

Product level disclosures for the Sustainable Finance Disclosure Regulation (SFDR level 2 – Article 10 SFDR Website Disclosures)

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Version 2.0



Product name

BBGI Global Infrastructure S.A.

Legal entity identifier

529900CV0RWCOP5YHK95

BBGI is a global infrastructure investment company helping to provide the responsible capital required to build and maintain essential social infrastructure¹ in the countries where we do business.

These are the important infrastructure assets that citizens rely on every day. They are building blocks of the local economy, and as a long-term custodian, we partner with the public sector to help deliver and manage them. In doing so, we follow a low-risk, globally diversified and internally managed investment strategy to deliver long-term, sustainable and predictable shareholder returns.

Objective

This document specifically addresses Article 10 of EU Regulation 2019/2088, known as the Sustainable Finance Disclosure Regulation ('SFDR' or the 'Regulation'²). They are made by BBGI Global Infrastructure S.A. ('BBGI' or the 'Fund'), being a *société d'investissement à capital variable*. The Fund is an internally-managed alternative investment fund ('AIF') under the EU Alternative Investment Funds Managers Directive 2011/61/EU.

Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing SFDR ('Level 2 Regulation'), provides clarification in respect of the websites disclosures to publish in respect of financial products.

¹ Social infrastructure is the provision of public infrastructure assets and services and includes schools, healthcare, blue light (fire and police stations), modern correctional facilities, leisure and community facilities, affordable housing, clean energy and transport (rail, roads and bridges). In exchange for the provision of these assets and services, BBGI receives a revenue stream that is paid directly by the public sector.

² 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.

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Hence, the proportion of investments underlying the remaining portion of this financial product that comply with the EU Taxonomy is 0%.

The proportion of investments in fossil gas and/or nuclear energy related of this financial product that comply with the EU Taxonomy is 0%.

2. No sustainable investment objective

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

BBGI considers the principal adverse impacts of its investments on sustainability factors, as part of its investment decision-making, monitoring process and procedures. For sustainable investments this means targeting investments that do not cause any significant harm to any social or environmental sustainable investment objective.

All of BBGI's investments are screened on an annual basis against Principal Adverse Sustainability Impact indicators.

A summary of Principal Adverse Impact indicators is presented here:

Principal Adverse Impact	Principal Adverse Impact indicators
Climate and other environment-related indicators	
Greenhouse gas emissions	GHG emissions
	Carbon footprint
	GHG intensity of Portfolio Companies
	Exposure to companies active in the fossil fuel sector
	Share of non-renewable energy consumption and production
	Energy consumption intensity per high impact climate sector
Energy performance	Breakdown of energy consumption by type of non-renewable sources of energy
Biodiversity	Activities negatively affecting biodiversity-sensitive areas
	Natural species and protected areas
Water	Emissions to water
Waste	Hazardous waste and radioactive waste ratio
Social and employee, respect for human rights, anti-corruption and anti bribery matters	
Social and employee matters	Violations of UN Global Compact ("UNGC") principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
	Lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines for Multinational Enterprises
	Unadjusted gender pay gap
	Board gender diversity
	Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
	Investments in companies without workplace accident prevention policies
	Lack of a supplier code of conduct
Human rights	Share of investments in entities without a human rights policy
Anti-corruption and anti-bribery	Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption

How are the Principal Adverse Sustainability Impact indicators taken into account?

Principal Adverse Sustainability Impact indicators	How are the Principal Adverse Sustainability Impact indicators taken into account?
Climate and other environment-related indicators	
Greenhouse gas emissions and Energy performance	
<ol style="list-style-type: none"> 1. GHG emissions 2. Carbon footprint 3. GHG intensity of Portfolio Companies 4. Exposure to companies active in the fossil fuel sector 5. Share of non-renewable energy consumption and production 6. Energy consumption intensity per high impact climate sector 7. Breakdown of energy consumption by type of non-renewable sources of energy 	<p>General approach:</p> <p>BBGI sets a goal of contributing to the objectives of the Paris Agreement:</p> <ul style="list-style-type: none"> – By 2030, we aim 70% of our AUM ('Financed emissions³') to be net zero, aligned, or aligning to net zero by 2030. This means that by 2030, 70% of our Portfolio Companies (by value) will have a long-term goal to be net zero by 2050 or sooner. – By 2040, we have a goal to have 100% of our AUM to be net zero, aligned or aligning to net zero. <p>The GHG emissions from our investments represent our 'Financed Emissions'.</p> <p>Our Financed Emissions targets cover Scopes 1, 2 and to the extent possible material Scope 3 (when they are material to the Portfolio Company). 100% of Portfolio Companies are requested to report Scope 1, 2 and to the extent possible material Scope 3. BBGI reports on its Financed Emissions in accordance with the GHG Protocol and PCAF guidance. If a Portfolio Company does not disclose this information or when the data is not available, it is estimated where possible.</p> <p>For building assets, as Portfolio Companies have no or very limited control of an asset's source of energy (as utilities such as electricity and fuel are within the control of the public sector client) we nevertheless endeavour to use our influence to encourage the switch to renewable energy sources where an opportunity presents itself.</p> <p>For transportation assets, the Portfolio Companies have some level of operational control over the procurement and monitoring of electricity, heating and cooling installations at the operator's site depot. Where this is the case, BBGI will continue to engage with Portfolio Companies to upgrade or replace equipment to more efficient ones.</p> <p>BBGI collects primary activity data from its Portfolio Companies in order to report on the GHG emissions for the entire portfolio. Each GHG inventory is to be consistent with the GHG Protocol and includes Scope 1, 2 and to the extent possible material Scope 3 emissions. The assumptions and conversion factors were either performed by or validated with an external advisor.</p> <p>BBGI's portfolio contains 'High impact climate sectors', which for BBGI's portfolio corresponds to transportation investments (under the NACE Code H52.2.1 - Service activities incidental to land transportation).</p> <p>Engagement:</p> <p>By 2030, we aim 90% of our financed emissions are subject to direct or collective engagement and stewardship actions.</p> <p>BBGI plans to engage with key high emitters in our portfolio and share the outcome of all GHG inventories with our public sector clients, the entity which typically has operational control over the emissions (particularly for building assets Scope 1 and 2 emissions), to discuss emission reduction strategies.</p> <p>Construction of new infrastructure or rehabilitation of existing infrastructure in high impact climate sector (maintenance of rail infrastructure, roads and bridges) can have high energy intensity. In this regard, BBGI encourages the increased use of renewable energy sources, and the decrease of the share of the share of non-renewable energy, either consumed or produced.</p> <p>Exclusions:</p> <p>BBGI's exclusion policy outlines the exclusion of activities with highly negative climate impacts (e.g. thermal coal, fossil fuels).</p>

