

We invest
We manage
We grow



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Proven
sustainability
leadership

Creating value in European mid-market
infrastructure investments

Arcus is an independent European infrastructure investor focused on three sectors: telecoms, transport and energy.

Our experienced and diverse team, proven investment strategy and repeatable approach to value creation enable us to deliver strong returns across the investment cycle.

Company Overview

EXPERIENCED AND STABLE TEAM**



46

PEOPLE



27

INVESTMENT
PROFESSIONALS



58/42%

MALE / FEMALE
GENDER SPLIT



27%

FEMALE SENIOR
MANAGEMENT*



5

EUROPEAN
OFFICES



13

YEARS' AVERAGE
EXPERIENCE

PROVEN ABILITY TO CREATE ALPHA ACROSS WHOLE PORTFOLIO**

12

INVESTMENTS***

€3.7bn

AUM

€8.6bn

RETURNED TO INVESTORS + FAIR
VALUE OF CURRENT INVESTMENTS

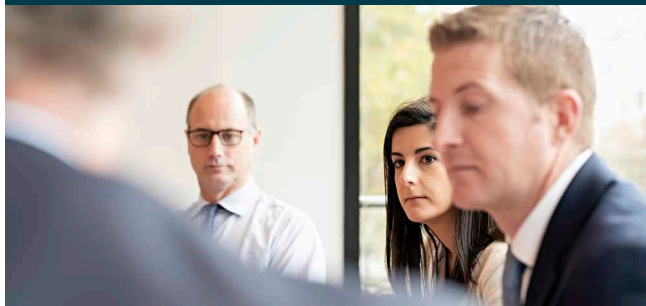
* Defined as Arcus Partners, senior investment team and key functional roles in compliance, risk and finance

** As at 31 December 2019

*** Arcus investments since 2009, including eight current and four realised investments

Arcus at a Glance

EXPERIENCED STABLE TEAM



27

investment professionals

5

offices

20

years' average Partners experience in infrastructure

13

years, Partners working together

70+

transactions

DEFINED MARKET OPPORTUNITY



Europe

Mid Market Value-Add



Telecom



Transport



Energy

FOCUSED ASSET SELECTION PROCESS



108

opportunities reviewed in the last 12 months¹

REPEATABLE APPROACH TO VALUE CREATION



Shareholder Leadership

Management Excellence

Strategy & Operations

Finance & Reporting

¹ 12 months prior to December 2019

Our Portfolio

The Arcus portfolio as at 31 December 2019

ALPHA α TRAINS



Sector	Transport
Vehicle	Managed account
Investment year	2008
Country	Luxembourg
Ownership	51%
Employees	c.120

Brisa



Sector	Transport
Vehicle	AEIF1
Investment year	2007
Country	Portugal
Ownership	37%
Employees	c.2,900

CONSTELLATION COLD LOGISTICS



Sector	Transport
Vehicle	AEIF2
Investment year	2019
Country	Luxembourg
Ownership	100%
Employees	c.210

efiber



Sector	Telecoms
Vehicle	AEIF2
Investment year	2018
Country	Netherlands
Ownership	97%
Employees	c.11

IGTC



Sector	Transport
Vehicle	Managed account
Investment year	2016
Country	Poland
Ownership	76%
Employees	c.12

horizon ENERGY INFRASTRUCTURE



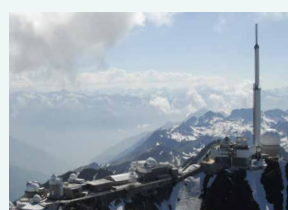
Sector	Energy
Vehicle	AEIF2
Investment year	2019
Country	United Kingdom
Ownership	100%
Employees	c.20

swiss4net open fibre access



Sector	Telecoms
Vehicle	AEIF2
Investment year	2018
Country	Switzerland
Ownership	78%
Employees	c.8

tdf



Sector	Telecoms
Vehicle	Managed account
Investment year	2015
Country	France
Ownership	45%
Employees	c.2,100

LETTER FROM ARCUS CO-MANAGING PARTNERS



2019 – A year of growth and ESG improvements

Dear Arcus stakeholders

We are pleased to publish this inaugural Arcus Infrastructure Partners LLP ("Arcus") Sustainability Report for the year ended 31 December 2019. The Sustainability Report provides a summary of Arcus' approach to ESG matters and a report on key 2019 initiatives as well as an update on recent ESG activity at our investee companies. We plan to publish an Arcus-wide Sustainability Report annually, available on our website, in addition to each of our individual Funds' Quarterly and Annual Reports which are provided exclusively to their respective investors.

Arcus believes that the provision of high-quality infrastructure is critical to Europe's future economic growth, environmental protection, societal development and to the reduction of inequality. As an asset manager, we systematically integrate the evaluation of ESG risks and opportunities into our origination, asset management and exit decisions.

Our focus on assessing and managing ESG risks and pursuing ESG opportunities relevant to infrastructure stems from our desire to act in the best interests of our investors and other stakeholders and our belief that incorporating ESG factors into our policies and procedures helps us to create responsible investee companies, which will generate long-term sustainable value for all stakeholders and to deliver better long-term returns for our investors.

Since its formation in 2009, Arcus has focused on responsible investment as a key component of its investment strategy, with detailed origination, due diligence and asset management processes for each of the environmental, social and governance topic areas. This approach was formalised in July 2014 with the development of Arcus' first ESG Policy, which has since been reviewed and revised annually, most recently in December 2019, and which is available on our website.

In 2016, Arcus appointed a Head of ESG and formed an ESG Committee. The ESG Committee met quarterly during 2019, and its performance was last reviewed by the Management Committee in December 2019.

Arcus is a signatory to the UNPRI, the UN Global Compact, the UK Stewardship Code, and is a member of GRESB Infrastructure, Invest Europe, the Global Infrastructure Investor Association ("GIIA") and the British Venture Capital Association ("BVCA"). Two subsidiaries of Arcus, Arcus European Investment Manager LLP ("AEIM") and Arcus Infrastructure Services LLP ("AIP"), are licensed and regulated by the UK's Financial Conduct Authority ("FCA").

ARCUS BUSINESS UPDATE

2019 was a good year for the Arcus business and was accompanied by strong operating and financial performance across the portfolio investments in each of Arcus European Infrastructure Fund 1 ("AEIF1"), Arcus European Infrastructure Fund 2 ("AEIF2") and the separate Managed Accounts.

During the year, Arcus held further interim closings for AEIF2, and in April 2020, the final closing for AEIF2 increased the fund size to €1.22 billion, representing commitments from 32 international investors. Arcus completed two further investments for AEIF2: Constellation Cold Logistics (comprising three underlying cold storage businesses, Glacio in Norway, Lintelo in the Netherlands and Stockabo in Belgium) and Horizon Energy Infrastructure, a UK-based smart metering business.

Arcus continued to apply intensive asset management to the other two investments in AEIF2, Swiss4Net and E-Fiber. With investments completed in each of Arcus' three target sectors, Arcus is on track to deliver a well-diversified portfolio for AEIF2, consistent with its investment strategy. All four investments are high-quality, European, mid-market companies in the telecoms, transport and energy sectors.

During 2019, Arcus completed the sale of its shareholding interests in Alpha Trains and Euroports held by AEIF1. The last remaining asset in AEIF1, Brisa, is currently in a sale process. As part of the separate Managed Account programme, Arcus secured the ongoing management of the 51.1% interest in Alpha Trains in 2019 on behalf of two European pension funds. The two other investments in the Managed Account programme, TDF and GTC, continued to perform well.

During the year, five new hires joined the Arcus team, bringing the total headcount at year end to 46 (with 58%/42% male/female ratio) split across our five European offices. 27% of the Arcus senior management team are female. Arcus has also extended its senior advisory network appointing Keri Gilder as an advisor to the Arcus telecoms team. In total, Arcus now has six external industry advisers that support Arcus' internal transaction

and deal sourcing capabilities in various ways. More details on their role can be seen on page 10.

In March 2020, Arcus announced the promotion of Jordan Cott to Partner. Jordan has been with Arcus since 2016 and is the Asset Manager and Board member for Constellation Cold Logistics and a Board member for E-Fiber.

ARCUS ESG UPDATE

Arcus completed a number of improvements to its ESG management, collaboration and asset management initiatives during 2019 including enhancing our ESG policy, adding UN Global Compact to the principles we adhere to, expanding and improving our approach to targeting implementation of the UN Sustainable Development Goals ("SDGs"), implementing new sustainability initiatives (such as travel carbon-offsetting), improving investee company ESG policies, procedures and reporting and working with our peers to advance the infrastructure industry's management of ESG. Arcus undertook IT reviews itself and in several investee companies during the year and implemented a number of initiatives to improve the cyber resilience of its business and the portfolio.

This strong ESG performance has been recognised with AEIF1 being ranked the top performing European diversified infrastructure fund (for the third year running) in the annual GRESB sustainability assessment, with each of the GTC, Alpha Trains and Brisa also ranked first in their respective industry peer groups. In addition, AEIF1 was ranked first in diversified infrastructure funds globally (against 74 peers) and was awarded GRESB's Sector Leader designation. Arcus was awarded the 2019 BVCA Responsible Investment Award for Firms with more than £1bn under Management, by an independent panel of judges.

OTHER SIGNIFICANT EVENTS

During the year Arcus announced a smart city partnership with T-Systems (a subsidiary of Deutsche Telekom AG) and the consultancy Arthur D Little. Arcus has formed a strategic partnership to fast-track the rollout of smart city services and infrastructure in selected European cities which targets many initiatives that are highly compatible with the SDGs. The three corporate partners expect to jointly offer cities an end-to-end solution from concept development to full-scale deployment including the provision of financing, technology and operations of smart city projects.

In December 2019, the Senior Managers and Certification Regime ("SMCR") became a requirement for UK asset management firms. Arcus has complied with all requirements relating to SMCR and has embedded

the new regime in its policies and procedures, further strengthening our risk management and compliance functions.

In light of the COVID-19 outbreak across the world and in line with advice from the UK Government, Arcus invoked its Business Continuity Plan ("BCP") on 16 March 2020. All staff are now working remotely to minimise health risks and reduce the spread of coronavirus. As at the time of this report, Arcus has not experienced a material impact on the operations of the firm, with meetings taking place over conference and video calls and all employees in good health. All origination, asset management and fundraising activities have been carried out as planned. The situation has not had a material impact on internal controls or financial reporting procedures, as all staff members are able to access the necessary applications, systems and files remotely and safely through pre-existing procedures.

In terms of our portfolio companies, we are in touch with the various management teams on a regular, if not daily, basis and are closely monitoring the situation. All portfolio companies have also enacted their BCPs and our concern is for the portfolio companies' employees, that they are able to continue to do their jobs safely.

