



Keppel Core Infrastructure Fund

Responsible Investment Policy

July 2023

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About Keppel

Keppel is a global asset manager and operator with strong expertise in sustainability-related solutions spanning the areas of infrastructure, real estate and connectivity. Headquartered in Singapore, Keppel operates in more than 20 countries worldwide, providing critical infrastructure and services for renewables, clean energy, decarbonisation, sustainable urban renewal and digital connectivity.

Keppel creates value for investors and stakeholders through its quality investment platforms and diverse asset portfolios, including private funds and listed REITs and a business trust, and has a total portfolio with more than S\$65 billion of assets under management.

Keppel's Fund Management platform focuses on raising capital and forging strong relationships with investors by bringing to them the best of the Company's solutions, investments and operating teams. The Investment platform plays a central role in driving capital deployment decisions, bringing together Keppel's investment and value enhancement expertise to create value for investors.

About this Responsible Investment Policy¹

At Keppel's Fund Management & Investment platforms, we embrace sustainability not only as a guiding principle, but on all strategic and operational levels. With sustainability at the heart of our strategy, we aim to create enduring value for our stakeholders—through Environmental Stewardship, Responsible Business Practices and Nurturing our People and the Communities, wherever we operate.

Our Responsible Investment Policy (the "Policy") communicates our overarching ESG philosophy and investment approach. It is aligned with the Environmental, Social and Governance ("ESG") strategy of Keppel, and includes contributing to the United Nations Sustainable Development Goals ("SDGs"). We take reference from Keppel's policies to guide our management of ESG issues. These policies include:

- [Keppel Board Diversity Policy](#)
- [Keppel Code of Conduct](#)
- [Keppel Environmental Sustainability Policy](#)
- [Keppel Global Anti-Bribery Policy](#)
- [Keppel Health, Safety and Environment Policy](#)
- [Keppel Human Rights Policy](#)
- [Keppel Statement on Diversity & Inclusion](#)
- [Keppel Supplier Code of Conduct](#)

¹ Prepared in conjunction with SGS

As a signatory of the United Nations Global Compact, Keppel Capital is committed to the Ten Principles of the United Nations Global Compact, which include human rights, labour, environment and anti-corruption. Keppel Capital is also a CDP capital markets signatory, dedicated to driving corporate environmental transparency toward a low-carbon, sustainable future. As a signatory of the United Nations-supported Principles for Responsible Investment (“PRI”), Keppel Capital is committed to adopting and implementing the six Principles, where possible.

For the avoidance of doubt, “ESG” and “Sustainability” will be used interchangeably in the Policy. Keppel will periodically review and update the Policy as necessary.

Scope

The Policy applies to our investments in Singapore and globally, where Keppel invests, operates, and has a controlling influence. In cases where Keppel has a limited ability to influence, only certain elements of the Policy may apply. The Policy is also subject to various factors such as asset class, geographical location, and percentage of holding.

Sustainability Strategy at Keppel’s Fund Management & Investment Platforms

Our approach is to actively evaluate, consider, and integrate a broad range of ESG themes that are material to Keppel’s Fund Management & Investment platforms across our operations, and in evaluating our investment decisions. Keppel’s Fund Management & Investment platforms adopt a three-pronged sustainability approach—Environmental Stewardship, Responsible Business and People & Community. In each area, we address risks and opportunities of ESG topics most material to us based on our understanding of our impact and our stakeholders’ interest.



Environmental Stewardship

Keppel’s Fund Management & Investment platforms recognise the risks posed by climate change and support the Paris Agreement goal to limit global temperature increase to 1.5°C compared to pre-industrial levels. As a responsible asset manager, Keppel’s Fund Management & Investment platforms have aligned their emission reductions initiatives with that of Keppel. We support Keppel’s commitment of halving Scope 1 & 2 emissions by 2030 and achieving net zero by 2050. In addition, we are aligned with the [Keppel Environmental Sustainability Policy](#).

As such, Keppel’s Fund Management & Investment platforms seek to reasonably prioritise opportunities to invest in businesses and assets with the potential to reduce carbon emissions and improve environmental management, which are material ESG topics to the organisation. Keppel’s Fund Management & Investment platforms have identified climate-related financial losses as a risk and see opportunities in investing in technologies that enable the global energy transition. Our goal is to tap on our influence as a responsible investor to mitigate the impacts of climate change.