³ GHG emissions of our portfolio companies ('Financed Emissions')

Biodiversity	
<p>8. Activities negatively affecting biodiversity-sensitive areas</p>	<p>General approach:</p> <p>While transportation assets provide economic benefits, aim to reduce traffic volumes, and support the safe and efficient movement of goods and people, BBGI recognises the impact that building, operating, and maintaining a social infrastructure facility can have on biodiversity-sensitive areas.</p> <p>All projects were initiated and procured by our public sector clients, in compliance with national and supranational environmental regulations. For a limited number of projects which are located near to biodiversity-areas, an Environmental Impact Assessment compliant with relevant environmental regulations was performed, and the required mitigation or compensation measures for protecting the environment and biodiversity were implemented.</p> <p>Engagement:</p> <p>BBGI aims to implement a biodiversity policy as part of its standard BBGI policies for its Portfolio Companies. The objective of this biodiversity policy is to set high-level principles and best practice standards for the preservation of biodiversity, ecosystems and natural habitats, directly affected and managed by our Portfolio Companies.</p> <p>While we recommend that the biodiversity policy be used as a standard policy at all Portfolio Companies, it is not always possible to achieve 100% adoption when we have co-shareholders.</p> <p>Exclusions:</p> <p>BBGI's exclusion policy outlines the exclusion of activities with highly negative impacts on biodiversity (e.g. irreparable damage and/or major degradation caused to tropical natural forests or high nature value areas).</p>
<p>9. Natural species and protected areas</p>	<p>General approach:</p> <p>All projects are required to comply with local and national regulations regarding the preservation of natural species and protected areas.</p> <p>All projects were initiated and procured by our public sector clients, in compliance with national and supranational environmental regulations. For a limited number of projects which operations may affect threatened species, an Environmental Impact Assessment compliant with relevant environmental regulations was performed, and the required protection or restoration measures for protecting the species were implemented.</p> <p>BBGI continues to monitor whether other protection or restoration measures will be required in the future. Such measures aim to contribute to eliminating the duration, intensity and/or extent of potential adverse biodiversity impacts, such as:</p> <ul style="list-style-type: none"> – Measures to reduce noise and pollution. – Design to minimise impact on natural habitats and local species. – Wildlife crossing corridors. – Creating habitats for indigenous species (i.e.: bat boxes, butterflies, birds or waterfowl habitats, beehives, salmon spawning habitats, fish ladders). – Incorporating green spaces (planting trees or local species) into local environments. – Restoration measures aimed at improving degraded or removed ecosystems following an exposure to impacts that cannot be completely avoided or minimised. <p>Exclusions:</p> <p>BBGI's exclusion policy outlines the exclusion of activities with highly negative impacts on biodiversity (e.g. irreparable damage and/or major degradation caused to tropical natural forests or high nature value areas).</p>
Water and Waste	
<p>10. Emissions to water</p>	<p>General approach:</p> <p>All projects are required to comply with local and national regulations regarding wastewater treatment. BBGI monitors whether any emissions to water have been generated by a Portfolio Company.</p> <p>Engagement:</p> <p>BBGI will continue to engage with the small number of Portfolio Companies in question, to monitor whether any water containing pollutants are potentially released to surface water, ground water or rivers without any prior treatment.</p>
<p>11. Hazardous waste and radioactive waste ratio</p>	<p>General approach:</p> <p>All projects are required to comply with local and national regulations regarding hazardous waste treatments. BBGI monitors whether any hazardous waste or radioactive waste could have been generated by the Portfolio Company.</p>

For a limited number of assets, we have identified the type of hazardous waste being generated at the asset, which, in all cases, is outside of the Portfolio Company's operational control.