OUTLOOK FOR 2020

ESG has been and continues to be an important consideration for Arcus. We are proud of our approach to identifying, managing and improving overall ESG performance at Arcus and in our portfolio companies. We will continue to assess and develop Arcus' monitoring and management of ESG factors throughout 2020. In 2020 we will participate in the annual UNPRI and GRESB infrastructure reporting cycles. To further formalise our approach to the Task Force on Climate-related Financial Disclosures ("TCFD") and climate-related scenario analysis, members of the ESG Committee will work with asset teams to prepare for TCFD reporting by the end of 2020. We will also continue our participation in various sustainability working groups and committees to contribute to the shaping and improvement of the sustainability of the infrastructure asset class.

We hope readers will find our Sustainability Report informative and transparent, and looking forward, we continuously strive to improve our, and our investee companies', ESG performance.



Ian Harding
Co-Managing Partner
22 May 2020



Simon Gray
Co-Managing Partner
22 May 2020

Key Arcus Sustainability Highlights

Arcus believes that the provision of high-quality infrastructure is critical to Europe's future economic growth, environmental protection, societal development and to reduce inequalities.

c. €43,000

AMOUNT SPENT ON STAFF TRAINING

Nil

MAJOR ENVIRONMENTAL AND HEALTH & SAFETY INCIDENTS ACROSS ALL PORTFOLIO COMPANIES

69/31%

GENDER RATIO ACROSS ALL PORTFOLIO COMPANIES (MALE/FEMALE)

c. 5,400

NUMBER OF EMPLOYEES ACROSS ALL PORTFOLIO COMPANIES

379

TONNES OF CARBON OFFSET

12

LANGUAGES SPOKEN

OUR AWARDS AND ACHIEVEMENTS



Named by GRESB as the Global Diversified Fund leader (out of 74 peers)



Named by GRESB as European Diversified Fund Sector Leader (out of 20 peers)



4 of 6 Arcus Assets Achieved 5 Star Rating



2019 UNPRI Assessment A+ in Strategy and Governance A in Infrastructure



BVCA 2019 Responsible Investment Award Winner

ORGANISATIONS WE ARE MEMBERS/SIGNATORIES OF





01

ARCUS OWNERSHIP AND GOVERNANCE

1.1 ARCUS ORGANISATION STRUCTURE

ARCUS OWNERSHIP

Arcus is a partner-owned, independent fund manager focused solely on the European infrastructure sector. Arcus is owned by its 13 Partners with no individual Partner owning more than 20% of the business. Twelve of the Partners work full time in the Arcus business, and invest directly alongside our institutional investors in each of our investments ensuring strong alignment between the investors in each of the pools of capital managed by Arcus and the owners of Arcus itself. Each Partner brings a different perspective on the European infrastructure market, and on average have 19 years working in the infrastructure industry.

The wider Arcus team includes 27 experienced investment professionals and 19 experienced operations professionals, located across five European offices. Many members of the Arcus team have worked together for more than a decade since the founding of the firm in 2009. Arcus' culture is one of collaboration and mutual respect, recognising the importance of the diverse views of all team members, and encouraging all our people to contribute to key decisions. The culture is supported by an incentive programme that shares the successes of the firm widely across investment and operations professionals, while also encouraging and rewarding outstanding individual contributions.

The firm has established robust governance structures and processes to provide strong alignment between the people in the business and the interests of our investors and other stakeholders. Arcus is structured to ensure that responsibilities for the organisation's principal activities are clearly apportioned so that management is conducted effectively, investment decisions are taken prudently and responsibly in well documented processes, and communication with investors is clear and transparent.

Two of Arcus' subsidiaries, Arcus European Investment Manager LLP ("AEIM") and Arcus Infrastructure Services LLP, are licensed and regulated by the FCA. AEIM is the Manager of the Alternative Investment Funds that Arcus manages.

In December 2019, the FCA rolled out the Senior Managers and Certification Regime ("SMCR") across all UK asset managers, and Arcus has undertaken a project to ensure that all responsibilities have been mapped to our identified Senior Managers, reported these to the FCA and has created a certification regime in line with FCA requirements.

ARCUS MANAGEMENT POSITIONS

MANAGING PARTNER(S)

Simon Gray and Ian Harding are the current Co-Managing Partners and have led the business together since being elected to the positions in March 2016 by the broader Arcus Partner group. Ian and Simon are both founding partners of Arcus.

MANAGEMENT COMMITTEE

The day-to-day responsibility for management of Arcus rests with the Management Committee ("Management Committee"). The Management Committee comprises five positions, including the Co-Managing Partners, with the balance elected by Arcus' Partners on staggered two-year terms. The current members of the Management Committee are Simon Gray, Ian Harding, Toby Smith, Stuart Gray and Daniel Amaral. The Management Committee takes decisions on matters relating to the day-to-day management and conduct of Arcus' business but does not directly oversee the investments in AEIF1, AEIF2 and the separate Managed Accounts, which remains the responsibility of the Investment Committee (see page 10). Each Member of the Management Committee is a designated Senior Manager for SMCR purposes.



Ian Harding



Simon Gray



Toby Smith



Stuart Gray



Daniel Amaral

1.1 ARCUS ORGANISATION STRUCTURE (CONTINUED)

ARCUS MANAGEMENT POSITIONS (CONTINUED)

HEAD OF COMPLIANCE & RISK

Melanie King is the Head of Compliance and Risk and is responsible for the relationship with the FCA and the CSSF in Luxembourg, for ensuring that Arcus is compliant with applicable regulations and for coordinating and overseeing risk reporting. She is also responsible for Company Secretarial activities. Melanie joined Arcus in 2019.

GENERAL COUNSEL

Toby Smith is Arcus' General Counsel and is responsible for all legal aspects of the business, including Arcus internal matters and investment transaction support. Toby approves and coordinates the use of external counsel, works closely with Melanie King on matters of compliance and regulation and is supported by another senior lawyer and company secretarial staff in London and Luxembourg. Toby was one of the founding Partners of Arcus in 2009.

CHIEF FINANCIAL OFFICER & HEAD OF TAX

Stuart Gray is Chief Financial Officer and Head of Tax. Stuart manages a team of four finance professionals in London and a further three team members in Luxembourg. Stuart was one of the founding Partners of Arcus in 2009.

HEAD OF ASSET MANAGEMENT AND ESG

Neil Krawitz is Head of Asset Management and ESG, with responsibility for organising and developing Arcus' ESG and asset management agenda and for coordinating ESG and asset management activities across portfolio companies. Neil and two other team members have specific responsibilities for managing Arcus ESG matters together with the ESG Committee as set out on page 11. Neil has been with Arcus since its founding in 2009 and was admitted as a Partner in 2015.

ETHICS COMMITTEE

The Arcus Ethics Committee is responsible for the oversight of conduct of Arcus Partners and staff, and the protection of the reputation and integrity of the business. The Ethics Committee comprises five members: Ian Harding, Jack Colbourne, Daniel Amaral, Neil Krawitz and Melanie King. Members are appointed by the Management Committee.



1.2 ARCUS INVESTMENT OVERSIGHT AND INDEPENDENT ADVISORS

ARCUS INVESTMENT COMMITTEE

Simon Gray, Nicola Palmer, Michael Allen, Ian Harding, Jack Colbourne (left to right)

Role

- Make investment decisions for Funds and Managed Accounts*
- Monitor existing investment and overall Fund performance
- Approve distributions and capital drawdowns
- Monitor Arcus performance in provision of services to the Fund
- Review and approve investor reports and communications
- Refer matters to Advisory Boards where necessary
- Each Member of the Investment Committee is a designated Senior Manager for SMCR purposes



ADVISORY BOARD

- AEIF1 and AEIF2 both have Advisory Boards formed by a representative set of that fund's investors
- Managed Accounts all have regular recurring forums for Arcus and the investors to interact
- These bodies:
 - Represent interests of respective Fund investors
 - Oversee the activities of the General Partner of the respective Fund

NETWORK OF INDEPENDENT ADVISORS

- Arcus operates an external advisor panel to source external assistance as and when required
- There are six non-executive directors that operate supervisory roles for Arcus' funds
- Arcus has six senior industry figures whose role is to provide further industry understanding, perspectives and networks to Arcus' investment activities. These industry experts do not have formal decision-making responsibilities but are consulted by the Arcus team as and when support or feedback on particular subsectors, trends or transactions are required.

NON-EXECUTIVE DIRECTORS



Sir Brian Ivory



Audrey Lewis



Bob Parker



Laurence Mulliez



Garry Pieters



Tony Sugrue

INDUSTRY EXPERT PANEL



Dr Roland Mohr



Klaus-Dieter Maubach



Keri Gilder



Flemming Dalgaard



Theo van Sambeek



Arndt Rautenberg

Industry experts – as of 30 April 2020

*In relation to AEIF1 only the Investment Committee makes recommendations to the AEIF1 Fund Supervisory Board which is the decision-making body.

1.3 ESG MANAGEMENT AND RESPONSIBILITIES

ARCUS ESG OVERSIGHT – ESG COMMITTEE

Arcus' day-to-day management, including oversight of ESG matters, is the responsibility of the Management Committee. The Management Committee appoints a Head of ESG and also appoints members to an ESG Committee to assist with the management of ESG policy and its integration within Arcus and investee companies' policies and procedures. This structure has operated since 2016.

The ESG Committee comprises a number of team members drawn from the asset management, origination and investor relations disciplines, meets quarterly and, as set out in the Arcus ESG policy, is responsible for assisting with: policy and procedure matters; external compliance and reporting; managing ESG continuous improvement programmes at Arcus and investee companies; managing ESG training; reviewing ESG reporting to investors; coordinating Arcus' social and environmental charitable activities; measuring and improving ESG KPIs and considering and managing ad-hoc ESG matters on an incident-driven basis. The ESG Committee members have specific Arcus ESG objectives included within their annual personal objectives.



Neil Krawitz



Jenni Chan



Ian Harding



Shirene Madani



Stephan Grillmaier



Banshi Chudasama

INVESTEES COMPANY ESG OVERSIGHT – ASSET MANAGEMENT TEAMS

For each investee company, Arcus appoints an Asset Manager with responsibility for the ongoing management of that investment. As part of that role, each Asset Manager is responsible for identifying and managing ESG risks and opportunities relating to the investment and has specific ESG objectives relating to the investee company included in their annual personal objectives. Investment professionals within Arcus (including Asset Managers) receive annual training on ESG issues and are expected to update and expand their ESG knowledge continually.

