees, calculations of carbon footprint, or socioeconomic impact assessment from new investment programs. Material third party suppliers and contractors to Investees and managed project entities are also required to complete multiple questionnaires seeking information and verification around Modern Slavery, H&S and Environmental Track Record Assessments.</p>
Regular workshops and implementation support	<p>Quinbrook ESG and broader investment team members work closely with Investee teams, to support implementation of key policies or processes.</p>
Investee-level Board Representation and Engagement	<p>All majority-owned companies include Quinbrook team members on the Board and senior members as Chair, enabling significant control and influence over voting, strategy, policy, guidance, reporting and decision-making. Team members work closely with Investees to assess and support ESG and RI. In rare circumstances where Quinbrook does not hold Board representation, voting and engagement would be expected to be implemented via an active shareholder role where feasible.</p>
Alignment and structuring	<p>Quinbrook seeks to implement ownership structures, contractual structures, milestones, Investee team KPIs or other performance assessments that incentivise and promote alignment with Quinbrook’s RI and ESG policies.</p>
Market and policy analysis	<p>Assessment of broader market, regulatory, climate, financial, ESG, policy and other risks that may impact investments at a broader portfolio-level, are typically undertaken on a quarterly or more regular basis during specific market events.</p>
Portfolio-wide assessment and exposures	<p>Assessing overall systemic and portfolio risks to determine exposure and potential impact at a portfolio-level.</p>

Management and Escalation

As a direct and active manager, Quinbrook has numerous control mechanisms to focus on, manage, de-risk and escalate priority concerns or issues internally through relevant internal committees or processes and/or with senior management and Boards of Investee companies.

Quinbrook typically seeks to manage and mitigate areas of risk or concern quickly, through early intervention. Through Board representation, voting and controls, Quinbrook can define objectives, strategies, and targets and to assess, influence and mitigate risks as they arise. Where risks or misalignment arise or may be expected to arise, Quinbrook’s Sustainable Investment and Asset Management team take quick action to prevent or remediate such risks via engagement

with work directly with Investee companies. Where risks or concerns are more systemic or misalignment is seen to be irreconcilable, despite Board control and other influence mechanisms, Quinbrook may elect to divest part or all of an Investee Portfolio Company.

5. Collaboration

Quinbrook works with various external advisers to support effective stewardship practices across its Investees. Examples include reliance upon third party expertise in socioeconomic or environmental impact assessment of new investments planned by Investees or cybersecurity auditing for example.

At a broader level, Quinbrook also works with specialist advisers and partners to support assessment of greater macro and systemic risk, to provide stewardship guidance and to also provide thought leadership around improvement to Quinbrook practices and methods.

For example, Quinbrook has engaged recently with specialists in climate, regulatory and policy response, and with groups such as the Imperial College of London, Centre for Finance and Investment. Quinbrook also engages with other investors informally and formally through membership organisations such as UN PRI and Pensions for Purpose.

As Quinbrook's portfolios scale further, it is expected that ongoing collaboration, external support and assurance will be sought to support stewardship implementation, reporting or assurances around achievement of specific objectives.

6. Conflicts of Interest

Management of conflicts of interest is a core part of Quinbrook's stewardship processes which is aided by Quinbrook's representation on Investee boards. The effective management, reporting and record-keeping of these conflicts is central to investment and asset management processes and is governed by Quinbrook's robust compliance functions and overriding Conflicts of Interest Policy, procedures, management and disclosure processes. For further details, please refer to the Conflicts of Interest Policy.

7. Stakeholder Engagement and Reporting

Quinbrook's commitment to TCFD and ESG Stewardship is an ongoing process with continuous improvement and refinement of procedures, implementation, reporting and verification of impacts.

Quinbrook engages with its clients and stakeholders on the enhancement of its Stewardship initiatives, and Quinbrook seeks their feedback on practices, processes, and issues relevant to the Company and its Investees.

Quinbrook will disclose Stewardship performance through various mechanisms including:

- Quarterly Investor Reporting (ESG and TCFD)
- News and press releases
- Investor direct newsletters and conferences
- Annual General Meeting
- Annual Stewardship Outcomes to be completed each year

Through sponsorships and engagement programs, Quinbrook will continue to partner with selected organisations that are actively working to protect the environment and educate the community about environmental issues.

Quinbrook will engage in policy discussions on environmental issues directly and through industry representatives as it strives to contribute to the improvement of the quality of RI and ESG data available to the wider investment community.

8. Proxy Voting

Quinbrook is a majority and direct owner of assets typically with Board oversight and controls, which crucially enables Quinbrook to effectively steward Investees. As a result of effective governance control, proxy voting is not relevant to Quinbrook's strategy and is currently not employed across the portfolio. Proxy voting and advisors are typically more relevant for listed equity portfolios, rather than unlisted infrastructure.

Quinbrook may use third parties where they offer expertise in specific areas of engagement (for instance, technical, ecological, and security advisors), however, Quinbrook does not use wholesale 'proxy advisors'.

In the event that a strategy is adopted which requires proxy advisors to be employed, Quinbrook would monitor proxy advisors to ensure, as far as can reasonably be achieved, that voting is executed according with Quinbrook's policies, and compliance with the Proxy Advisors (Shareholders' Rights) Regulations 2019 (PA Regulations), supervised by the FCA.

9. Implementation of this Policy

Implementation of this policy is overseen by the Audit, Risk and Compliance Committee (ARCC), supported by the ESG team.

10. Supplementary Documents

This Policy should be considered in conjunction with Quinbrook's:

- Responsible Investment and ESG Policy
- Human Rights Policy
- Supplier Code of Conduct
- Conflicts of Interest Policy

11. Policy Updates

This Policy will be reviewed at least once every two years and updated when required by the ARCC as Quinbrook continuously works to improve its approach to Stewardship implementation, monitoring, prioritisation, engagement, and impact across Quinbrook. Draft amendments must be circulated to the Board for approval. Any affected stakeholders must be made aware of the change(s) promptly.