- Transportation assets: hazardous waste is either due to debris or spills following collisions which are either left on the road or spill into road gullies.
- Major hospitals: hazardous waste is either due to cytotoxic, clinical, or pharmaceutical waste.

At each asset appropriate containment measures or means of decontamination and disposal are in place.

Engagement:

BBGI will continue to monitor whether other containment measures will be required in the future.

Exclusion:

BBGI's exclusion policy outlines the exclusion of activities whose main processes generate radioactive waste (e.g. the manufacture of nuclear weapons).

Social and employee, respect for human rights, anti-corruption and anti bribery matters

Social and employee matters

12. Violations of United Nations Global Compact (UNGC) principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises

General approach:

As a signatory to the UNGC, BBGI aims to act in accordance with the UNGC Ten Principles and is guided by international standards to assess the behaviour of its Portfolio Companies. The Ten Principles of the UNGC are derived from: the Universal Declaration of Human Rights, the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

The Ten Principles of the UNGC are:

Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
	Principle 2: make sure that they are not complicit in human rights abuses.
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
	Principle 4: the elimination of all forms of forced and compulsory labour;
	Principle 5: the effective abolition of child labour; and Principle 6: the elimination of discrimination in respect of employment and occupation.
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges;
	Principle 8: undertake initiatives to promote greater environmental responsibility; and
	Principle 9: encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

In its annual communication on progress, BBGI discloses the continuous efforts to integrate the Ten Principles into its business strategy, culture and daily operations, and contribute to United Nations goals, including the Sustainable Development Goals.

BBGI's communication on progress can be found here: <https://cop.unglobalcompact.org/view/9271>

Engagement:

On a daily basis, BBGI screens the key counterparties to the Portfolio Companies (vendor, equity partners, etc.) against the most up to date watchlists maintained by the UN, EU, FATF and national regulators with aim to ensure that they have not been exposed to any violations of the UNGC Guiding Principles and the OECD Guidelines for Multinational Enterprises.

As part of our ESG monitoring, BBGI also monitors all its investments to verify that they have not been exposed to any violations of the Ten Principles of the UNGC.

Exclusions:

BBGI's exclusion policy outlines the exclusion of any investments in breach of fundamental human rights, according to the Ten Principles of the UNGC (e.g. forced labour, child labour).

13. Lack of processes and compliance mechanisms to monitor compliance with UNGC principles

General approach:

As a signatory to the UNGC, BBGI aims to act in accordance with the UNGC Ten Principles and is guided by international standards when assessing the behaviour of its Portfolio Companies.

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<p>and OECD Guidelines for Multinational Enterprises</p>	<p>Our commitment to these principles means that BBGI expects Portfolio Companies to formally commit to the respect of human rights, and are expected to apply a zero-tolerance approach for human rights violations and incidents.</p> <p>Engagement: BBGI aims to implement a Responsible Contractor Policy as part of the BBGI standard policies. The Responsible Contractor Policy describes the Portfolio Company's commitment to ensuring high standards of environmental, social and governance performance within its supply chain.</p> <p>While we recommend the Responsible Contractor Policy as a standard policy at all Portfolio Companies, it is not always possible to achieve 100% adoption when we have co-shareholders.</p> <p>BBGI will continue to engage with Portfolio Companies to implement adequate policies and monitor ongoing compliance.</p> <p>Exclusions: BBGI's exclusion policy outlines the exclusion of any investments in breach of fundamental human rights, according to the Ten Principles of the UNGC (e.g. forced labour, child labour).</p>
<p>14. Unadjusted gender pay gap</p>	<p>General approach: BBGI actively works to prevent any discrimination in all aspects of the business, employment policies and practices wherever possible, including with regards to compensation and benefits.</p> <p>It is impractical for BBGI to report on gender pay gap, as the majority of our Portfolio Companies do not have any employee, and among the remaining ones, most employ a small workforce.</p> <p>This makes calculating a gender pay gap infeasible, as the sample size is very small, and there are no instances where individuals of different genders perform the same role.</p> <p>Engagement: BBGI will continue to monitor fair remuneration practice as part of our ESG monitoring.</p>
<p>15. Board gender diversity</p>	<p>General approach: BBGI recognises the value of having a diverse workforce from different backgrounds and with different abilities, providing the Fund with a 'diversity of thought'. Diversity of thought is about recognising how different perspectives, skills, abilities, knowledge, attitudes, and information styles, or a combination of these, inform the Fund's approach to solving problems. This diversity can be influenced by many factors either visible or known, and thus measurable (nationality, race, colour, gender, age, ethnicity, civil partnership, education) or non-visible (physical or mental disability, sexual orientation, religious beliefs, cultural and socio-economic background).</p> <p>Engagement: BBGI's Supervisory Board membership is 60% female with a female Chair.</p> <p>BBGI acknowledges the challenges to improve diversity of its boards considering the limited size and very stable structure of BBGI asset managers who represent BBGI on our Portfolio Companies' boards.</p> <p>BBGI will continue to monitor diversity practices as part of our ESG monitoring.</p>
<p>16. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)</p>	<p>General approach: Prior to any acquisition, potential investments are screened against BBGI's exclusion list which prohibits any investment in controversial weapons.</p> <p>Exclusion: BBGI's exclusion policy outlines the exclusion of activities involved in the manufacture or selling of controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).</p>
<p>17. Investments in companies without workplace accident prevention policies</p>	<p>General approach: BBGI endorses a zero-tolerance approach to occupational health and safety incidents. Our asset managers actively work with the Portfolio Companies to promote a strong health and safety culture, facilitating the sharing of best practices and promoting appropriate governance structures across our various Portfolio Companies.</p> <p>Additionally, in most cases, each Portfolio Company regularly conducts a fire or health and safety audit.</p> <p>Engagement: BBGI aims to implement a health and safety policy as part of the BBGI standard policies. Health and safety is on the agenda of every Portfolio Company board meeting and BBGI engages with its Portfolio Companies to implement health and safety audits. In cases where there is a lost time incident reported in one of our Portfolio Companies, an investigation is generally conducted to identify the root cause, and measures are implemented to reduce the possibility of it happening again.</p>