INVESTMENT COMMITTEE

NEIL KRAWITZ
HEAD OF ASSET MANAGEMENT & ESG



Jack Colbourne
E-Fiber



Romain Roirand
Swiss4net



Michael Allen
Brisa



Jordan Cott
Constellation



Christopher Ehrke
TDF



Stefano Brugnolo
GTC



Stefano Brugnolo
Horizon



Neil Krawitz
Alpha

Our ESG Journey

Responsible investment has been an important consideration for Arcus since formation in 2009. Our focus on building the sustainable infrastructure of the future stems from our desire to act in the best interests of our investors and other stakeholders. We foster a culture of continuous improvement and look forward to progressing our ESG journey.

July 2009
Arcus established

Shareholder Leadership	Management Excellence
Strategy & Operations	Finance & Reporting

October 2009
Creation of Arcus Asset Management framework with E, S and G considerations

July 2014
First Arcus ESG policy and principle-based approach to managing ESG

December 2016
Appointment of Arcus Head of ESG and ESG Committee



March 2010
Signatory to the UK Stewardship code



G R E S B

June 2016
Arcus portfolio company, TDF, pilots participation in inaugural GRESB Infrastructure assessment



February 2017
Updated LP ESG reporting in line with Invest Europe Guidance



March 2017
Signatory to UN PRI



G R E S B

October 2018
Arcus joins the GRESB
Europe Infrastructure
Benchmark Committee



November 2019
Enhanced approach
towards implementation
of UN SDGs



July 2017
Arcus commences
support of the Starlight
Children's Foundation

WE SUPPORT



February 2020
Signatory of UN
Global Compact



January 2019
Arcus begins
carbon offsetting
all business travel

**SUSTAINABLE
DEVELOPMENT
GOALS**

December 2017
Integration of UN SDGs
in ESG management



G R E S B

March 2017
Member of GRESB, and
mandatory investee
company participation
in GRESB

02

ARCUS ESG APPROACH & 2019 INITIATIVES



2.1 ARCUS ESG APPROACH – POLICY/Framework

Arcus has an experienced, innovative private investments team targeting opportunities to invest in European infrastructure businesses, and subsequently seeking to unlock value through a dedicated and focused asset management approach. Arcus aims to deliver attractive, risk-adjusted returns and yield to its investors over the long-term through rigorous investment selection, high quality comprehensive due diligence, strong deal execution and comprehensive, structured asset management. Arcus believes that the provision of high-quality infrastructure is critical to Europe's future economic growth, environmental protection, societal development and reduction in inequalities.

As an asset manager, we systematically integrate the evaluation of ESG risks and opportunities into our origination, asset management and exit decisions. Our focus on managing ESG risks and pursuing ESG opportunities relevant to infrastructure stems from our aim to consistently act in the best interests of our investors and other stakeholders and our firm belief that incorporating ESG factors into our policies and procedures helps us to create responsible investee companies generating sustainable value for all stakeholders and thus delivering better long-term returns for our investors.

ESG POLICY

Arcus has an ESG policy which applies to all members, employees and contractors. Our policy, available on our website, sets out our principles, the implementation of these principles, reporting, disclosure, communication and training of our team in relation to ESG. The policy is reviewed annually and was last updated in December 2019. The application of the ESG policy to our investments is relevant both to the origination and due diligence of new investments, and to the asset management of our existing portfolio. Regarding the latter, we target continuous sustainable improvements in the investee companies' management of ESG factors over time.

The ESG Policy sets out Arcus' ESG objectives, the ESG principles Arcus follows, the ESG Committee's terms of reference and incorporates guidelines concerning responsible investing. The policy also details Arcus' approach to reporting ESG matters to investors and ESG training provided to Arcus team members.

KEY CHANGES TO THE ESG POLICY DURING 2019

The following key changes were made as part of the last ESG Policy update:

- Expansion of the SDGs Arcus specifically targets to include four additional goals:
- Inclusion of the 10 principles of the UN Global Compact;
- Enhancing ESG due diligence procedures;
- Expansion of asset management process to include management of climate-related risks and opportunities and targeting achievement of SDGs relevant to the investee company; and

- Amending HR processes to formally include ESG in Arcus employees' annual objectives, and the implementation of an annual Arcus employee engagement survey incorporating ESG considerations.

ARCUS EXCLUSIONS POLICY

Arcus does not invest in businesses involved in the generation of power by coal, uranium or thorium or whose business is related to the production of cluster munitions, landmines and/or other similar weapons. In addition, no investments are made in companies that focus on certain excluded practices including, inter alia, child labour, weapons manufacture or distribution, animal experimentation and gambling.

Arcus will also ordinarily not invest in companies that:

- Have a history of poor safety or environmental management;
- Have a history of corrupt practices;
- Exhibit a high degree of reputational risk for both Arcus and our investors;
- Have poor governance and ethics practices; or
- Do not demonstrate the ability or willingness to manage current and potential ESG risks effectively,

unless Arcus believes that by virtue of its involvement, it will be able to significantly improve the situation, and rapidly cause the investee company to conform to the principles contained in the Arcus ESG policy.

ESG MANAGEMENT THROUGHOUT THE INVESTMENT LIFECYCLE

Arcus believes that investing responsibly protects its investors' interests, through identifying and managing ESG issues early in the investment process and actively managing and reporting on these through the investment cycle. By incorporating ESG factors into policies and procedures, Arcus seeks to identify both risks and opportunities which can ultimately add value (or avoid losses) for stakeholders and our investors.

The graphic on the following page shows how Arcus incorporates ESG considerations into the various stages of the investment lifecycle.

ORIGINATION

Consideration of ESG risks and opportunities is a formal element of the Arcus origination process. Every investment opportunity undergoes a three-stage process where ESG factors are considered as part of 1) the initial sourcing and Investment Committee approval to progress preliminary due diligence, 2) the assessment of the investment prior to submission of a non-binding, indicative offer and, if successful, 3) the final review of due diligence and investment hypothesis prior to submission of a binding offer.

2.1 ARCUS ESG APPROACH – POLICY/FRAMEWORK (CONTINUED)

The first level of screening for ESG risks and/or opportunities occurs as part of the fortnightly Arcus origination meetings. When an investment opportunity enters the diligence phase, further analysis is undertaken on ESG risks and opportunities typically involving the appointment of a third-party independent experts or consultants. Following on from the screening and the diligence phases, the investment opportunity then enters a decision-making phase where the results of the diligence exercise are provided to the Investment Committee, via a final approval paper.

ASSET MANAGEMENT

Once Arcus has completed an investment, ESG risks and/or opportunities (identified as part of diligence and actions associated with ensuring investee companies meet Arcus ESG requirements) are included in the 100-day plan workstreams. Arcus ensures that its investee companies have appropriate policies and procedures for ESG matters (either via an ESG or sustainability policy or specific subsidiary policies dealing with relevant ESG factors such as health and safety or environmental matters).

ESG risks and opportunities are continually assessed by the Asset Manager and monitored formally as part of monthly board reporting. ESG is monitored at Arcus level quarterly through the internal Arcus risk and ESG reporting. In addition, one of the quarterly Arcus Asset Review Meeting topics for each investee company focuses particularly on ESG. The agenda for this meeting includes discussing the investee company's ESG approach; key ESG risks and opportunities; key ESG KPIs reported and performance over time; and areas considered targets for the ESG continuous improvement programme.

REPORTING

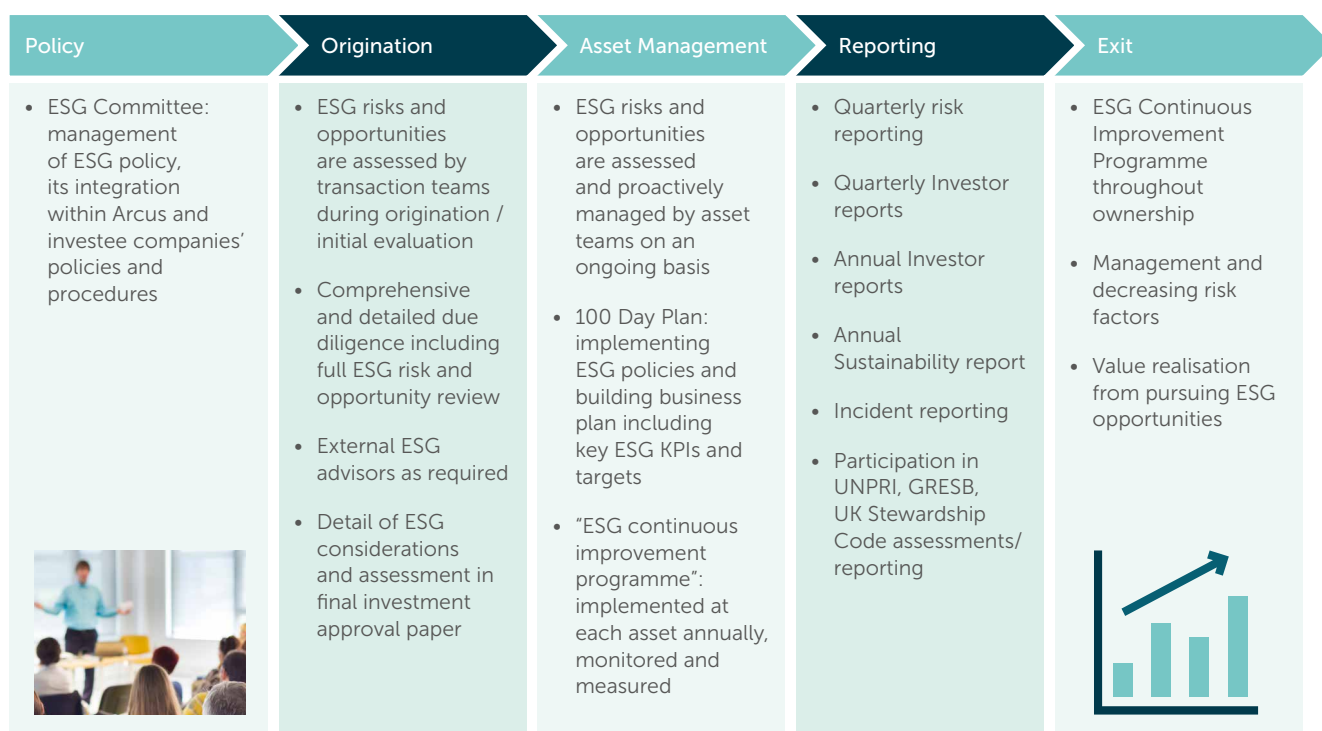
Arcus focuses on disclosure and transparency of reporting as well as materiality of the ESG risk and opportunity when setting out ESG monitoring and performance targets. At Arcus we recognise that each investment is unique – whether by virtue of geography, size or other differences – and we consider these factors when setting our initial reporting as well as when setting performance targets.

Arcus uses the GRESB benchmarking process as a tool to assess ESG performance at investee company level, facilitate engagement for internal and external discussions and set performance targets, with the aim of consistently improving asset ESG performance. We require all our investee companies to complete the GRESB Infrastructure assessment.