Responsible Business

Keppel's Fund Management & Investment platforms believe that responsible business practices form the foundation of our work. We prioritise sustainable innovation, which we believe creates long-term stakeholder value. We invest in resources to become responsible investors to capture above-average market returns for our investors and maintain strong corporate governance throughout our supply chain. This is articulated in the [Keppel Code of Conduct](#) and [Supplier Code of Conduct](#). In addition, we actively involve diverse stakeholders in the management of our ESG performance.

By adopting industry-leading practices in responsible asset management, we consider ESG factors across our business and investment decisions and management. This allows us to identify new opportunities and develop new products for our investors. For instance, Keppel's Fund Management & Investment platforms seek to accelerate the adoption of renewable energy and hybrid solutions by investing in them across the value chain—this includes wind farms, solar panel platforms, green buildings and hydrogen and battery mobility solutions. Our goal is to capture opportunities that will contribute to a more sustainable world while delivering positive financial returns for our investors.



People & Community

People are the cornerstone of our business. At Keppel's Fund Management & Investment platforms, we are committed to our global workforce's development, well-being, and safety, and are aligned with the [Keppel Health, Safety and Environment Policy](#).

Through training and development, we aim to build the capacity of our employees to manage ESG performance and engage investors, suppliers, industry partners, occupiers, and end-users to improve our social and environmental performance. In addition, we aim to build an agile and collaborative workforce, with vast experiences across functions and geographies by embedding diversity and inclusion within our human capital management approach. This is also articulated in the [Keppel Statement on Diversity & Inclusion](#).

Furthermore, we invest in resources to create a positive impact on the health, safety and well-being for all employees and contractors in organisations or projects where we have considerable control. Our goal is to ensure we have a positive impact on health, safety, and well-being of all stakeholders across our supply chain—starting with our people.

Through the three-pronged strategy, we seek to improve the management of ESG topics in our own operations and investments. The ESG factors we actively consider are aligned with Keppel's, as listed below in Table 1.

Table 1. ESG factors

Environmental Stewardship	People and Community	Responsible Business
Climate Action and Environmental Management ¹	Human Capital Management ¹ Health and Safety ¹ Community Development ²	Corporate Governance and Risk Management ¹ Economic Contribution to Society ² Supply Chain Management ²

Legend ¹ Highly critical ² Critical

Responsible Investment Approach

Keppel Capital is a signatory of the United Nations-supported PRI, committed to adopting and implementing the six Principles, where possible. We consider various ESG factors in our investment decisions, based on the fund’s selected ESG strategy. The ESG strategy of **Keppel Core Infrastructure Fund** (“**KCIF**”, or “the Fund”) was created based on our current understanding of sustainable investing opportunities in the market.

Keppel Core Infrastructure Fund

Infrastructure is widely considered to have a positive social impact, enabling sustainable economic growth. It forms the backbone of every economy, enabling economic and social development.

KCIF addresses the need to integrate ESG in all our investment decisions. We aim to engage in business practices that are environmentally and socially sound, as well as to ensure that investments are compliant with local ESG-related regulations. Our strategies on achieving financial returns are strongly focused on investing in economic and social infrastructure, energy transition infrastructure and digital infrastructure in a responsible manner.

Specifically, we aim to:

- 1) Exclude investments in companies that breach the Ten Principles of the UN Global Compact. In addition, the Fund will not knowingly invest in companies deriving more than 5% of its revenue from armaments, alcohol, gambling, pornography, non-medical animal testing and tobacco. The Fund will also not invest in any businesses that involves thermal coal, such as coal-fired power plants.
- 2) Ensure all investee companies have good corporate governance, as well as abide with local laws and the Keppel Supplier Code of Conduct.
- 3) Where possible, improve investee companies’ or projects’ ESG performance.