<p>18. Lack of a supplier code of conduct</p>	<p>General approach:</p> <p>As a signatory to the UNGC, BBGI acts in accordance with the UNGC Ten Principles and is guided by international standards when assessing the behaviour of its Portfolio Companies.</p> <p>A cornerstone of our active asset management approach is the establishment of a strong governance framework at each Portfolio Company.</p> <p>As part of our ESG monitoring, we ask our subcontractors to confirm that they act in compliance with our Responsible Contractor Policy or an equivalent one.</p> <p>Engagement:</p> <p>BBGI will continue to engage with the Portfolio Companies which do not have a Responsible Contractor Policy or have a similar requirement in place.</p> <p>In addition to the Responsible Contractor Policy mentioned above, BBGI aims to implement a code of conduct as part of the BBGI standard policies. The code of conduct describes the high-level principles and widely recognised ethical standards in the conduct of business of the Portfolio Company by every employee, director or board member. That code of conduct is also aligned with the code of conduct in place for the BBGI Group as a whole.</p>
<p>Human rights</p>	
<p>19. Share of investments in entities without a human rights policy</p>	<p>General approach:</p> <p>As a signatory to the UNGC, BBGI acts in accordance with the UNGC Ten Principles and is guided by international standards when assessing the behaviour of its Portfolio Companies.</p> <p>Our commitment to these principles means that BBGI expects Portfolio Companies to formally commit to the respect of human rights, and are expected to apply a zero-tolerance approach to human rights violations and incidents.</p> <p>Engagement:</p> <p>BBGI aims to implement an Anti-slavery & human trafficking policy (or equivalent Modern Day Slavery statement in the UK) across all its Portfolio Companies. On an annual basis, BBGI monitors the number of cases and incidents (if any) related to severe human rights issues across our Portfolio Companies. Those could be considered in comparison with the rights, freedoms and principles set out in UNGC Principles; and/or the OECD Guidelines for Multinational Enterprises; and/or the UN Guiding Principles on Business and Human Rights.</p> <p>BBGI will continue to engage with the Portfolio Companies which do not have an Anti-slavery & human trafficking policy in place (or equivalent Modern Day Slavery statement in the UK) in place.</p> <p>On a daily basis, BBGI screens the key counterparties to the Portfolio Companies (vendor, equity partners, etc.) against the most up to date watchlists maintained by the UN, EU, FATF and national regulators to identify any alerts relating to money laundering or terrorism financing concerns, criminal investigations or prosecutions, targeted financial sanctions or adverse media in relation to those counterparties.</p> <p>Exclusions:</p> <p>BBGI's exclusion policy outlines the exclusion of any investments in breach of fundamental human rights, according to the Ten Principles of the UNGC (e.g. forced labour, child labour).</p>
<p>Anti-corruption and bribery</p>	
<p>20. Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption</p>	<p>General approach:</p> <p>As part of our commitment to upholding the Ten Principles of the UNGC, BBGI supports and upholds the principle of working against corruption in all its forms, including extortion and bribery.</p> <p>A cornerstone of our active asset management approach is to establish a strong governance framework at each Portfolio Company.</p> <p>Engagement:</p> <p>BBGI aims to implement a code of conduct as part of the BBGI standard policies and is committed to avoiding corruption in all its forms and to complying with anti-bribery, anti-fraud and anti-money laundering laws applicable to them.</p> <p>BBGI aims to implement an Anti-bribery and anti-corruption policy across all its Portfolio Companies. BBGI shall verify, on a best-effort basis, that the policies on anti-bribery and anti-corruption in place are in essence consistent with the UN Convention against Corruption.</p> <p>BBGI will continue to engage with the Portfolio Companies which do not have a code of conduct or Anti-bribery and anti-corruption policy in place.</p>

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

As a signatory to the UNGC, the Fund acts in accordance with the UNGC Ten Principles and is guided by international standards when assessing the behaviour of its Portfolio Companies. Our commitment to these principles means that BBGI will expect Portfolio Companies to formally commit to the respect of human rights, and are expected to apply a zero-tolerance approach for human rights violations and incidents.