The main channel for communicating management of ESG risks and opportunities to our investors is the relevant quarterly written Fund or Managed Account reports. Arcus follows the Invest Europe Investor Reporting Guidelines on ESG matters in each of its reports, as well as responding to ad-hoc questions on ESG matters from investors.

EXIT

Asset management activities throughout the lifecycle of Arcus' investments are focused on managing and reducing risk factors and pursuing value-add opportunities to improve investment returns. In many cases the benefits accruing from this approach materialise at the point of exit, either through a premium to valuation multiple on account of the improved business prospects or a reduced buyer equity discount rate due to the reduction in perceived investment risk. ESG is an integral part of the Arcus Asset Management Framework and this systematic approach is incorporated for many years in advance of exit with value realisation in mind.



2.2 ARCUS ESG INITIATIVES – 2019

KEY ESG DEVELOPMENTS AT ARCUS DURING 2019

During 2019, Arcus revised and updated its ESG policy and became a signatory to the UN Global Compact alongside its existing commitments to UNPRI and GRESB. We enhanced our focus on the SDGs by expanding on the number of goals we are actively targeting to six goals and increased internal awareness of SDGs for both origination and asset management activities.

When reviewing potential investments, the Arcus origination team considers relevant ESG issues associated with those opportunities. In 2019 c.9% of investment opportunities sourced by the origination team were rejected at an early stage on specific ESG grounds. Since the beginning of 2019, we have also enhanced our ESG due diligence process by assigning a designated member of the ESG Committee to discuss identified ESG issues and opportunities with deal teams at an early stage of the investment process. This process starts in advance of engaging and scoping specialist due diligence advisors to ensure application of an enhanced and best practice approach and consistent documentation of ESG due diligence across investment opportunities.

The Arcus ESG Committee met quarterly during 2019 and attendance score was 22 of 24 committee seats during the year.

In 2019, Arcus continued to contribute to driving improvements in infrastructure ESG management through its participation and contribution to the GRESB Infrastructure Benchmark Committee ("IBC") which promotes ESG best practices and through attending GRESB's various working group sessions. The purpose of the IBC is to provide technical input to GRESB regarding the content of the Infrastructure Assessment, and GRESB's other infrastructure products and services. The Head of ESG is the Arcus representative on the IBC and participated in all committee meetings during 2019. Arcus, at GRESB's request, participated in an ESG panel discussion at the GRESB results presentation event held in Zeist, the Netherlands in September 2019.

Members of the Arcus ESG Committee attended various sustainability workshops and conferences during the year including "PRI in Person", the UNPRI's main annual event and a UNPRI infrastructure side event, GRESB training and results presentation, Women in Infrastructure Forum, the first EIB Infrastructure & Climate Fund Summit and EDHECinfra Days. Training was also undertaken as set out on page 20.

During 2019, Arcus commenced reporting carbon emissions related to employee air travel – in 2019 emissions were 379 tonnes of CO₂. In addition to encouraging employees to limit air travel where possible, Arcus offset these emissions through our offsetting agent, Carbon Footprint, through a tree planting project in the Yorkshire and Humber region in the UK and funding the VCS certified (VCS977) Portel Pará reduction

of deforestation project in Brazil in Arcus' name. Arcus continues to report office paper usage KPIs targeting a reduced usage throughout the year.

Arcus moved its London office in December 2019 to a building certified as BREEAM "Excellent" and which has an EPC rating "B", minimising our office's environmental footprint. As part of the fit-out of the new office, where possible, Arcus re-used existing materials from the inherited fit-out which included the re-use of heating and cooling equipment, wood flooring, doors, lighting and ceiling features. We also included a specific sustainability criteria in our assessment and selection of a building contractor to undertake the fit-out. Green planting has been installed throughout the office, together with a larger and enhanced "breakout" area improving the working environment for the Arcus team. The new office is located close to the previous office location, allowing most employees to continue to commute to work by public transport, bicycle or on foot. The office move illustrates the Arcus contribution to SDGs Number 11 "Sustainable Cities and Communities", Number 12 "Responsible Consumption and Production" and Number 13 "Climate Action".

In October 2019, Arcus was selected by an independent panel for the 2019 BVCA Responsible Investment Award for Firms with more than £1bn under Management for our approach to identifying, managing and improving overall ESG performance at Arcus and in our portfolio companies and we were recognised for this at the annual meeting of BVCA members in October 2019.

In December 2019, the SMCR became a requirement for UK asset management firms. Arcus has complied with all requirements relating to SMCR and has embedded the new regime, further strengthening our risk management and compliance. Details of our appointed Senior Managers can be found on the FCA Register.

Arcus was a founding member of the Global Infrastructure Investor Association, an industry association to promote private investment in the infrastructure community. Arcus continued during 2019 to contribute to the GIIA on ESG matters, joining the GIIA ESG roundtable discussions and volunteering to participate in the GIIA ESG working group which is being formed in early 2020.

Arcus has been a signatory to the UK Stewardship Code since 2010 and is classified as a Tier 1 signatory, the top level assigned. Arcus is in the process of reviewing the revised Stewardship Code issued by the Financial Reporting Council ("FRC") and intends to submit its revised signatory response to the FRC in line with the FRC timetable.

2.2 ARCUS ESG INITIATIVES – 2019 (CONTINUED)



GRESB
Sector Leader 2019



GRESB
4 of 6 Arcus assets
achieved 5 stars



AEIF1 European
Out of 20 European
Diversified Private Funds
for the third year running



AEIF1 Global
Out of 74 Global
Diversified Funds

GRESB AND UNPRI PROCESS AND RESULTS

GRESB

Arcus has been a GRESB member since March 2017 and since then has completed the GRESB reporting cycle for all Arcus funds and investee companies where they meet GRESB's qualification requirements (assets held in fund at year end and that have been held for more than six months of the reporting period). 2019 marks the fourth year GRESB has run the infrastructure benchmarking process with 107 Infrastructure Funds and 393 infrastructure assets participating (compared to 51 Funds and 134 assets in 2016, 64 Funds and 160 assets in 2017 and 75 Funds and 280 assets in 2018).

Arcus completed a fund assessment questionnaire for all its Funds and Managed Accounts in Q2 2019, along with each of the investee companies completing an asset participant assessment questionnaire. For the third year in a row, AEIF1 was ranked first among diversified European Infrastructure Funds (against 20 peers).

AEIF1 scored 87 out of 100 possible points in the GRESB fund assessment (compared to 79 out of 100 in 2018) while the average GRESB fund score was 55 out of 100 (compared to the same in 2018). This strong score also meant AEIF1 was ranked first among diversified infrastructure funds globally (against 74 peers) and named by GRESB as the Global Diversified Fund and European Fund Sector Leader in 2019 for our sustainability leadership and commitment, which is an excellent result.

Arcus completed a fund assessment questionnaire for the first time for AEIF2 following that fund's establishment, along with each of the AEIF2 investee companies completing an asset participant assessment questionnaire. Given the short elapsed time period since Arcus had invested in Swiss4Net and E-Fiber, the assets' first-time participation in GRESB and also the relatively small organisational size and youthfulness of those businesses compared to more mature peers, we are pleased with their 2019 results.

AEIF2 ranked fourth among diversified European Infrastructure Funds (against 20 peers). AEIF2 scored 62 out of 100 possible points in the GRESB fund assessment while the average GRESB fund score was 55 out of 100. Both Swiss4Net and E-Fiber received 3-star ratings from GRESB in their 2019 assessments.

TDF and GTC maintained their 5-star GRESB rating.

Overall, the Arcus underlying assets scored extremely well when benchmarked against their peers, with four of Arcus' six assets receiving a 5-star rating. Both Alpha Trains and Brisa were ranked first in the Rolling Stock Europe and European Motorway Networks categories, respectively.

The table on the page opposite summarises the GRESB performance of each of our Funds and Managed Accounts and the portfolio section of this report on pages 24-39 provides individual asset scores.

Although Arcus is the common manager, the differences in the Fund results highlight the maturity of the AEIF1 assets in comparison to AEIF2 (for example Brisa has c.2,900 employees compared to c.11 at E-Fiber). AEIF1 assets have been under Arcus ownership for over 10 years and have completed the GRESB assessment several times before. Accordingly, we see 2019 as a baseline for the initial AEIF2 assets and one that we will now work on with the management teams of those businesses to improve over time, and to converge their scores with the larger and more mature assets in the Arcus portfolio.










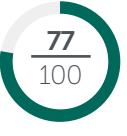

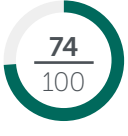

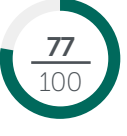



GRESB is an important tool as it allows us to measure our ESG performance and benchmark ourselves against other funds and assets. It also provides feedback on areas where we can improve and develop. The results of the GRESB reporting have in the last year and will in future years provide a baseline for ESG performance and allow us to analyse further what we are doing both at Fund and investee company level and target improvements where necessary and possible.

UNPRI

Arcus completed the PRI reporting in March 2019 and has scored A+ for Strategy and Governance and A for Infrastructure in each of the UNPRI assessments in the last two years.

2.2 ARCUS ESG INITIATIVES – 2019 (CONTINUED)

ARCUS ESG PERFORMANCE AWARDS

AWARDS	ENTITY	2018	2019
	AEIF1	 	 
	AEIF2 ²	N/A	 
	TIVANA ³	 	 
	A1 ⁴	 	 
	ARCUS	<div>A+ Strategy & Governance Module</div> <div>A Infrastructure Module</div>	<div>A+ Strategy & Governance Module</div> <div>A Infrastructure Module</div>
	ARCUS	N/A	WINNER RESPONSIBLE INVESTMENT AWARD FOR FIRMS WITH MORE THAN £1BN UNDER MANAGEMENT

¹ The GRESB scores shown above represent the "GRESB Score" for the entity. The GRESB Score is calculated by GRESB applying a weighting of 30% from the GRESB Fund Score (i.e. the performance of the Manager) and 70% from the Weighted Average Asset Score sourced from the assets within the Fund (weighted by the proportion of the Fund's net asset value).

² 2019 was AEIF2's first year of participation with its two initial assets which were owned for eight months of 2018.

³ Tivana represents the Arcus Tivana Investor fund vehicles holding the investment in the TDF in France.

⁴ A1 represents the Arcus A1 Investor fund vehicle holding the investment in the GTC toll road in Poland.

ESG ACTIVITIES AND REPORTING FOR FUND INVESTEE COMPANIES

Each of our portfolio companies continued to improve its ESG management and practices. For some which are recent additions to the Arcus portfolio, this consisted of updating or improving policies to initiating and monitoring ESG KPI reporting. For those investee companies where Arcus has managed the investment for longer, this included initiatives such as "Green" private placement issuances to implementing sophisticated carbon reduction initiatives. Our asset management teams continued to monitor and review key ESG risks and mitigants at each investee company on a quarterly basis.