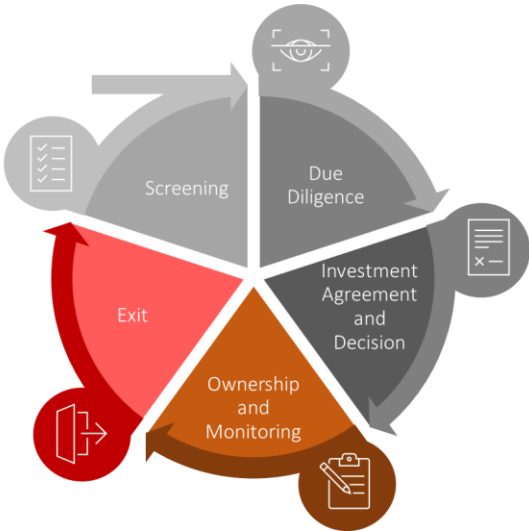
ESG Integration – Keppel’s Fund Management & Investment Platforms’ ESG Framework (“Framework”)

The Framework follows a five-stage approach, with Keppel's Fund Management & Investment platforms’ ESG Committee providing oversight, advice and guidance where needed. Our Framework for responsible investment supports the consideration of various ESG issues throughout KCIF’s investment life cycle.

It also includes criteria that will enable us to consider the most material impacts of our investments, both positive and negative. This Framework is fully integrated into the Fund’s investment processes, asset management and portfolio optimisation processes. A direct mapping to KCIF’s investment process and procedures is indicated alongside the Framework’s five stages for easy reference.

Our existing investment approach includes understanding the culture and social aspects of the location in which the investments are located and working towards improving their financial returns. This allows us to conduct a risk assessment to support the underwriting of the investment. In addition, as a Fund focused on improving access to essential services, we screen assets / projects to ensure their suitability to achieve our target SDGs. The five stages of the Framework are depicted in Figure 1 below:

Figure 1. ESG Framework



Stage 1: Screening/Pre-Due Diligence / KCIF's Deal Screening

Firstly, the Investment Manager (“IM”) performs an initial categorisation of the potential material environmental and social topics related to the investment. During this stage, the IM screens out any clear 'no-go' investments based on our preliminary ESG considerations. This stage facilitates internal alignment on the potential investment.

Our proprietary ESG screening tool assesses the investment based on ESG factors, flags potential ESG risks and helps us achieve our target SDGs. This information helps the Fund's team allocate appropriate resources and shapes the scope of the Due Diligence stage.

In this stage, the IM screens the potential investment against [KCIF's exclusion list](#) and conducts a high-level view of its management and performance across all material ESG factors, such as Business Ethics, Carbon Emissions, and Resource Efficiency and Pollution Prevention. The list of relevant material factors is included in Annex 2.

In addition, the IM will start aligning its investments based on targets set out in the SDGs, such as SDG Indicator 7.1.2 (proportion of population with primary reliance on clean fuels and technology), to ascertain the potential level of contribution it can make to the relevant goals.

The analysis above would be included in the Early Warning Paper (“EWP”), the first-stage investment approval prepared by the Investment Team and submitted to the relevant CEOs of Keppel, including selected senior members of Keppel, for their consideration and approval. Once approval is obtained, the Investment Team will submit the necessary non-binding bids for the vendors consideration and acceptance.

Stage 2: Due Diligence (“DD”) / KCIF's Initial Investment Committee (“IC”) Submission

If the non-binding offer is accepted and KCIF is shortlisted for the next stage, the Investment Team will prepare a preliminary transaction memo. This will be submitted to the IC for consideration on the deal's investment merits and whether to proceed to carry out detailed due diligence investigations (which includes identified ESG risks), as well as negotiation of definitive documents in relation to the potential investment.

Upon approval by the IC, the deal proceeds to the DD stage where the IM further examines the relevant ESG risks. The evaluation of risks is conducted via desktop research, site visits, and on-site technical evaluation, which allows the IM to make an informed decision considering: (a) ESG factors, such as but not limited to, greenhouse (“GHG”) emissions, waste management, energy efficiency, water usage, labour standards, employee & community engagement, data protection and privacy, board composition, compensation, and corporate governance; and (b) in-house capacity to manage these factors.

The IM will, through the Fund, engage a local ESG/Environmental Impact Assessment (“EIA”)/Safety/Indigenous People consultant. The consultant will provide advisory and conduct technical due diligence to ensure ESG risks are mitigated. These DD findings provide critical information to the underwriting and negotiation processes led by the IM.