On an annual basis BBGI monitors the number of cases and incidents (if any) related to severe human rights issues from its Portfolio Companies. Those could be considered in comparison with the rights, freedoms and principles set out in the UNGC Ten Principles; and/or the OECD Guidelines for Multinational Enterprises; and/or the UN Guiding Principles on Business and Human Rights.

As part of the in-depth due diligence undertaken prior to any asset acquisition, as documented in the investment committee paper, BBGI screens the key counterparties to the Portfolio Company (vendor, equity partners, etc.) against the most up to date watchlists maintained by the UN, EU, FATF and national regulators to identify any alerts relating to money laundering or terrorism financing concerns, criminal investigations or prosecutions, targeted financial sanctions or adverse media in relation to those counterparties. The latest watchlist data is provided by Dow Jones.

The relevant counterparties to an acquisition, including their ultimate beneficial owners where applicable, are added to the Fund's database for daily screening against the aforementioned lists using the uComply name screening software. Any alerts generated as part of that screening are reviewed by the Compliance Function and escalated to the Management Board when necessary. This process may be subject to change from time to time.

3. Environmental or social characteristics of the financial product

What environmental and/or social characteristics are promoted by the Fund?

Our investment objective is aligned with six SDGs where BBGI's portfolio of essential social infrastructure investments have the greatest impact; together, the **'Characteristics Promoted'**.

The Characteristics Promoted by this financial product consist of investing in essential social infrastructure projects which serve an inherent social purpose. This financial product is inter alia composed of a portfolio of investments in healthcare, education, affordable housing, blue light, (fire and police stations) modern correctional justice facilities, clean energy and transport.



- SDG 3 (good health and well-being): The Fund has investments in hospitals, clinics and fire stations.
- SDG 4 (quality education): The Fund has investments in schools and colleges.
- SDG 9 (industry innovation and infrastructure): The Fund has investments in clean energy plants and in essential transportation projects.
- SDG 11 (sustainable cities and communities): The Fund has investments in affordable residential housing units and public rail transport projects.
- SDG 16 (peace, justice, and strong institutions): The Fund has investments in police stations, modern correctional justice facilities and public administration buildings.
- SDG 13 (climate action): The Fund screens all assets for resilience to climate hazards and natural disasters as a 'do no significant harm' test.

4. Investment strategy

Summary of investment strategy

The Fund's investment policy is to invest in equity, subordinated debt and/or similar interests issued in respect of infrastructure projects that have been developed predominantly under the Private Finance Initiative/Public Private Partnerships or similar procurement models.

The Fund principally invests in projects that are operational and that have completed construction, and has limited investment in projects that are under construction to 25 per cent. of the portfolio value, calculated as at the time of investment.

The Fund primarily invests in projects where payments received by the entities formed to undertake the projects, and hence the revenue streams from the projects, do not generally depend on the level of use of the asset and as such are "availability based". Investment in 'demand based' projects where, on average, 25 per cent. or more of payments received by the Portfolio Companies depend on the level of use made of the asset will be limited to 25 per cent. of the portfolio value, calculated as at the time of investment.

The Fund intends to invest predominantly in projects that are located in Europe, North America, Australia and New Zealand. However, the Fund may also invest in projects in other markets should suitable opportunities

arise. In addition, no more than 25 per cent. of the portfolio value (calculated as at the time of investment) will derive from projects whose revenue streams are not public sector or government-backed.

In order to ensure that the Fund has a spread of investment risk, it is intended that when any new acquisition is made, the investment acquired does not have an acquisition value greater than 20 per cent. of the portfolio value of the Fund immediately post-acquisition, but subject to an absolute maximum of 25 per cent. The Fund intends to make prudent use of leverage (and leverage in the context of the Fund shall exclude indebtedness in place at Portfolio Company level) primarily for working capital purposes and to finance the acquisition of investments.

The Fund has the ability to undertake currency and interest rate hedging for the purposes of efficient portfolio management.

For further details, please see our Prospectus here: <https://www.bb-gi.com/media/1082/12-nov-2014-uci-prospectus.pdf>

How are those characteristics met?

The Fund will invest predominantly in infrastructure projects whose revenue streams are public sector or government-backed.

The Fund's policies and procedures require compliance with the practices referred to above; for example, a due diligence process that includes a consideration of relevant environmental, social and governance factors before a decision is made to proceed with a particular investment.

What policies do we use to assess the good governance practices of Portfolio Companies?

The Company is committed to high quality governance at both the corporate level as well as the individual Portfolio Company level. The governance framework for Portfolio Companies in which BBGI invests includes the following practices:

- **Active Management:** A cornerstone of BBGI's active management philosophy is regular attendance at Portfolio Companies' board meetings. At least one BBGI staff member is expected to be present for all board meetings where BBGI has a board seat. Annual asset visits and client meetings are also part of this philosophy, where physical visits to some investments are not practicable or possible virtual client meetings are used.
- **Standard policies:** Another cornerstone of our active asset management approach is to establish a strong governance framework at each Portfolio Company. We have policies and procedures in place to obtain a reasonable degree of comfort that relevant Portfolio Companies have and maintain good governance practices, as follows:
 - We ask to see internal policies and procedures to enable us to take a view as to the robustness of the internal approach to governance; in particular, considering governance matters such as the soundness of management structures, employee relations and remuneration of staff (if any), codes of conduct, tax compliance, anti-slavery, anti-discrimination, cyber security, health and safety and whistle-blowing among other areas.
 - We consider governance issues in our due diligence process, used before making an investment, and will not make an investment unless we are able to form a positive view.