Further detail is contained in the portfolio reporting section of this report on pages 24-39.

REPORTING TO INVESTORS

In 2019 we reported on ESG to Arcus investors on a quarterly basis both at Fund and Managed Account level and for each investee company. We also continued to report ESG developments to investors on an ad-hoc basis during 2019 as we considered necessary.

AEIF1 and AEIF2 both issued 2019 Annual Reports to their respective investors.

2.3 ARCUS DIVERSITY, TRAINING AND CHARITY REPORTING – 2019

At Arcus, we recognise the importance of having a diverse, inclusive workforce that is made up of employees from different backgrounds. The Arcus team contains 14 different nationalities, together speaking 12 languages. In relation to gender, 42% of the Arcus team are women (48% in 2018) and of the senior management team¹ 27% are female. Arcus celebrated its 10-year anniversary in July 2019.

Team members engaged in technical and personal development training funded by Arcus at a cost of c.€43,000, during the year. In 2019, two members of the team completed the PRI course “Foundations in Responsible Investment” which outlined key principles of responsible investment, the materiality of ESG issues in business, strategies for identifying and managing new approaches to ESG risk and methods for integrating sustainability data into financial modelling as well as Invest Europe’s “Integrating Responsible Investment” course in London. Arcus funded first aid training for two additional employees. The entire Arcus team was required to undertake certain ESG training modules such as code of conduct, fire safety awareness, anti-bribery and corruption, modern slavery, conflicts of interest, whistleblowing, tax evasion, information and cyber security. Senior managers and certified staff were trained on the FCA’s new Senior Managers and Certification Regime in advance of its implementation in December 2019. All Arcus staff were trained on the new Code of Conduct Rules implemented alongside SMCR.

Arcus also supports social and environmental charitable activities and all members and employees are encouraged to fundraise, volunteer, participate and contribute to charitable organisations that they feel passionately about. Arcus supports individual volunteering and provides “matched-funding” for selected fundraising initiatives on an annual basis.

During 2019, Arcus made donations to several charities including Starlight Children’s Foundation, Meath Epilepsy Charity, St Bride’s Church, Cancer Research UK, Streets of London and the Infrastructure Industry Foundation.

In July 2019, 15 Arcus employees volunteered at the Starlight Children’s Foundation Annual Summer Party at Mill Hill Farm, assisting with a day of games, rides, entertainment and food for hundreds of children fighting serious and terminal illnesses as an escape from their ongoing time as patients in hospitals and hospices. Arcus also made a specific event donation to the Starlight Wishes programme.

In October 2019, four Arcus employees joined 150 others in supporting the Streets of London charity on its annual Sleep-Out event which raised a total of over £45,000. Through the charity’s donations, people living on the streets of London regain their dignity, build self-confidence and are empowered to get back on their feet and to make lasting changes in their lives.



Members of the Arcus team participating in the Streets of London 2019 sleep-out, raising awareness for homelessness

¹ Defined as Arcus Partners, senior investment team and key functional roles in compliance, risk and finance

2.4 SUSTAINABLE DEVELOPMENT GOALS

Arcus is supportive of the 2030 Agenda for Sustainable Development adopted by the United Nations Member States in 2015. Among the SDGs, Arcus has a particular interest in supporting six: (i) 7: Affordable and Clean Energy, (ii) 9: Industry, Innovation and Infrastructure, (iii) 11: Sustainable Cities and Communities, (iv) 12: Responsible Consumption and Production, (v) 13: Climate Action and (vi) 17: Partnerships for the Goals. We are most likely to have the greatest impact on the SDGs identified above, as these are well aligned with our investment strategy and the long-term trends we see affecting our core European markets such as decarbonisation of the economy as a result of climate change, demographic shifts leading to rapid urbanisation and increasing reliance on telecom data networks.

SUSTAINABLE DEVELOPMENT GOALS



SDG CASE STUDY

E-Fiber's networks help "level" the urban-rural digital divide and contribute to SDGs, Number 9 "Industry, innovation and infrastructure" and SDG Number 11 "Sustainable cities and communities". E-Fiber builds fibre networks that bring much higher internet speeds to small towns and semi-rural communities that are often overlooked by larger providers due to their smaller size and the higher cost of investment, thus creating a digital divide for these communities compared to larger cities. E-Fiber's existence and investment in these communities reduces this urban-rural difference providing these communities with the telecom utility of the future.

The networks are open access to all Internet Service Providers ("ISPs") thus providing consumers with many options when choosing an ISP, while also facilitating the emergence of local ISPs who use E-Fiber's network to grow their customer base.

In 2019, E-Fiber passed an additional 33,000 homes with new fibre-to-the-home ("FTTH") networks in eight municipalities, ranging from c.2,500 to 15,000 inhabitants. E-Fiber generally connects all the households in a municipality, irrespective of whether the home is in the town centre or in the more rural areas. In 2019, over 15 local brand ISPs offered their services using E-Fiber's network, thus increasing consumer choice and promoting local entrepreneurship and employment.

E-Fiber's networks enable smart cities, allow for more home-working and reduced travel flexibility and internet-of-things devices in homes, which can in turn provide for energy and productivity efficiencies. Energy consumption of fibre networks is expected to be significantly less than equivalent copper networks, reducing overall energy consumption.



E-Fiber is actively engaged with the communities in which it develops FTTH networks and is a responsible developer. Prior to beginning a project, E-Fiber works closely with the municipalities with respect to design and planning to ensure minimal disruption from the construction of the network. A close relationship with the municipality is maintained throughout development to make certain that the required criteria from the planning and design phase are met. Promotions are often done through local initiatives and groups, which also contributes to the social cohesion of the municipality.



Eric Vos, E-Fiber's CEO (right), with the Mayor of Maasdonk (left) celebrating the start of the fibre construction in the municipality of Maasdonk

ESG as a Key Differentiator



Neil Krawitz, Arcus Head of Asset Management and ESG

Since its inception in 2009, Arcus has believed that doing the “right thing” as a responsible shareholder would help to ensure that we and our investee companies remain environmentally sound, safe places to work, that contribute to the fabric of our local communities and are well-respected organisations. We believe that in the long term, this will also deliver more sustainable returns to our investors. During 2019 and into early 2020 more and more ESG questions, from climate change, to Covid-19 resilience, to diversity are being raised by the public, regulators, investors and employees who all want to know if through our actions we are delivering a sustainable future. Infrastructure plays an important role, as a critical asset class serving communities, cities and countries, in delivering that goal. We are also at the forefront of challenges being made about the social licence that is granted to infrastructure operations.

We hope that our inaugural Annual Sustainability Report gives you an overview and understanding of Arcus’ robust ESG approach and ESG performance. Arcus is working extremely hard to deliver responsible and high-quality infrastructure assets which are critical to Europe’s future economic growth, environmental protection, societal development and will ultimately serve to reduce inequality.

2019 is a year we have observed a marked shift in the infrastructure market from an ESG perspective, and we would like to share those insights. At a macro level, ESG has moved from being considered a basic hygiene factor to a key differentiator in attracting capital and defining investment strategy.

ALLOCATION OF CAPITAL

During 2019 and early 2020, Arcus undertook its final closings of its latest Fund, AEIF2. Investors representing c.65% of capital raised for AEIF2 have clear ESG drivers in their allocation decision and manager selection. This was evident from extensive ESG due diligence undertaken, formal ESG obligations within their LP side letters and increased ESG focused reporting. This investor focus has not been an issue for Arcus due to our long-standing focus on and performance in ESG management throughout the

investment lifecycle, however our assessment following this process is that allocation of capital has changed with certain requirements for ESG being mandatory for many investors.

Investors are now allocating capital with the same target return threshold requirements we see more generally in the infrastructure market, but at the same time they are specifically looking for managers to have advanced ESG performance and an investment strategy and track record which matches their vision of a sustainable future. This is evident in a way such that it is no longer just niche pools of capital that are seeking “Impact investing” with sub-benchmark return thresholds or asset classes that are easily categorised as sustainable, such as renewable funds. Rather it is a recognition that mainstream global allocations are seeking high performing ESG managers who can deliver a sustainable approach while also achieving benchmark return expectations.

For the first time as part of raising AEIF2, we were sought out by, on a reverse enquiry basis, several investors seeking managers who have strong approach, performance and track record in ESG management. These were sourced through word of mouth and ESG ratings provided by independent bodies like UNPRI and GRESB.

INVESTMENT STRATEGY

Arcus’ investment strategy incorporates its deep understanding of the European infrastructure landscape and its assessment of the broader thematic trends affecting key infrastructure sectors in the forthcoming years. Our strategic approach starts with a thorough analysis of the long-term trends affecting our core European markets: Decarbonisation driving change in transportation and energy sourcing and management; Changing demographics impacting consumption, logistics and transportation; and Data Explosion with ubiquitous connectivity driving disruption, efficiency and disintermediation.

Investors focused on sustainability have not only been attracted to our best-in-class ESG asset management but also because our investment strategy focus is on long-term sustainable macro themes and trends driving the European infrastructure of the future. Such investors see Arcus as a manager willing to investing to build infrastructure and to facilitate the investment required for a transition from carbon intensive to low carbon or no carbon infrastructure world. They also see Arcus as a manager willing to consider smart city projects which assist communities in managing aging populations, and also a manager willing to build the data infrastructure for the future. The clear Arcus focus on building infrastructure of the future, rather than investing in the assets of the past economic eras, is a theme that continues to resonate with our investors.

We look forward to continuing our ESG journey.

03

INVESTMENT
PORTFOLIO
REPORTING

Reporting in this section on our portfolio companies is governed by underlying shareholder agreements which include confidentiality provision restrictions. We have sought to provide transparency of investee company ESG activities and performance where possible within the confidentiality undertakings Arcus' underlying investment vehicles have made and without publicly disclosing commercially sensitive information.

3.1 TRANSPORT – RAILWAY ROLLING STOCK

ALPHA TRAINS

Alpha Trains

Continental Europe's largest and most diversified specialist rolling stock lessor.

BASIC COMPANY INFORMATION

LOCATION

Luxembourg

WEBSITE

www.alphatrains.eu

NUMBER OF EMPLOYEES

c.120

ARCUS ASSET MANAGER

Neil Krawitz

ARCUS BOARD MEMBERS

**Jack Colbourne, Audrey Lewis
(Arcus holds 2 of 6 seats)***

INVESTMENT DATE

First acquired 5 August 2008

PERCENTAGE OWNERSHIP AS AT REPORTING DATE

51.1%**



* In addition to the Alpha Trains (Luxembourg) Holdings S.à r.l. representatives, Neil Krawitz, the Arcus asset manager for Alpha Trains, represents Arcus on the board of the main operating company, Alpha Trains Group S.à r.l.