Stage 3: Investment Agreement and Decision / KCIF's Final IC Submission

If the negotiation and DD phase proceeds successfully, the Investment Team will prepare a detailed IC submission to seek the IC's approval to submit a binding offer and delegation of authority to finalise and enter into relevant transaction documents. Upon selection and acceptance of the binding offer, the Investment Team will negotiate and finalise terms and conditions, including key documents for the transaction.

The final IC submission will include the results of the environmental and social impact assessment, as well as mitigation plans for identified ESG risks of the project. A deal will be accepted if it is found to have insignificant risks, or an acceptable level of risk. In the latter case, appropriate risk mitigation measures such as a sustainability roadmap is articulated at this stage, including any periodic monitoring process and remedial plans, if any.

A deal may be rejected in cases where the ESG risks are evaluated as being too high or where ESG opportunities are identified as not meaningful. For example, a deal will not be considered if the investment does not achieve the minimum acceptable level set by the IM based on the GRESB Infrastructure Asset Assessment, or if it does not possess the required regulatory license or EIA approvals.

Stage 4: Ownership and Monitoring / KCIF's Portfolio Management Process

Post-acquisition, the Fund will rely on the Asset Management team ("AM") to manage the portfolio company and/or engages relevant consultants, contractors, operating partners, and suppliers (as the case may be) to monitor ESG performance of the asset and evolving ESG risks. This stage is often highly dynamic and is subjected to new developments and potential risks. Risks are managed through active consultation with the relevant stakeholders.

Regular monitoring will be put in place to ensure that the company or project management team abide by good corporate conduct as set out in the Keppel Supplier Code of Conduct.

In addition, data on measurable environmental and social metrics, such as GHG emissions, worker safety, board composition, metrics based on SDGs, may be collected, monitored, and reported. Where the AM has controlling influence, we may engage the company or project team on a critical performance indicator as set out in the sustainability roadmap established in the previous stage. KCIF will publish the ESG performance of the asset on an annual basis to keep investors updated.

Stage 5: Exit / KCIF's Periodic Buy/Hold/Sell Review Processes

KCIF adopts a core infrastructure investment strategy with intentions to invest and hold investments until concession expiry and/or the end of its economic life. Periodically, buy/hold/sell decisions will be evaluated to ensure best value for the Fund's investors taking into consideration regulatory changes, technology obsolescence or unsolicited offers that are above market or fair

value. The IM may consider divesting if a portfolio company consistently underperforms in ESG, including underperformance in critical ESG metrics such as GHG emissions or worker safety.

If a decision to sell is made, the IM engages with buyers and prepares any reference material to ensure to its best of its ability the Fund's ESG objectives post divestment.

Exclusions

The Fund's exclusion list is aligned with Keppel's Fund Management & Investment platforms' Responsible Investment Policy. KCIF will not knowingly invest in companies deriving more than 5% of its revenue from armaments, alcohol, gambling, pornography, non-medical animal testing and tobacco. The Fund will also not invest in any businesses that involves thermal coal, such as coal-fired power plants. The exclusion list also avoids investments in activities that breach the Ten Principles of the UN Global Compact. Using the Framework, we conduct negative screening and to ensure consistent application of its exclusion list.

Reporting and Disclosures

As a CDP capital markets signatory, Keppel Capital is dedicated to driving corporate environmental transparency. In the portfolio of funds under the Keppel umbrella, the listed entities align their reporting with the recommendations of the Taskforce on Climate-related Financial Disclosures. In addition, selected listed and private funds disclose ESG data through the Global Real Estate Sustainability Benchmark ("GRESB") and/or CDP.

KCIF intends to base its reporting using the Global Reporting Initiative Universal Standards ("GRI") and Sustainability Accounting Standards Board ("SASB"). The Fund also will be seeking to be a GRESB participant and align disclosures with recommendations of the Task Force on Climate-Related Financial Disclosures. Given that the Fund's geographical coverage is mainly focused on Asia Pacific², the Fund intends to have a transition period of 5 years, which is in line with the initial build-up period of the Fund, to be fully compliant with GRI, SASB and GRESB reporting and disclosure standards.