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- If a decision is made to proceed, an oversight and engagement strategy is put in place to ensure the position on governance is monitored and maintained, including reporting and regular meetings with the board and/or executive management team, and regular reviews of the environmental, social and ethical policies that the Portfolio Companies have in place and their adherence to these policies in the delivery of their services.
- The Fund also seeks to have, in the vast majority of cases, at least one appointed Fund board representative on each Portfolio Company. The Fund 's appointed director at the Portfolio Company's board level then reports back to the Fund and to the Fund 's management board at least on a monthly basis on areas such as governance at the Portfolio Company level.
- BBGI's standard policies include:
 - Biodiversity
 - Code of conduct including anti-bribery, anti-corruption and non-discrimination
 - Cyber security
 - Diversity (only relevant if the Portfolio Company directly employs more than three employees in similar functions)
 - ESG
 - Health and safety (workplace accident prevention policies)
 - Anti-slavery and human trafficking policy (or equivalent Modern Slavery Statement in the UK)
 - No-idling policy (for transport assets only)
 - Rapid escalation
 - Responsible contractor
 - Tax compliance
 - Whistleblowing

While we recommend these standard policies at all Portfolio Companies, it is not always possible to achieve 100% adoption when we have co-shareholders.

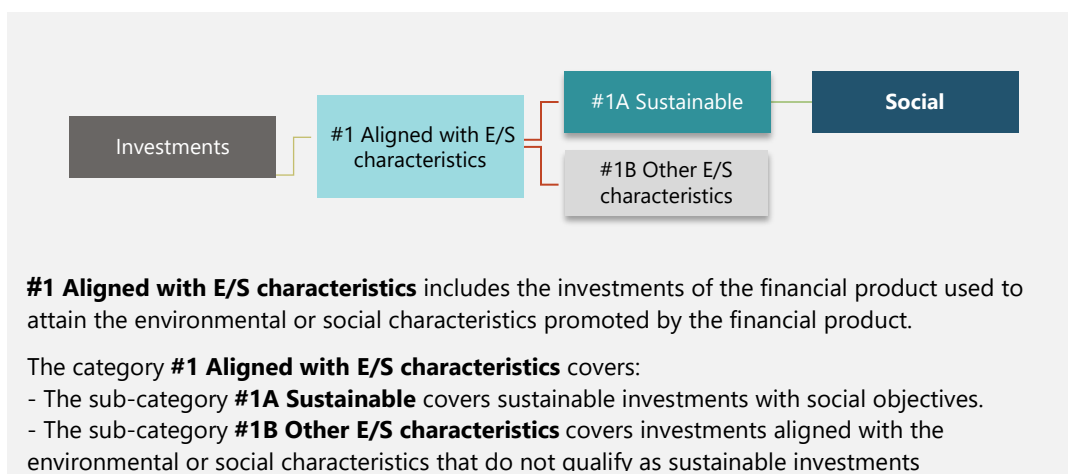
- **Monitoring:** Each policy should be reviewed at least every 18 months by the Portfolio Company's board.

5. Proportion of investments

Asset allocation for the Fund

The Fund intends to invest:

- 100% of the investments of BBGI are aligned with the Characteristics Promoted (#1 Aligned with E/S characteristics).
- 75% of the investments of BBGI qualify as sustainable investments with a social objective (#1A Sustainable).
- 25% of the investments of BBGI qualify as investments aligned with the Characteristics Promoted that do not qualify as sustainable investments (#1B Other E/S characteristics).
- The cash reserves are excluded.



Currently, BBGI has no investments which are either not aligned with the Characteristics Promoted, or do not qualify as sustainable investments.

Direct and indirect exposures

The Fund exclusively makes direct investments in Portfolio Companies.

In connection with certain investments, though, the Fund and/or its Portfolio Companies may employ hedging strategies (whether by means of derivatives or otherwise and whether in support of financing techniques or otherwise) that are designed to reduce the risks to the Fund and/or such Portfolio Companies of fluctuations in interest or other rates, securities, commodities and other asset prices and currency exchange rates, as well as other identifiable risks. The Fund may at times also have exposure to cash and cash equivalent positions for purposes of cash, liquidity, and risk management.

