

Information on sustainability

FOND-ICO SOSTENIBILIDAD E INFRAESTRUCTURAS, FICC INFORMATION ON SUSTAINABILITY

Art.10.1 of Regulation (EU) 2019/2088 stipulates for financial products promoting environmental or social criteria to publish on their websites the criteria developed in Delegated Regulation 2022/1288 in the following order.

<p>a) Summary</p> <p><i>Summary of all the information contained in the different items of this section.</i></p>
<p>Fond-ICO Sostenibilidad e Infraestructuras, FICC (the "Fund"), a fund managed by Axis Participaciones Empresariales, SGEIC, S.A., S.M.E., promotes environmental or social criteria, but does not have a sustainable investment objective.</p> <p>The Fund mainly makes long-term infrastructure investments in the mobility, clean energy and environment and social infrastructure sectors through which it promotes criteria such as energy transition, the responsible use of resources or greater social development. The Fund also contributes to the achievement of Sustainable Development Goals, mainly SDGs 7 and 9.</p> <p>The Fund's Investment Strategy is bound by the selection of Key Sectors in order to locate investment projects that optimise not only financial return, but also have environmental and social purposes.</p> <p>The Fund has a minimum target of 80% for investing in activities that promote environmental or social criteria, either through direct investment or through third-party managed funds.</p> <p>The Fund uses sustainability indicators to help visualise the impact of its investments on their environment, such as reduction of GHG emissions, renewable energy produced or job creation.</p>
<p>b) No sustainable investment objective</p>
<p>This financial product promotes environmental or social criteria and, although its target is not a sustainable investment, it will have a minimum of 50% sustainable investments.</p>
<p>c) Environmental or social criteria of the financial product</p>
<p>The Fund mainly invests in sustainable infrastructure in the mobility, clean energy, environmental and social infrastructure sectors, where it promotes the following environmental and social criteria in accordance with Article 8 of the SFDR:</p> <ul style="list-style-type: none"> i. <u>Environmental Criteria:</u> <ul style="list-style-type: none"> ○ Energy transition towards a low-carbon model (reduction of GHG emissions), supporting renewable generation, energy savings and energy efficiency. ○ Responsible use of resources and promoting initiatives of the circular economy. ○ Efficient water use and reuse. ii. <u>Social Criteria:</u> <ul style="list-style-type: none"> ○ The Fund may invest in projects that provide basic services (mobility, health, energy supply, etc.) that lead to greater social development and a higher quality of life, thus contributing to lesser inequality.

- It also invests in projects that contribute to providing more affordable, safer and cleaner energy.
- In both the construction and operational phases, the aim is for the investments to have a positive impact on the creation of stable and quality employment, with special interest in regions at risk of depopulation.

The Fund's investments also contribute to specific SDGs, with greater emphasis on the following:

- **SDG 9** (Industry, innovation and infrastructure): In addition to inclusive and sustainable industrialisation and innovation, a notable endowment to infrastructure plays a key role in introducing and promoting new technologies, facilitating international trade and enabling the efficient use of resources, leading to economic and employment growth.
- **SDG 7**: Ensure access to affordable, safe, sustainable and modern energy.

In addition, the Fund's investment strategy is also geared towards meeting other SDGs (3-6-8-11-13-15).

d) Investment strategy

- i. *Investment strategy used to meet the environmental or social characteristics promoted by the financial product;*

The Fund's Investment **Strategy** is based on the selection of Key Sectors in order to locate investment projects that optimise not only financial return, but also have environmental and social purposes. The inclusion of an investment project in one of the Key Sectors is a binding element during the investment process. In order to classify an activity sector as a Key Sector, the Management Company identifies those niches with sizeable effects in terms of their contribution both to economic development and the environmental and social criteria it promotes.

Key Sectors:

- Mobility infrastructures with sustainability components, e.g. favouring the use of alternative fuels (hydrogen, biomethane...), contributing to reduce GHG emissions.
- Energy-related infrastructure, such as renewable energy generation assets, or assets that promote energy efficiency and security.
- Infrastructures that safeguard and protect the environment, promoting the circular economy, the use, treatment and reduction of waste, reducing air, land and water pollution, etc.
- Social infrastructure to help provide access to inclusive, efficient and sustainable social services.

- ii. *Policy to assess good governance practices of investee companies, in particular with regard to governance structures, employee relations, staff remuneration and tax compliance.*

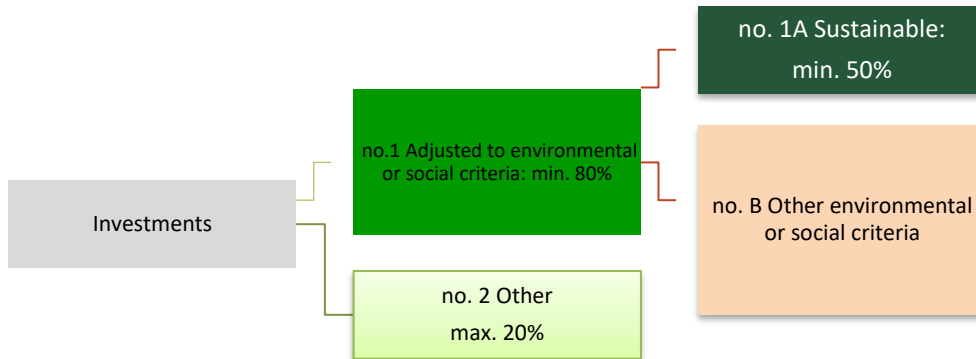
Guided by industry best practices, the Management Company implements its own assessment of **good governance** practices in the companies in which it invests.