Stewardship and Stakeholder Engagement

We seek to be active owners and consider stakeholder engagement a crucial driver of the Policy. We believe in using our influence to maximise overall long-term value including the value of common economic, social, and environmental assets, on which returns, and investors' and beneficiaries' interests depend.

² Only a handful of companies have signed up to TCFD in Asia Pacific with differing periods of implementation. Similarly, for GRI only limited number of countries are signatories and varying degrees of disclosure compliance rate. While the Investment Team will instill the ESG best practices for the portfolio companies, there may be challenges in obtaining the reliable information and will be highly dependent on the local regulatory regime to ensure the ESG monitoring and compliance.

Our engagement approach involves direct dialogue with our internal and external stakeholders on the identified ESG themes such as climate change, and other material topics where relevant. Keppel's Fund Management & Investment platforms have conducted an internal stakeholder management workshop to identify key stakeholders. We value regular engagement with investors, operating partners, suppliers, tenants and local communities. In addition, we intend to identify and implement ways of monitoring and measuring the effectiveness of our engagement with the goal of improving our assets' ESG performance. Adopting a collaborative approach, Keppel's Fund Management & Investment platforms strive to minimise negative externalities of our business while creating value for our stakeholders.

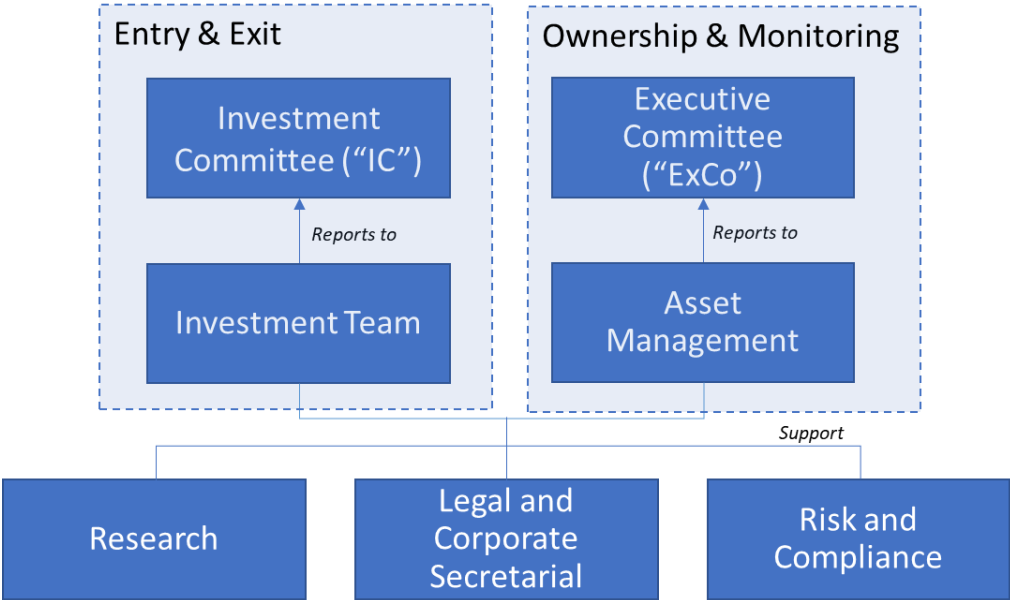
Governance

Keppel's Fund Management & Investment platforms have formed an ESG Committee which is responsible for communicating structure, policies, and regulations within the organisation. The Committee is also responsible for oversight of ESG disclosures for investment products. In terms of hierarchy, the ESG Committee reports to Keppel's Fund Management & Investment platforms' senior management who hold the ultimate ownership of ESG-related investment decisions. The Committee meets at least twice in a year for discussions on updates related to materiality, performance, disclosures, regulations, and investment approach. Keppel's Fund Management & Investment platforms strive to build long term capability and integrate ESG at the core of investment decisions.

At KCIF, the IM work with external consultants to implement the Fund's sustainable investment approach. The Fund's IC reviews sustainable investment approach, priorities, policies, and tools on an as-needed basis. There will not be a separate ESG committee at the fund level, as ESG-related matters will be part-and-parcel of the investment processes and consideration, similar to other areas like technical, financial, and legal reviews.