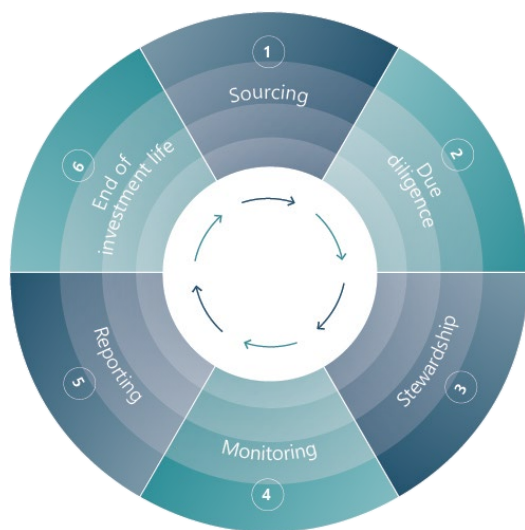
6. Monitoring of environmental or social characteristics

Investments made by this financial product align with one of the following six SDGs, and the sustainability indicators used to measure the attainment of each of the Characteristics Promoted are:

Characteristics promoted	Sustainability indicators	Impacts	
Create positive social outcomes	 Target 3 Good health and well-being	<p>Number and size (in m²) of healthcare facilities (hospitals and primary healthcare centres), which support the access to healthcare delivery.</p> <p>Number and size (in m²) of fire stations, which provide people with protection against fire-related injuries and fatalities, and mitigation of air, water and soil pollution caused by fire incidents. Fire stations also play a critical role as part of a first responders' network, supporting local population.</p>	<p>Number of patients</p> <p>Number of people</p>
	 Target 4 Quality education	<p>Number and size (in m²) of educational facilities (schools and colleges), which provide pupils with access to primary, secondary and adult education in an effective learning environment.</p>	<p>Number of pupils</p>
	 Target 9 Industry, innovation and infrastructure	<p>Number and length (in single-lane kms) of transportation assets (roads and bridges), which provide local population with reliable and resilient transport, and reduce travel times.</p> <p>The maintenance of road networks and bridges is necessary for (i) reliable and safe access, (ii) reducing traffic congestion, and (iii) decreasing greenhouse gas emissions by reducing transit times. Maintaining road elements, signalling, surfacing, and other security measures is crucial for a safe journey.</p> <p>Number of renewable energy power plants and power of the plant (in MW), which supports the access to clean and reliable electricity, while providing flood control and domestic water supply.</p>	<p>Number of vehicles</p> <p>Number of homes</p>
	 Target 11 Sustainable cities and communities	<p>Number and length (in kms) of urban rail transport, which provide people with safe and sustainable means of public transport.</p> <p>Number and size (in m²) of affordable residential housing units, which provide people with the access to affordable housing.</p>	<p>Number of passengers</p> <p>Number of people</p>
	 Target 16 Peace, justice and strong institutions	<p>Number and size (in m²) of police stations, which promote the rule of law and provide people with safety.</p> <p>Number and size (in m²) of modern correctional justice facilities, which promote the rule of law and are a necessary link in the functioning of judicial systems.</p> <p>Number and size (in m²) of public administration buildings, which provide local communities with access to public services.</p>	<p>Number of people</p> <p>Number of detainees</p> <p>Number of people</p>
	Do no significant harm	 Target 13 Climate action	<p>Portion of assets screened for resilience to climate hazards and natural disasters.</p>

SFDR Disclosures Level 2

BBGI aims to implement a robust framework for ESG integration into all aspects of the social infrastructure investment cycle, from initial screening through to end of investment life:



1 Sourcing

- Positive and negative screening to determine compatibility with BBGI's ESG policy
- Public data searched to identify ESG issues
- Screen potential new investments against a pre-defined exclusion list of certain types of activities that cause significant harm to society and/or the environment, without counterbalancing benefits.

The exclusion lists below are based on:

Environmental grounds, such as:

- exploration, mining, extraction, distribution (including transportation, storage, and trade), or refining of coal and lignite;
- exploration, extraction, distribution (including transportation, storage, and trade), or refining of oil or any other form of liquid fossil fuels;
- exploring, extraction (including storage, and trade) of gas, or any other form of fossil gaseous fuels; and
- destruction of critical habitats in such a way that the area's ability to maintain its role is lost, causing irreparable damage and/or major degradation of tropical natural forests or high nature value areas.

Social grounds, such as:

- manufacture, trade of arms and/or controversial weapons (anti-personnel mines, nuclear weapons, cluster weapons, chemical weapons, and biological weapons);
- combat-related activities, except for investments in assets whose primary function is the provision of defence-related facilities (e.g. accommodation and training);
- breach of fundamental human rights (as defined by the Ten Principles of the United Nations Global Compact)
- modern slavery and human trafficking;
- adult entertainment;
- gambling businesses;

- alcohol production or distribution; and
- tobacco production or distribution.

Governance grounds, such as key stakeholders' involvement in:

- money-laundering activities;
- terrorism financing.