** Managed Account investment

INVESTMENT PORTFOLIO REPORTING AS AT 31 DECEMBER 2019



INVESTMENT DESCRIPTION

Alpha is the largest private sector rolling stock lessor active in the continental European rail sector. Its portfolio comprises 407 passenger trains and 356 freight locomotives with a gross book value of over €2.5bn. These assets are leased to rail customers across 17 EU and EFTA countries. Alpha has also ordered c.€215m of new passenger trains (31 trains) which are under construction for forward starting long-term leases in Germany and c.€85m of new locomotives (19 locomotives) for operation in Belgium, France, Luxembourg, Portugal and Spain. Alpha is based in Luxembourg and has operational bases in Antwerp, Cologne, Madrid and Paris.

Alpha's passenger business is not directly exposed to farebox risk, making it stable and predictable with limited revenue volatility. Alpha's locomotive business has a high proportion of assets with multi-country certification, which makes them attractive to operators. The long-term nature of its leases with passenger operators together with the need to run freight services irrespective of short-term volume reductions provide protection from economic downturns.

ALPHA'S APPROACH TO ESG

Alpha is a low carbon business which is environmentally and socially aware of the contribution that rail makes as a sustainable and environmentally responsible mode of transport for people and goods. Alpha's fleet is c.80% electric traction driven assets and it ensures that all its assets comply with relevant environmental regulation, for example regarding permissible emissions from diesel engines and the disposal of waste oil and other contaminants.

Safe operations are a top priority for Alpha; however, the company does not directly operate its passenger and locomotive assets; day-to-day responsibility for the rolling stock rests with the operators. When incidents happen, the operators are required to report them immediately to Alpha. Alpha has detailed procedures and policies in place to ensure that responses and actions are appropriate and timely. Separate to these incidents, Alpha supervises the implementation of any safety directives applicable to Alpha's assets which manufacturers or regulators may issue, and maintenance activities performed on the assets, to ensure compliance with required standards. The Company also participates in industry and owner-wide safety and operational improvement initiatives.

Alpha's key ESG KPIs reported and monitored at Board level are asset related operational utilisation and safety indicators, employee injury and sickness rates and employee engagement.

2019 KEY ESG EVENTS

During 2019 Alpha implemented revised ESG and Health and Safety policies following the bi-annual review of the policy. In March 2019, Alpha's Sustainability Manager, Carsten Schnurpfeil presented at the annual GRESB Infrastructure training session in London, at GRESB's invitation. His presentation was a case study about Alpha Trains and its approach to ESG. This continues Arcus and its investee companies' commitments to best practice sharing and contribution to improving the infrastructure industry's approach to ESG.

In October 2019, Alpha issued a €200m Green Private Placement debt issuance, its second green financing. The Green PP was certified by the Climate Bond Initiative as compliant with the ICMA Green Bond Principles.

In December 2019 Alpha was granted external certification of its respective passenger and locomotive operating subsidies as being Entity in Charge of Maintenance ensuring the maintenance of Alpha's trains is in accordance with European regulation. Shortly after year end, Alpha also obtained ISO 45001 and ISO 14001 certifications.

GRESB RESULTS

Alpha scored 84 out of a possible score of 100 compared to the average GRESB score of 45. Alpha was ranked as follows in peer benchmarking:

- 1st of 6 European rail company participants; and
- 8th of 236 participants in Europe.



3.2 TRANSPORT – TOLL ROADS

BRISA

Brisa

One of the world's largest motorway operators and Portugal's largest transport infrastructure company.

BASIC COMPANY INFORMATION

LOCATION

Portugal

WEBSITE

www.brisa.pt

NUMBER OF EMPLOYEES

c.2,900

ARCUS ASSET MANAGER

Michael Allen

ARCUS BOARD MEMBERS

Michael Allen, Daniel Amaral, Stuart Gray, Graham Marr (Arcus holds 4 of 10 seats)

INVESTMENT DATE

27 June 2007

PERCENTAGE OWNERSHIP AS AT REPORTING DATE

37.4%*

* AEIF1 investment - percentage represents legal ownership, however economic and voting ownership is 40.6%, once treasury shares are taken into account

INVESTMENT PORTFOLIO REPORTING AS AT 31 DECEMBER 2019

**INVESTMENT DESCRIPTION**

Brisa is a leading European toll road operator. Brisa owns or operates six road concessions in Portugal with a total length of 1,557km (c.50% of the total Portuguese network). BCR is the main concession of Brisa, and accounts for over 80% of consolidated revenues and 100% of consolidated traffic and toll revenues (as other concessions are not consolidated).

BRISA'S APPROACH TO ESG

Brisa manages ESG performance against five fundamental vectors of sustainability which are considered as strategic for Brisa's activities. They are economic performance, sustainable mobility, social performance, human resources and environmental management. Brisa monitors its own ESG performance on a wide range of indicators in order to measure the effectiveness of its ongoing commitment to sustainability and has significantly improved its performance in many of these indicators over the years. Brisa's ESG management and approach is externally audited annually.

Brisa has a long and well-established history of a commitment to sustainable development and operations. Brisa takes a proactive stance in its responsibility towards societal well-being and development. The Company has been a signatory to the United Nations Global Compact since 2007. Brisa subscribes to various international reporting standards such as the World Business Council for Sustainable Development and the Global Reporting Initiative. The company also actively participates in a number of organisations related to sustainable development such as APCAP (Association of Portuguese Concession Companies of Toll Motorways or Bridges), ASECAP (European Association of Toll Motorways Operators), CRP (Portuguese Road Centre) and IBTTA (International Bridge, Tunnel and Turnpike Association). In addition to these memberships, Brisa is also an active participant in various international forums aimed at increasing transportation sustainability and has a long track record in road safety in Portugal and invests in mass media road safety campaigns. During 2018, Brisa joined the Transport Decarbonisation Alliance, an international initiative led by France and Portugal to promote the decarbonisation of transport through the collaboration of government, cities and business, as well as the Roteiro para a Neutralidade Carbónica, a nationally sponsored initiative of the Portuguese Ministry of the Environment that is dedicated to achieving carbon neutrality.

Many of Brisa's current strategic initiatives such as new mobility ventures may be mapped to improving performance along multiple ESG factors, showing a commitment to long-term, sustainable growth. Brisa has recently launched a group-wide carbon reduction

programme which targets a 52% reduction of Brisa's carbon emissions by 2030.

Brisa's key ESG KPIs reported and monitored at Board level are injury rates, accident rates, fuel consumption, electricity consumption, and several social KPIs including training, gender diversity and social work.

2019 KEY ESG EVENTS

Brisa has been developing a group-wide carbon monitoring and reduction programme under Clima 2.0. The implementation is expected to be rolled out over a number of phases targeting reduced energy and water consumption, cleaner fleet, and emphasis on circular economy measures. The first phase involved the identification of key emissions indicators and the launch of a centralised dashboard that unifies sustainability indicators across the organisation, such as energy, water, waste and GHG emissions. At the end of 2019, Brisa was more than halfway towards reaching their target of a 52% reduction in carbon emissions by 2030.

Following a series of forest fires in 2017, the Portuguese government passed new legislation aimed at improving forest fire prevention. Brisa has established and implemented throughout 2019 the necessary policies and procedures to comply with the country's new national forest fire protection system.

Brisa created a Road Safety Observatory or 'board' to enable a deeper understanding of motorway accidents on Brisa's network. The initiative aims to gather comprehensive data and facts in order to establish a thorough understanding of the causes and effects of motorway accidents.

Brisa launched a Smart Drive project through Via Verde in partnership with a large insurance company which is an application assessing safe driving to improve or reduce insurance as well as offering discount on tolls.

GRESB RESULTS

Brisa scored 91 out of a possible score of 100 compared to the average GRESB score of 45. Brisa was ranked as follows in peer benchmarking:

- 1st of 6 Global Motorway Networks; and
- 2nd of 236 participants in Europe.



3.3 TRANSPORT – COLD STORAGE LOGISTICS

CONSTELLATION COLD LOGISTICS

Constellation Cold Logistics

A platform company comprising market-leading cold chain infrastructure businesses across Europe, providing mission-critical storage, transport and value-added services to food producers, wholesalers and retailers.

BASIC COMPANY INFORMATION

LOCATION

Luxembourg

WEBSITE

www.constellationcold.com

NUMBER OF EMPLOYEES

c.210

ARCUS ASSET MANAGER

Jordan Cott

ARCUS BOARD MEMBERS

Stuart Gray, Toby Smith*

INVESTMENT DATE

30 September 2019

PERCENTAGE OWNERSHIP AS AT REPORTING DATE

100%**

* Constellation Cold Logistics S.á.r.l. (the Holdco)

** AEIF2 investment

INVESTMENT PORTFOLIO REPORTING AS AT 31 DECEMBER 2019

**INVESTMENT DESCRIPTION**

Constellation Cold Logistics ("Constellation") is the platform company for Arcus' cold chain infrastructure strategy, which envisages the rollup of several local market leaders in the fragmented European cold storage and logistics space. Constellation's companies' customer bases are comprised of top-tier European agri-food and food production businesses, who use the companies as essential providers of "farm-to-fork" supply chain infrastructure.

Glacio Cold Chain Logistics Partners AS ("Glacio") is the first investment made by Arcus within this strategy following Arcus' acquisition of a 90% stake in the company in September 2019. After the reporting period, Constellation acquired a 75% interest in Koel-en Vrieshuis Lintelo BV ("Lintelo") and a 40% interest Stockhabo SRL ("Stockhabo"), local cold storage market leaders in the Netherlands and Belgium, respectively. Together with Glacio, these acquisitions increase the total combined capacity of Constellation companies to c.260,000 pallets.

CONSTELLATION'S APPROACH TO ESG

Given its recent formation, Constellation does not yet have a formally documented approach to ESG. Arcus is working on a detailed ESG policy for the group which will subsequently be rolled out across each of the subsidiary companies along with standardised ESG KPI reporting. The Constellation ESG policy will govern the approach taken by group companies in respect of matters such as health and safety, energy efficiency, operating standards and compliance with food and hazardous material handling regulations. With an enhanced policy framework and effective oversight, Arcus believes that the Constellation companies can reinforce the role they play in safely maintaining the integrity of frozen food supply chains while lowering their respective carbon footprints and reducing the frequency of operational incidents.

Currently the businesses within the Constellation platform regularly report on health and safety, energy efficiency and supply chain integrity KPIs. As noted above, the reporting of these ESG KPIs, as well as others, is being standardised and further enhanced in 2020.