Such matters, depending on the stage of the investment, will be reviewed in detail by the Fund's IC (entry or exit of the investment) and executive committee (ownership and monitoring stage of the investment). These committees will be supported by Research, Risk and Compliance and other key divisions within Keppel to ensure a holistic approach in capturing the latest development in market and regulatory changes, if any, to arrive at a more thorough and balance assessment of the investment, as shown in the diagram below.

KCIF's ESG Governance³



³ ESG-related matters will be part-and-parcel of the investment processes and consideration, similar to other areas like technical, financial and legal reviews

Annexes

ANNEX 1

ESG Considerations throughout Investment Lifecycle

When evaluating ESG factors, the KCIF team actively considers ESG factors through the lifecycle of KCIF's investments. A sample of ESG-related questions that we consider are summarised in the Table 1 below.

Table 2. ESG Considerations throughout investment lifecycle

Stage	Key Business Activities	ESG Considerations
Screening and DD, Investment Decision and Agreement	Entry	<ul style="list-style-type: none"> • What ESG risks have been identified for the asset, their financial impact, and ESG impact (in accordance with SDGs) on the investment of portfolio? • Have we evaluated the stranding risk of the asset via tool by tracking GHG emissions of portfolio?
Ownership and Monitoring	Own/Engage	<p>Where we have controlling influence,</p> <ul style="list-style-type: none"> • What is our portfolio's contribution to SDGs annually? • What are the physical retrofits that we can implement to reduce energy and water usage intensity? • What are the latest technologies and solutions (that have been tested and proven) that can help us improve the asset's energy, water usage, non-renewable resources performance? • What can we do to improve health and safety of workers? • What can we do to encourage community engagement? • What are sustainability roadmaps we can create to improve ESG performance of the company? • How will our sustainability enhancements be measured and/or certified? •
Exit	Exit	<ul style="list-style-type: none"> • How does ESG risks affect exit yields and/or liquidity? • Have KCIF's sustainability roadmaps for the asset been met? • Are the prospective buyers aligned with our ESG considerations and have priced the asset in accordance with its ESG performance? • Are we providing adequate, accurate and comparable data to meet the purchasers' ESG due diligence requirements?

ANNEX 2

About the KCIF ESG Screening Tool

- To integrate ESG considerations into Keppel’s investment approach, the IM assesses different material issues across the investment cycle – Screening, Due Diligence, Investment Agreement, Ownership & Monitoring, and Exit.
- KCIF’s IM has engaged an external consultant to develop a proprietary screening tool ensure compliance with Keppel’s exclusion list and ascertain the asset’s ESG risks at the Screening stage.
- Under the “Risk” dimension, this tool helps classify the asset’s risks across four sub-categories – 1) level of potential reputational risk for Keppel, 2) level of non-compliance with current regulations, 3) level of exposure to ESG risks (e.g. community health, labour management, carbon emissions), and 4) level of non-conformance to Keppel’s Exclusion Policy.

Figure 2. KCIF’s ESG Screening

KCIF’s ESG SCREENING				
Risk Type	Non-Conformance	Reputational	Non-compliance	ESG Management & Performance
Material ESG Factors	Governance	Business Ethics (incl. Anti-Corruption)		
		Governance (incl. Systemic Risk Management, Selling Practices & Product Labeling)		
	Social	Community health, safety, and security		
		Occupational health and safety (OHS)		
		Labor management		
		Land access, use and acquisition		
	Environmental	Carbon Emissions		
		Biodiversity conservation & ecosystem services		
		Extreme weather		
		Resource efficiency and pollution prevention		

ANNEX 3

The Ten Principles of the UN Global Compact

Corporate sustainability starts with a company's value system and a principled approach to doing business. This means operating in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption. Responsible businesses enact the same values and principles wherever they have a presence, and know that good practices in one area do not offset harm in another. By incorporating the Global Compact principles into strategies, policies and procedures, and establishing a culture of integrity, companies are not only upholding their basic responsibilities to people and planet, but also setting the stage for long-term success.

The UN Global Compact's Ten Principles are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

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.