

RESPONSIBLE INVESTMENT POLICY

Cordiant Digital Infrastructure Limited

ESG RISK MITIGATION & OPPORTUNITIES

&

IMPACT INVESTING

V.2

Published: March 2023

Scope of Policy

Cordiant Digital Infrastructure Limited ("CORD") has engaged Cordiant Capital Inc. ("Investment Manager") a specialist global infrastructure and real assets manager with particular expertise and experience in digital infrastructure, as CORD's investment manager.

Investment Manager refers to Cordiant Capital Inc. (registered as a Portfolio Manager and an Exempt Market Dealer with the Autorité des Marchés Financiers, the Ontario Securities Commission and other Canadian regulators as well as a Registered Investment Advisor with the U.S. Securities and Exchange Commission and as an Investment Fund Manager in Quebec and Ontario); Cordiant Luxembourg S.A. (regulated as an AIFM by the Commission de Surveillance du Secteur Financier of Luxembourg); Cordiant Digital Infrastructure Management LLP as well as affiliated entities.

This Policy applies to the Investment Manager's investment analysis and investment management activities conducted in its role as investment manager to the investment trust CORD.

CORD's independent Board of Directors and the Investment Manager acknowledge the importance of the private capital industry in contributing to outcomes such as those defined in the United Nations' ("UN") Sustainable Development Goals¹("SDGs") and the 2015 Paris Agreement² goals ("Paris Agreement"). The Investment Manager incorporates this sector-specific policy alongside its own Responsible Investment Policy³ into its investment processes and seeks to ensure that CORD's investee companies uphold the responsible investment standards and principles outlined within the two policies.

¹ <https://sdgs.un.org/>

² <https://www.un.org/en/climatechange/paris-agreement>

³ <https://www.cordiantcap.com/esg-impact/>

Introduction

CORD invests principally in operating digital infrastructure assets, with a predominant focus on data centres, mobile telecommunications/broadcast towers, distributed sensor networks and fibre-optic network assets, primarily located in the UK, Europe, the United States of America and Canada. The strategy targets the mid-market of the core infrastructure of the digital economy, with the Investment Manager implementing a 'buy, build & grow' approach to 'the plumbing of the internet'.

Whether at a global, regional or national level, digital communications networks are carrying unprecedented volumes of data. Accelerated by the COVID-19 pandemic and the necessity to move critical functions of society into the digital world; economies, businesses and society are increasingly demanding and dependent upon being able to generate, store, and transfer data. This trend has cast into sharp focus the critical role of digital infrastructure, whilst also highlighting the importance these assets have had in helping to facilitate the key progresses made to communication, the digital economy and access to it, and developments to modern society. CORD and the Investment Manager, through the investment strategy, seek to continue to build and grow this economic and social elevator.

Whilst the demand and reliance for data continues to surge, providing significant 'tailwinds' for the sector, the Investment Manager is highly cognisant of the current and future energy requirements and the associated environmental impact of the sector, particularly from data centre assets. Recognising the balance required, the Investment Manager seeks to mitigate the environmental burden of digital infrastructure by promoting a more sustainable approach at the network, asset, and operational level, to help maximise the net positive benefit to society.

The Investment Manager integrates ESG and impact considerations throughout its investment process, and seeks to promote and abide by the following set of 'Guiding Principles' as the investment manager to CORD, focusing on mitigating the sectors impact to climate change:

- i. The need to reduce the carbon footprint of the digital economy, focusing on:
 - Enabling efficient network design – i.e., supporting the integration of 5G and broadcast
 - Integrating renewable energy where possible
 - Energy efficiency at the network component level – i.e., more efficient data centres
- ii. The need to reduce the carbon footprint of society, through enhanced communications that diminish the need for unnecessary travel and shrink pollution-causing congestion.
- iii. The need to better connect under-served businesses and households to the digital economy, thereby supporting enhanced opportunity and economic activity.

Commitments

The Investment Manager has a longstanding commitment to incorporating and adopting best practices to guide its approach to investment management. The Investment Manager has committed to several leading frameworks and standards to guide its process, decision making, and to promote a more sustainable approach to investment management.

The Investment Manager has been a signatory of the Principles for Responsible Investment⁴ ("PRI") since 2008. The PRI Transparency Report is available on the PRI's website⁵. The Investment Manager was a founding signatory – and speaker at the launch – of the 'Impact Principles'⁶. Audits of the Investment Manager's impact approach, by the Impact Principles, can be found on the Investment Manager's website⁷.



⁴ <https://www.unpri.org/>

⁵ <https://www.unpri.org/signatory-directory/cordiant/1084.article>

⁶ <https://www.impactprinciples.org/>

⁷ <https://www.cordiantcap.com/esg-impact/>

CORD is committed to adhering to all laws and regulations in the jurisdictions in which it operates. Whilst CORD and the Investment Manager also seek to create positive impact that supports the aims of the UN SDGs. Additionally, supporting several global sustainability initiatives such as the Paris Agreement and seeks to uphold relevant international standards such as the UN Global Compact⁸.

ESG and Impact Integration

ESG

The Investment Manager integrates ESG risk and impact management throughout its investment process. The approach is based on three key lynchpins: 1) Screening – ESG due diligence and risk identification for prospective investments; 2) Management – constructive engagement with investee companies regarding ESG risks, and opportunities, as well as impact performance; and 3) Tracking - data capture, ongoing monitoring, and annual reporting.

Screening	Management	Tracking
<ul style="list-style-type: none"> Negative Screening Risk Identification ESG Due Diligence Risk Categorisation 	<ul style="list-style-type: none"> Gap Analysis Action Plans Ongoing Engagement 	<ul style="list-style-type: none"> Ongoing Monitoring Transparency

Impact

Digital infrastructure is an inherently impactful sector and a pivotal building block for modern society; however, the Investment Manager recognises the balance required to facilitate the societal benefits whilst mitigating the potential climate impact of digital infrastructure assets, the core of its Guiding Principles and its principal impact focus for the sector. The Investment Manager identifies two channels through which it can create positive outcomes.

Positive External Impact - Climate:

CORD through its investee companies' products, services and business offerings can contribute to solutions to environmental and social problems defined by the UN SDGs and targets.



SDG Targets:

9.1 9.4
9.3 9.c

CORD promotes and supports updating and developing digital infrastructure to make it more resilient, sustainable promoting inclusive and sustainable industrialisation and fostering innovation.

Positive External Impacts



11.3
11.a

Positive Internal Contributions - Climate:

CORD can contribute to positive outcomes by ensuring investee companies align their operations with approaches that mitigate negative environmental and social impacts of their operations and that provide benefits to employees, communities and other stakeholders.



SDG Targets:

7.2 7.3

CORD supports and aims for investee companies to adopt energy efficient measures and practices and targets the increased adoption of renewable energy sources into the energy supply mix.



12.6

CORD supports investee companies adopting sustainability reporting standards.



13.1 13.2

CORD supports investee companies in measuring GHG emissions and seek to where needed to implement adaption measures.

Positive Internal Contributions



8.8



10.3

⁸ <https://www.unglobalcompact.org/>

Governance

This Policy will be reviewed by the Investment Manager's ESG and Impact Team, at minimum, on an annual basis as part of the Investment Manager's efforts to evolve in line with best practice and to ensure the policy remains applicable. Amendments will be approved by CORD's Board prior to being published.



Shonaid Jemmett-Page
Chairman