2 Due diligence

- Align responsible investing approach to the SDG framework and specifically focus on aligning any potential investment to at least one SDGs where BBGI's social investment portfolio has greatest impact.
 - SDG 3: Good health and well-being,
 - SDG 4: Quality education,
 - SDG 9: Industry innovation and infrastructure,
 - SDG 11: Sustainable cities and communities, and
 - SDG 16: Peace, justice, and strong institutions.
 - SDG 13: Climate action ('do no significant harm').
- Detailed proprietary ESG KPI survey covering SFDR principal adverse sustainability impacts indicators
- ESG assessment completed as part of Investment Committee papers
- Seek when necessary appropriate environmental, climate and technical due diligence carried out by independent third-party experts
- Anti-money laundering screening and counter-terrorism financing database checks

3 Stewardship

- Implement ESG policies at Portfolio Company level
- Review and monitor assets for ESG-related issues and performance
- Assess climate risk against a 'Paris-Aligned' RCP 2.6 scenario (~+1°C warming) and a 'High emissions' RCP8.5 scenario (~+3.7°C warming) across three time periods (2020, 2050, and 2100)
- Regular employees training regarding ESG
- Review staff's achievement of ESG targets and executive compensation tied to ESG
- Management Board's STIP and LTIP targets contain ESG and GHG reduction targets
- Seek to share ESG best practices internally and externally
- Share ESG information acquired during concession period with our public sector clients

4 Monitoring

- Annual ESG KPI monitoring for each investment
- Active ESG management at the Portfolio Company level through engaged board representation

SFDR Disclosures Level 2

- Regular health and safety audits, fire audits, or other similar monitoring
- Consider investing to improve energy efficiency and reduce GHG emissions/decarbonisation pathways
- Where a potential climate risk is identified, monitor if mitigation measures can be implemented over time
- Annual reporting of ESG initiatives
- Identify areas of improvement

5 Reporting

- Communicate results to stakeholders

- Annual reporting in line with ESG standards (SFDR, UN PRI, UN Global Compact, NZAM, and TCFD)
- Continuous improvement of process and reporting

6 End of investment life

- Hold investment for the duration or realise value through the exit
- Responsible and collaborative approach to asset hand back to the public sector

Monitoring

Across our portfolio we introduced an enhanced ESG Best Practice Guide which is designed to support the implementation of BBGI's ESG & Sustainability strategy across all its Portfolio Companies. This guide includes a proprietary ESG KPI survey. All Portfolio Companies must update the ESG KPI survey on a yearly basis. As a result, all the data used for the monitoring of sustainability indicators; of principal adverse sustainability impact indicators; and to assess the good governance of Portfolio Companies are directly obtained from Portfolio Companies.

For further details, please see our ESG & Sustainability Risk Policy here: <https://www.bbgi.com/esg/policies/>.

7. Data sources and processing

The data sources used by the Fund to measure the attainment of the sustainable investment objective of the Fund are directly obtained from Portfolio Companies. The Fund can also use data from independent data providers as provided below:

How we use them

To the extent considered useful from time to time, we may utilise inputs from independent ESG consultants, research, ratings, and analytics firms. The ESG data is used (where available) to determine general or specific sustainability risks. BBGI will consider external ratings for the Fund on an annual basis or as appropriate.

Selection and oversight

Due diligence is applied to any independent data provider we use or rely on to a material extent, and is reviewed annually. The selection criteria used in the selection process include, amongst others, the following: competence and expansive coverage.

In respect of data processing, once the Fund receives the data from the independent ESG data providers, the Fund performs its own internal process with the intention of ensuring accuracy and completeness of the data, and the Fund proactively follows up with companies if it identifies significant discrepancies or needs more information to improve the quality or completeness of the data.

8. Limitations to methodologies and data

Getting complete and accurate data can sometimes be challenging.

In some cases, data coverage might not be possible or might be difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Indeed, investments made by the Fund may be located where there may be little to no common reporting standards with respect to ESG information or data. Furthermore, reporting standards within and outside the European Union and for certain sectors may be nascent or developing. Reasonable efforts shall nonetheless be made to obtain the required data. If the data is not reasonably available, and cannot be reasonably estimated based, that fact shall be recorded instead.

9. Due diligence

BBGI aims to identify and consider material principal adverse sustainability impacts before a decision is made to invest in a particular Portfolio Company; and once an investment has been made, puts in place appropriate measures to monitor, manage and mitigate such impacts where possible. This is done pursuant to robust processes that require extensive due diligence before an investment is made.

For further details, please see our ESG & Sustainability Risk Policy here: <https://www.bb-gi.com/esg/policies/>.

10. Engagement policies

We responsibly serve multiple stakeholders, including our people, our public sector clients, our suppliers and partners, our communities and users, and our investors. We regularly and actively engage with our key stakeholders on ESG; including with our investors, our staff, our supply chain partners and our public sector clients.

We believe that by engaging with the companies in which we invest, we can improve our understanding of them and ultimately protect and enhance the value of the investments we make, delivering better long-term performance. We also believe that good standards of corporate responsibility make good business sense and help protect and enhance investment returns. Our investment process therefore seeks to assess this on an initial and ongoing basis, and monitor and engage with Portfolio Companies over time to promote good governance.

For further details, please see our ESG & Sustainability Risk Policy here: <https://www.bb-gi.com/esg/policies/>.

11. Designated reference benchmark

No specific index is designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes.

12. EU Taxonomy

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The ‘do no significant harm’ principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities.

The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Hence, the proportion of investments underlying the remaining portion of this final product that take into account the EU criteria for environmentally sustainable activities is 0%.

The proportion of investment in fossil gas and/or nuclear energy related that comply with the EU Taxonomy is 0%.

13. Additional product-specific information

More product-specific information can be found on the Fund 's website at www.bb-gi.com.

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