Given that the initial investment in Constellation was completed in close proximity to 2019 year end, there is no reporting of 2019 ESG matters nor did Constellation previously participate in the GRESB assessment process. As the initial investment in Constellation was made in late 2019, the first GRESB assessment in which Constellation will qualify for participation is in 2020, to be completed in mid-2021.



3.4 TELECOMS – FIBRE NETWORK

E-FIBER

E-Fiber

A growing fibreoptic network platform focused on smaller towns and semi-rural areas of the Netherlands.

BASIC COMPANY INFORMATION

LOCATION

Netherlands

WEBSITE

www.e-fiber.nl

NUMBER OF EMPLOYEES

c.11

ARCUS ASSET MANAGER

Jack Colbourne

ARCUS BOARD MEMBERS

**Jack Colbourne, Jordan Cott
(Arcus holds 2 of 4 seats)**

INVESTMENT DATE

11 May 2018

PERCENTAGE OWNERSHIP AS AT REPORTING DATE

97.3%*

INVESTMENT PORTFOLIO REPORTING AS AT 31 DECEMBER 2019

**INVESTMENT DESCRIPTION**

E-Fiber is a growing FTTH platform in the Netherlands that develops, builds and commercialises FTTH networks in less dense areas (i.e., smaller towns and semi-rural areas) of the country. E-Fiber operates as a wholesale local network provider, and generates revenue by renting capacity on its network to ISPs who then provide high-speed broadband access to mainly residential end users. As of 31 December 2019, E-Fiber owned networks in operation or in construction comprising c.127,400 homes passed (at completion) across 12 municipalities in the Netherlands.

E-FIBER'S APPROACH TO ESG

E-Fiber is a relatively young and small company. Arcus has worked with the founder and CEO of E-Fiber to establish and embed ESG management and best practices within the business. Since acquisition by Arcus in mid 2018, the Company has adopted policies covering ESG, Anti-Bribery and Fraud Prevention, Health and Safety, as well as a Code of Conduct. ESG reporting is now part of the monthly management reporting.

E-Fiber's networks help to "level" the urban-rural digital divide and thus contribute to the SDGs. E-Fiber builds fibre networks that bring higher internet speeds to semi-rural communities that are often overlooked by larger players due to their smaller size and cost of investment, creating a digital divide for these semi-rural communities compared to large cities. E-Fiber's investment provides these communities with a communications utility fit for the future. E-Fiber regularly holds townhall sessions to provide those communities and stakeholders with information to understand more about the benefits of FTTH. In addition, E-Fiber regularly teams up with local schools and education groups to sponsor digital awareness programmes and has been actively involved in promoting FTTH for educational facilities.

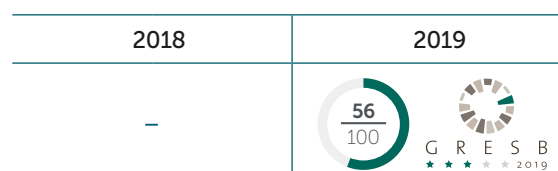
2019 KEY ESG EVENTS

In 2019, E-Fiber adopted an enhanced ESG policy and ESG-related KPIs (such as lost time incidents) are now reported in the monthly board reports. Over the course of 2019 and as part of its new marketing campaign, E-Fiber continued to develop new stakeholder engagement tools promoting the benefits of FTTH to the community.

GRESB RESULTS

E-Fiber participated in the annual GRESB reporting for the first time in 2019. E-Fiber scored 56 out of a possible score of 100 compared to the average GRESB score of 45. E-Fiber was ranked as follows in peer benchmarking:

- 4th of 6 European/Global Data Transmission assets; and
- 80th of 236 participants in Europe.



3.5 TRANSPORT – TOLL ROADS

GTC

GTC

The concessionaire of the AmberOne A1 dual-lane motorway linking Gdansk with Torun.

BASIC COMPANY INFORMATION

LOCATION

Poland

WEBSITE

www.a1.com.pl/en

NUMBER OF EMPLOYEES

c.12

ARCUS ASSET MANAGER

Stefano Brugnolo

ARCUS BOARD MEMBERS

**Stefano Brugnolo, Ian Harding
(Arcus holds 2 of 4 seats)**

INVESTMENT DATE

22 December 2016

PERCENTAGE OWNERSHIP AS AT REPORTING DATE

75.6%*

INVESTMENT PORTFOLIO REPORTING AS AT 31 DECEMBER 2019

**INVESTMENT DESCRIPTION**

GTC is the concessionaire of the AmberOne A1 dual-lane motorway linking Gdansk with Torun. The A1 concession comprises a 152km long dual carriage motorway linking the city of Gdansk in the North with Torun further South, and forms part of the broader c.400km long Autostrada A1 motorway. The Autostrada A1 forms an integral part of the European integrated road plan (EU TEN-T) and constitutes a key North-South corridor that connects the main Polish Baltic port cities of Gdansk and Gdynia with the Czech Republic, Austria and Slovenia to meet the Adriatic Sea.

GTC'S APPROACH TO ESG

ESG matters are core to GTC's obligations under the Concession and Polish regulatory requirements and are important to GTC's stakeholders and enhancing shareholder value. The company aims to undertake initiatives to continuously improve and promote motorway safety, reduce congestion and carbon emissions, encourage greener technical solutions, improve ESG monitoring, establish a robust risk management framework, improve biodiversity and engage in charitable events.

Since acquisition in late 2016 Arcus has enhanced the GTC's reporting protocols on ESG-related topics. This has enabled better monitoring of the number and severity of accidents, as well as environmental and social initiatives, on a monthly basis, in order to further improve GTC's ESG performance.

GTC supports stakeholder events and campaigns on a regular basis to promote safe driving and first aid. The campaigns target a wide range of stakeholders and includes promotional activities to motorway users at the services areas, learning sessions at local educational institutions and public demonstrations of first aid. The company has worked with local enforcement and rescue agencies to help analyse, prevent and respond to accidents.

GTC's key ESG KPIs reported and monitored at Board level are electronic tolling usage, motorway incidents, animal passage usage, water usage/treatment, and noise pollution. Additional emphasis is placed on monitoring motorway incidents as this is fundamental to the safety and functioning of the motorway.

2019 KEY ESG EVENTS

During 2019 GTC finalised discussions with third parties to install electric vehicle charging stations at selected service areas. The company also signed an agreement for additional greenery to be planted along the motorway in early 2020 and increased awareness of animal crossings by adding 400 signs along the A1, sent signs to be installed at c.50 nearby schools and distributed information to users of the motorway.

GTC distributed a customer satisfaction survey and began collecting responses in November 2019 and will be assessing the results in 2020. The company enhanced user experience along the motorway through the installation of two video tolling gates as an alternative means of payment.

GRESB RESULTS

GTC scored 76 out of a possible score of 100 compared to the average GRESB score of 45. GTC was ranked as follows in peer benchmarking:

- 1st of 8 European Motorways; and
- 18th of 236 participants in Europe.



3.6 ENERGY – SMART METERING

HORIZON

Horizon Energy Infrastructure

A growing and dynamic meter asset provider working to develop sustainable partnerships with energy suppliers in the UK.

BASIC COMPANY INFORMATION

LOCATION

United Kingdom

WEBSITE

www.horizonei.co.uk

NUMBER OF EMPLOYEES

c.20

ARCUS ASSET MANAGER

Stefano Brugnolo

ARCUS BOARD MEMBERS

Simon Gray, Stefano Brugnolo, Michele Olivieri (Arcus holds 3 of 8 seats)

INVESTMENT DATE

13 November 2019

PERCENTAGE OWNERSHIP AS AT REPORTING DATE

100%*

INVESTMENT PORTFOLIO REPORTING AS AT 31 DECEMBER 2019

**INVESTMENT DESCRIPTION**

Horizon Energy Infrastructure Limited ("Horizon") is a UK-based smart metering asset provider founded in 2009, with a portfolio of c.400,000 smart meters installed in domestic and industrial & commercial premises. The company finances the purchase and installation of smart meters on behalf of energy suppliers, retaining ownership of the assets and collecting monthly rental payments from secured, long-term leasing contracts (typically with a duration of 15 years). With the responsibility for the operation and maintenance of the meters fully transferred to the lessees, Horizon has a simple business model with scope for scalability using its largely fixed cost base. Moreover Horizon benefits from favourable market dynamics in the context of the UK Government-mandated rollout of smart meters.

HORIZON'S APPROACH TO ESG

Smart meters are an integral part of the transition to a safe and decarbonised energy system, with lower energy consumption expected through real-time updates of energy use, higher energy supplier switching to lower carbon energy suppliers (e.g. some energy suppliers offer 100% renewable energy tariffs), the introduction of time-of-use tariffs, which shift energy consumption to low demand periods, reducing the need for grid reinforcement and faster detection and communication of emergencies (leaks, fires and other) to network operators and energy suppliers. Horizon's business is a key driver of the investment in this transition.

The impact of Horizon's business activities on the environment are indirectly through its suppliers (e.g. installers who drive to customers' premises; a third-party contractor who disposes of the meters) and the company works with its partners to improve energy efficiency where possible. An area being considered for potential ESG improvements is formalising an environmental plan to drive efficiencies and cost savings in the future.

Horizon has a comprehensive set of company policies such as Health & Safety Environmental, Data Management and Data Protection Policy.

Horizon Board reporting includes a detailed section on Health & Safety & Compliance. Following Horizon's acquisition in late 2019, we are planning to introduce specific ESG KPIs reporting to monitor areas, such as environmental measures, where a quantitative indicator can be more effective in tracking improvements.

Given close proximity to 2019 year end that the investment in Horizon was completed, there is no reporting of 2019 ESG matters nor did Horizon previously participate in the GRESB assessment process. As it was acquired in late 2019, the first GRESB assessment in which Horizon will qualify for participation is in 2020, to be completed in mid-2021.

3.7 TELECOMS – FIBRE NETWORK

SWISS4NET

Swiss4net

A fibre-to-the-home (FTTH) business that develops, builds and operates FTTH networks in rural and medium dense areas of Switzerland.

BASIC COMPANY INFORMATION

LOCATION

Switzerland

WEBSITE

www.swiss4net.ch

NUMBER OF EMPLOYEES

c.8

ARCUS ASSET MANAGER

Romain Roirand

ARCUS BOARD MEMBERS

**Christopher Ehrke, Romain Roirand
(Arcus holds 2 of 3 seats)**

INVESTMENT DATE

27 April 2018

PERCENTAGE OWNERSHIP AS AT REPORTING DATE

78.0%*

INVESTMENT PORTFOLIO REPORTING AS AT 31 DECEMBER 2019



INVESTMENT DESCRIPTION

Swiss4net Holding AG ("Swiss4net") is a FTTH platform that develops, builds and operates FTTH networks in rural and medium dense areas of Switzerland. Swiss4net currently operates two regional networks covering c.28,000 households passed to date and has a pre-identified pipeline of further networks to be rolled out. Swiss4net owns and operates the only privately-owned open-access wholesale FTTH networks in Switzerland and is very well positioned to secure further exclusive rights of use over regional utilities' ducts, leading to captive opportunities to roll out additional FTTH networks with quasi-monopolistic features. Swiss4net provides Communication Service Providers ("CSPs") with wholesale access to its dark fibre, in part under long-term Indefeasible Right of Use agreements where the CSPs make an advanced payment for agreed network volume prior to their retail commercialisation process.

