

SMART CITY INFRASTRUCTURE FUND (SCIF)

RESPONSIBLE INVESTMENT CODE

INTRODUCTION

The SCIF Responsible Investment Code defines seven principles and supporting guidelines to achieve the aims and commitments set by our Responsible Investment Policy.

To achieve these aims and commitments, SCIF not only embraces current best practices and is committed to operate in accordance to the UN Global Compact's 10 Principles and ascribe to the United Nations Principles for Responsible Investment (UNPRI), but also endeavours that its assets and portfolio companies operate in accordance with the same principles.

This Code applies to SCIF's unlisted infrastructure equity investments.

GOALS

SCIF aims to be a global leader in responsible investment in infrastructure. SCIF aims to create, foster and raise a culture of responsible investment, by its employees, in its portfolio companies and assets, and in the broader financial community.

SCIF is committed to long term value creation and sustainable growth, and acknowledges the importance of investing in a responsible fashion, considering environmental, social and governance (ESG) matters, while preserving high ethical and business integrity standards.

Given the relevance of environmental, social and governance matters as both risks and opportunities for our infrastructure assets, SCIF believes that the correct management of ESG issues both contributes to value creation and also materially reduces risk.

As a long term investor, SCIF believes in the need to embrace ESG considerations and matters in its culture, policies and practices, to diminish risk, increase financial returns, meet our investors' expectations and contribute to society as a whole.

PRINCIPLES AND GUIDELINES

SCIF will:

Strengthen awareness of environmental, social and governance issues in its culture and processes, investment analyses and activities, aiming at reinforcing the practice of responsible investment.

- > Provide employees and portfolio companies with educational materials on ESG matters.
- > Ensure its employees are appropriately trained on ESG sensitive matters.
- > Develop and embrace up-to-date policies, systems and tools.
- > Ensure the adoption of the SCIF Responsible Investment Reporting Framework (RIRF) during both due diligence and asset management stages.

SCIF will:

Ensure that ESG issues are, prior to the investment being undertaken, manageable through adequate procedures and, after the investment, monitored to reduce risks and maximize compliance with SCIF's standards.

- > Evaluate all material actual and latent ESG risks, the actions taken in the past and currently in place to deal with them and the deployable mitigants for the future.
- > Ensure ESG risks will not compromise SCIF's reputation and business performance.
- > Periodically report on ESG progress to investors, clients and the general public.

SCIF will:

Employ an integrated approach to ESG risk evaluation and management, which considers multiple risks through the entire investment process, from investment origination to exit.

- > Develop and periodically review an internal ESG risk assessment system (the RIRF, Responsible Investment Reporting Framework).
- > Employ the RIRF during due diligence.
- > Monitor ESG related threats and opportunities, considering their potential financial and reputational impact.
- > Preserve consistency in the ESG monitoring: adopt the RIRF during the asset management phase, to keep track of the progress of existing ESG strategies on previously identified issues and to oversee latent risk and opportunities.
- > Monitor SCIF's and portfolio companies' ESG performance and report to clients and investors.

SCIF will:

Choose investment partners with a proven track record of high ethical and business integrity standards and alignment with SCIF's views on ESG matters.

- > Assess the ethical and business integrity standards of business partners.
- > Make ESG one of the evaluation parameters in the choice of investment partners.
- > Where possible, educate business partners about SCIF's ESG approach and its commitment towards sustainability.

SCIF will:

Only invest in countries and businesses that meet SCIF's requirements on specific ethical issues (e.g. no human rights abuse, no corrupt businesses, etc.).

- > Define and comply with a "Negative Screen" list of specific issues that must be complied with before investment is permitted.
- > Define and comply with a "Black List" of countries where SCIF is not willing to invest, based on a set of indicators including ESG related issues (e.g. protection of human rights, corruption level, respect/signatory of international environmental protocols and regulations, etc.).
- > Ensure the "Negative Screen" and "Black List" are regularly updated to keep track of ongoing developments.

SCIF will:

Promote the respect of high standards of integrity, honesty and business conduct by portfolio companies.

- > Asses the current integrity of the business.
- > Promote the diffusion of a corporate culture based on the highest ethical standards of business conduct.

SCIF will:

Foster ESG awareness in the industry, stimulating competitors and peers to embrace responsible investment practices.

- > Promote our engagement and effort on responsible investment within the industry.
- > Engage in the activities promoted by the various responsible investment networks.
- > Participate in events and talks, publish research and papers on the topic.