By participating in the Shareholders' Meetings and Supervisory Committees of investee companies and subscribed funds, respectively, the governance practices of the Fund's investments are assessed and, where necessary, brought to the attention of the relevant bodies for improvement.

e) Proportion of investments

The Fund has a minimum target of 80% to invest in activities that promote environmental or social criteria, either through direct company investment or by subscribing to units in third-party managed funds that fall under Articles 8 and/or 9 of the Disclosure Regulation.

The remaining 20% ("other") is for indirect investment in various assets through other funds, whose managers have strong commitments to promoting environmental and social criteria in their investments.



While the aim of the Fund is not entirely give over to sustainable investment, it will have a minimum commitment of 50% in sustainable investments.

The Fund may invest in transitional and enabling activities, with no target percentage set for these activities.

f) Monitoring of environmental or social criteria

The way in which the environmental or social criteria promoted by the product are monitored throughout the life of the financial product and the sustainability indicators used to measure the effective promotion of each environmental or social criteria, as well as the related internal or external control mechanisms.

The Fund uses indicators to help visualise the impact of investments on their environment. Based on the current composition of the portfolio, the Fund uses the following measurement indicators, which may evolve depending on future investments:

- i. **Environmental impact indicators:**
 - o GHG emission reductions, installed renewable energy (MW),
 - o renewable energy produced (MW/h),
- ii. **Social impact indicators:**
 - o job creation in construction and operation of new infrastructure,
 - o reduction of accidents and claims ratio.

The Fund may implement a larger catalogue of indicators tailored to the relevance of each market niche in which the Fund invests.

g) Methods

Methods to measure how the environmental or social criteria promoted by the financial product are met

The methods used to measure compliance with the environmental or social criteria promoted by the Fund are as follows:

Selection of investment exclusively within **Key Sectors**: In order to classify an activity sector as a Key Sector, the Management Company identifies those niches with important effects in terms of their contribution both to economic development and the environmental and social criteria it promotes.

- i. Selection of funds to be invested exclusively in the categories belonging to **vehicles** qualified as **art.8** or **art.9**, according to Regulation 2019/2088.
- ii. **ESG factors:** As part of the Fund's objective to promote investments that provide more than just a financial return, the analysis of environmental, social and governance factors prior to investment approval should result in a positive net balance.
- iii. Contribution to **SDGs:** within the selected Key Sectors, investments must contribute substantially to one of the Sustainable Development Goals.

h) Data sources and processing

- i. *Data sources used to achieve each of the environmental or social criteria promoted by the financial product;*
- ii. *Measures taken to ensure data quality;*
- iii. *How the data are processed;*
- iv. *Proportion of data that have been obtained by estimation.*

The data used to verify the achievement of the environmental or social characteristics is obtained by the Management Company directly from the investee company or fund.

To ensure their quality, they are requested to be provided in written form and accompanied by an explanation of the source and method of calculation of the specific data.

The data to be obtained must be real and reflect the impacts of infrastructures in operation, discarding estimates in the case of projects that are still in the construction phase.

i) Method and data limitations

- i. *Limitations on the methods referred to under Article 24g and data sources referred to under Article 24h;*
- ii. *The way such limitations do not affect the manner in which the environmental or social criteria promoted by the financial product are met.*

Regarding the methods used for compliance with the environmental or social criteria promoted by the Fund, the limitation is framed in the exclusion capacity of these methods, i.e. the variety of potential investments that might comply with the criteria promoted, but are excluded because they do not fit within any of the categories of the methods used.

The limitations of the data stem mainly from the fact that they are provided by the investee companies or funds and calculated using their own methodologies.

Although limitations may result in quantitative differences, this does not invalidate the achieving the environmental or social criteria pursued.

j) Due diligence

Due diligence measures taken in respect of the underlying assets of the financial product, including external and internal controls over said due diligence.

Due diligence measures focus on the stage prior to each investment where through technical and legal due diligence, it is verified that investments comply with applicable environmental and social legislation do not cause significant harm and are aligned with primarily SDG 7 or 9.

k) Engagement policies

Engagement policies are applied where engagement is part of the environmental or social strategy, including management procedures applicable to sustainability-related litigation in investee companies.

In the event that a sustainability-related dispute is identified in its investee companies or funds, the Fund will act through the bodies in which it is represented. If the severity of the dispute affects the terms on which the investment was approved, any decision on the matter will be submitted to the Investment Committee and the Management Company's Board.

l) where a benchmark has been designated to achieve the environmental or social criteria promoted by the financial product, "Designated Benchmark"

Has a benchmark been designated to meet the environmental or social criteria promoted by the financial product, and how does that benchmark match the environmental or social criteria promoted by the financial product, including the input data, the methods used to select that data, the rebalancing methods and the way the benchmark is calculated?

No benchmark has been designated to meet the environmental or social criteria promoted by the Fund.

Annex 1. No consideration of adverse impacts of investment decisions on sustainability factors

Fond-ICO Sostenibilidad e Infraestructuras, FICC does not currently consider the adverse impact of its investment decisions on sustainability factors, due to the difficulty of obtaining sufficient quality information. Nevertheless, efforts are under way to attempt to make it possible to efficiently assess adverse incidents in the future.