SWISS4NET'S APPROACH TO ESG

When Swiss4net was formed as a corporate entity at the time of the Arcus acquisition in 2018, there were no formal ESG policies or practices in place, as prior to that the company was a pure holding company without employees. Since then, corporate organisational structure and processes have developed and Swiss4Net is driving several initiatives to progress implementation of ESG best practices within the company. A number of policies were developed and approved by the Board which included ESG, Health and Safety, Anti Bribery and Fraud Prevention. In addition, an appropriate governance structure and improved internal and external reporting and operating procedures have been implemented.

Switzerland is generally considered to be one of the most developed countries in the world by various measures such as GDP per capita or average internet download speed in 2019 (ranked 9th with 38.85 Mbit/s). However, the situation is quite mixed across the country with only c.30% of the population having access to FTTH. Swiss4net invests in building FTTH networks in rural and semi-rural areas in Switzerland which, given the prevalence of outdated copper lines in those areas, supports the "levelling" of the urban-rural digital divide and thus contributing to the SDGs and making a substantial contribution to providing the Swiss population with the telecoms utility of the future.

Swiss4Net's key ESG KPIs reported and monitored at Board level are health and safety items such as fatalities, injuries and lost time as well as energy consumption across the different operating units.

2019 KEY ESG EVENTS

During 2019, the Swiss4Net ESG policy was updated and is now publicly available on the Swiss4net website alongside the other company policies. In addition, a risk register was introduced, together with a process for monitoring and updating the key risks faced by Swiss4net, as well as a treasury policy. During the year Swiss4net also implemented monthly reporting for health and safety, energy consumption, grievances from stakeholders and fraud attempts and dedicated annual ESG performance reporting. As in 2018, Swiss4net continued throughout the year to source 100% of its energy consumption from renewable sources. Finally, the Swiss4net team implemented a no plastic bottle policy in the office and began recycling coffee capsules.

GRESB RESULTS

Swiss4net participated in the annual GRESB reporting process for the first time in 2019. Swiss4net scored 48 out of a possible score of 100 compared to the average GRESB score of 45. Swiss4net was ranked as follows in peer benchmarking:

- 6th of 6 European/Global Data Transmission assets; and
- 103rd of 236 participants in Europe.

2018	2019
—	 G R E S B ★ ★ ★ ★ ★ 2019

3.8 TELECOMS – TELECOMMUNICATIONS TOWERS

TDF

TDF

Leading telecommunications infrastructure company with a strong position in a crucial part of the value chain for TV broadcast, radio broadcast and mobile telecoms.

BASIC COMPANY INFORMATION

LOCATION

France

WEBSITE

www.tdf.fr

NUMBER OF EMPLOYEES

c.2,100

ARCUS ASSET MANAGER

Christopher Ehrke

ARCUS BOARD MEMBERS

Christopher Ehrke (Arcus holds 1 of 10 seats)

INVESTMENT DATE

31 March 2015

PERCENTAGE OWNERSHIP AS AT REPORTING DATE

45%*

INVESTMENT PORTFOLIO REPORTING AS AT 31 DECEMBER 2019



INVESTMENT DESCRIPTION

TDF is the largest broadcasting tower infrastructure operator in France, with more than 75% market share in DTT and over 60% market share in radio. TDF is also one of the largest outsourced mobile tower site hosting services providers, with more than 25% market share. TDF owns and operates a comprehensive asset base of over 6,000 active sites in metropolitan France, close to 200 sites in French overseas territories and has entered into commercialisation agreements for over 11,500 additional sites in France, including rooftops, making it the largest independent portfolio of sites covering the entire French territory. This unique combination of interconnected infrastructure assets positions TDF as an essential French communications infrastructure operator and enables it to develop complementary business models which require reliability, high capacity and/or high-speed data transmission (e.g. datacentres, cloud, content delivery networks, etc.). TDF has also successfully launched a FTTH division at the end of 2016 with investment contracts for c.730,000 homes secured till date.

TDF'S APPROACH TO ESG

TDF provides critical broadcast and telecoms infrastructure across France and is an important component of the French national communication infrastructure. TDF pays strict attention to protecting the environment and providing a high-quality service matching the expectations of its customers. TDF adheres to principles of sustainable development in its economic, social and environmental aspects.

TDF's environment, health and safety policy is underpinned by identifying and classifying risks arising from the company's operations on an ongoing basis, defining safety measures for employees, customers and suppliers, ensuring the safety of infrastructures, improving labour conditions, protecting the environment, implementing training and awareness programmes for accident and incident prevention, with the overall objective of eliminating all high-risk incidents. The company believes that risk management requires a programme of preventative measures, group and individual security facilities, site and policy audits. Every year, the company prepares an ongoing improvement system working closely with the CHSCT (Health and Safety and Labour Conditions Committee, headed up by the Director of Industry) with an annual prevention plan that lays down specific actions and objectives. To comply with the Sapin II law (French anti-corruption regulation), TDF has also implemented a training programme for at-risk employees on Anti-Bribery and Corruption principles. TDF has been a signatory of the UN Global Compact since 2014.

Since the TDF acquisition in March 2015, Arcus has played a leading role in evaluating and improving existing ESG practices at TDF. The monthly financial and ESG reviews and Board materials have been enhanced to provide a clearer structure, more focused reporting and new KPIs created by Arcus based on its long-dated telecoms experience. TDF's key ESG KPIs reported and monitored at Board level are health and safety items including all types of workplace accidents, incidents and working hours logged as well as fraud attempts.

2019 KEY ESG EVENTS

In 2019, a bespoke corporate and social responsibility policy and treasury policy that fit TDF's business profile was designed and implemented.

TDF carried out a study on its greenhouse gas emissions during the year including both scope 1 and 2 emissions. This figure was compared to emissions in 2011 and 2015 which concluded that the company had significantly reduced its broadcast divisions emissions after the analogue switch-off and that emissions had stabilised over the last four years, despite increased activity in other business divisions.

As part of an audit committee review in 2019, TDF carried out a maximum foreseeable loss insurance exercise whereby damages from a single event were identified. Several scenarios were analysed and used to determine the scope and size of TDF's insurance policies.

GRESB RESULTS

TDF scored 75 out of a possible score of 100 compared to the average GRESB score of 45. TDF was ranked as follows in peer benchmarking:

- 2nd of 11 Global Data Infrastructure Telecom Towers; and
- 22nd of 236 participants in Europe.





04

GLOSSARY

GLOSSARY

Term	Definition
AEIF1	Arcus European Infrastructure Fund 1 L.P.
AEIF2	Arcus European Infrastructure Fund 2 SCSp
AEIM	Arcus European Investment Manager LLP
Alpha or Alpha Trains	The group of companies comprising Alpha Trains (Luxembourg) S.à r.l. and its subsidiaries and affiliates
Arcus	Arcus Infrastructure Partners LLP
Asset Manager	Arcus individual delegated responsibility for managing the Arcus investment in an investee company on behalf of Arcus
Asset Review Meeting	Quarterly meetings in which Asset Managers share detailed investee company updates with the Investment Committee and other Asset Managers with objective of best practice sharing. Each quarter has a rotating topic for discussion
Brisa	The group of companies comprising Brisa Auto-Estradas de Portugal S.A. and its subsidiaries and affiliates
BVCA	British Venture Capital Association
Constellation	The group of companies comprising Constellation Cold Logistics S.à r.l. and its subsidiaries and affiliates
CSP (Communication Service Provider)	Service providers offering telecommunication services or some combination of information and media services, content, entertainment and applications services over networks
Ducts	Existing underground pipes or conduits that hold copper or fibre cables
E-Fiber	The group of companies comprising E-Fiber Exploitatie B.V. and its subsidiaries and affiliates
EPC	Energy performance certificates
ESG	Environmental, Social and Governance
ESG Committee	Internal Arcus committee with oversight over ESG matters, as described in further detail on page 11
Euroports	The group of companies comprising Euroports Holdings S.à r.l. and its subsidiaries and affiliates
FCA	Financial Conduct Authority
FTTH (fibre-to-the-home)	Also called "fibre to the premises" (FTTP), is the installation and use of optical fibre from a central point directly to individual buildings such as houses, apartment buildings and businesses to provide high-speed Internet access
GHG	Greenhouse gas
GIIA	Global Infrastructure Investor Association
GRESB	Global Real Asset Sustainability Benchmark, assesses and benchmarks the ESG performance of real assets, providing standardised and validated data to the capital markets. GRESB scores referenced throughout the report are taken from official benchmark reports issued by GRESB
GTC	Gdańsk Transport Company S.A.
Horizon	The group of companies comprising Horizon Energy Infrastructure Limited and its subsidiaries and affiliates
HR	Human Resources

GLOSSARY (CONTINUED)

Term	Definition
Investment Committee	Internal Arcus committee responsible for management and oversight of all investment activity undertaken by Arcus, as described in further detail on page 10
ISPs	Internet Service Providers
Managed Account	Investment in a single investee company that is actively managed by Arcus on behalf of an investor which authorises Arcus to make investment decisions pertinent to the relevant investor, considering their needs and goals, risk tolerance, and asset size
Management Committee	Internal Arcus committee responsible for management and oversight of Arcus as an organisation, as described in further detail on page 8
SMCR	Senior Managers and Certification Regime
SDGs	UN Sustainable Development Goals, a collection of 17 global goals designed to be a blueprint to achieve a better and more sustainable future for all
Swiss4net Holding AG	The group of companies comprising Swiss4net Holding AG and its subsidiaries and affiliates
TCFD	Task Force for Climate-Related Financial Disclosure; climate-related financial risk disclosures guidance on providing information to investors, lenders, insurers and other stakeholders
TDF	The group of companies comprising TDF S.A.S. and its subsidiaries and affiliates
UK Stewardship Code	Part of UK company law concerning principles that institutional investors are expected to follow, it is directed at asset managers who hold voting rights on shares in United Kingdom companies
UN Global Compact	UN voluntary initiative based on CEO commitments to implement universal sustainability principles and to undertake partnerships in support of UN goals
UNPRI	UN Principles of Responsible Investing; voluntary and aspirational set of investment principles that offer a number of possible actions for incorporating ESG issues into investment practice. UNPRI scores referenced throughout the report are taken from official reports published by UNPRI

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