



Argo Managed Funds (“AMF”)

Responsible Investing Policy

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1. INTRODUCTION

Responsible investing is one of the central business considerations at Argo, defining our corporate values, investment activity as well as relationship with our clients, suppliers and employees. As a Registered Investment Advisor, we have federal fiduciary duties to our investors. Together with fulfilment of these fiduciary duties and a focus on return and risk, taking a responsible approach to investing is a critical success factor for Argo. This approach is embedded both in formal processes and the company's culture. This document outlines guiding principles and key implementation arrangements that we have committed to observe with regard to responsible investing.

For Argo, investing responsibly means that we aim to deploy and manage our clients' capital in a way that supports a sustainable future for the society at large. Many of our investments are specifically targeting new impact towards sustainability goals, and we make no investments that are expected to trigger opposite impact. Our asset management practices have been designed to unlock improvements in asset performance on environmental, social and governance dimensions. We work continuously to strengthen alignment and engagement on ESG with various internal and external stakeholders. As an infrastructure investor, we know that the investments we make are essential to supporting critical human infrastructure in particular investments such as power, water, gas/oil/liquified natural gas and data centers.

We take pride in our active asset management to ensure that our facilities are operated and maintained to perform with high efficiency in a reliable and prudent manner, while delivering on ESG practices. We have been deploying specific measures to monitor and where possible reduce carbon footprint of Argo Managed Funds (AMF). We aim to achieve net zero by 2050 across our portfolio. By managing portfolio impact on climate change, we not only act as good corporate citizens but also better meet our investors' allocation objectives and optimise the risk and return profile of the portfolio. One of our investment beliefs is that addressing the ESG risks contributes toward more attractive returns over the long term. Carbon footprint is one example in the range of critical ESG indicators that we manage in the AMF portfolio with qualitative and quantitative tools.

It is our responsibility to respect Human Rights. The AMF Responsible Investing Policy sets out a full set of Human Rights indicators, from diversity and social impact to occupational safety, that we are applying and measuring consistently across all our business activities. We also influence ESG performance of partners in the value chain, where we can. Argo established a dedicated function for dealing with responsible investing and stewardship, led by an Asset and Corporate Sustainability Lead (Lead ACS). The Lead ACS is supported by Team ACS. Together they provide professional inputs on ESG-related considerations, working closely with investment and asset management teams as they are building the value of AMF, and also with the corporate team on matters affecting the ESG standing of Argo as a firm.

Our responsible investment policy relies on frameworks, principles and metrics elaborated under:

- United Nations' [Global Compact Principles](#) and [Sustainable Development Goals](#) (SDG);
- [GRI Standards](#);
- [Principles for Responsible Investment](#) (PRI), to which Argo is a signatory;
- [Task Force on Climate-related Financial Disclosures](#) of the Financial Stability Board;
- [American Investment Council guidelines for Responsible Investment](#);
- [Sustainable Finance Disclosures Regulation](#);
- [ICGN Global Stewardship Principles](#);
- [GRESB Infrastructure](#), to which Argo is a contributor;
- [NABTU Scorecard](#), to which Argo is a contributor;
- UN Guiding Principles.

Our application is in process for Global Compact Membership and we are considering committing to the Net-Zero Asset Managers initiative.

We also embrace and incorporate policies and requirements originating from our investors, which include some of the world’s largest institutions investing in infrastructure. We engage with our investors on our ESG initiatives and changes in ESG policies on a regular basis through our quarterly investor reporting and investor meeting updates.

Attention to climate change and reduction of carbon footprint is one of the prominent topics for Argo within the wider ESG context. Coupled with our focus on climate risk and transition risk, these are concrete areas where infrastructure investment can make a substantial contribution to a more sustainable world, as manifested on a global level in the Paris Climate Treaty and by G20 Workgroup on Long Term Investment, as well as captured in many international, national and state-level policies.

We have been deploying specific measures to monitor and where possible reduce the carbon footprint of AMF. In doing so, we not only act as good corporate citizens but also better meet our investors’ allocation objectives and optimise risk and return profile of the portfolio.

2. KEY DEFINITIONS

In defining various ESG elements we combine information from general frameworks, such as SDG and PRI, infrastructure-specific tools, such as GRESB Infrastructure, as well as our own experience with investee companies of AMF. These definitions are further tailored to various infrastructure sectors and the geographies where we invest.

Exhibits below set the basic scope of ESG factors considered when implementing this policy.

Exhibit 1. Environmental Factors

Environment policy
Internal organization in place
Status of Environmental Management System (EMS) certification
Major environmental permits required
Training
Training provided on environmental topics
Audience and frequency of training
Environmental protection expenditures
Related to waste disposal
Related to emissions treatment
Related to remediation costs
Related to prevention costs
Related to environment management
Climate change risks
In-house analysis of physical risks and opportunities related to climate change
Integration of climate change, transition risk and/or carbon consumption into business strategy and asset management plans
Emissions reduction targets
Pollution and waste management
Measures to prevent or reduce air pollution
Status of monitoring emission of greenhouse gases, including scope and standard applied
Level of greenhouse gas emissions
Measures to prevent or reduce water pollution
Measures to prevent or reduce soil pollution
Measures to prevent or reduce noise pollution
Policy to recycle and reduce waste

Total volume of waste (hazardous & non-hazardous)
Share of non-hazardous waste for recycling/reuse/recovery
Significant spills (volume and count)
Impact from spills and implemented compensatory measures
Sustainable use of resources
Total consumption of electricity (from national electricity grid)
Total consumption of solar installed at the company
Total consumption of natural gas
Total consumption of fuel
Total consumption of other energy resources, by type
New measures implemented to reduce this consumption of resources (including, energy efficiency and use of clean energy)
Total energy savings realized
Measures to reduce water consumption
Total volume of water withdrawn from water utilities
Total volume of water discharges
Compliance of all water quality parameters with defined thresholds (TSS, BOD, COD, NH3, PO4...)
Percentage of wastewater recycled
Biodiversity
Impact on any protected area or endangered species
Size of all habitat areas protected or restored compared to the size of any areas destroyed
Type and location of compensatory measures (e.g., creation of new wetlands, creation of wildlife habitats, etc)
Impact on biodiversity in protected areas and on areas of high biodiversity value outside protected areas
Measures taken to protect or restore impacted species or habitats
Details on tree removal
Compensatory measures on deforestation

Exhibit 2. Social Factors

Human Rights
Employment Law compliance
Human Resources policy, including specific initiatives currently in progress
Total number of employees
Total number of female employees
Total number of subcontractors
Staff turnover rate
Split of the total workforce by employment type (regular/temporary, full/part time, local, etc.)
Average working hours per week, including overtime
Commitment to inclusive recruitment and diversity
Commitments or measures to promote non-discrimination and diversity
Policy on gender fair wage
Systems in place to monitor gender fair wage
Split by gender, minority and other diversity factors at different levels (Board, Senior Management, Middle Management, etc)
Arrangements for dialogue between management and employees (works council, unions, etc)
Evidence of dialogue between management and employees
Share of workers unionized and support for desire to organize
Arrangements for regular consultation with employee representatives
Policy on minimum wage and working conditions
Measures to ensure that contractors treat fairly their subcontractors
Measures to ensure the well-being of employees at work
Measures to ensure professional development of the employees

Grievance mechanism in place
Share of grievances addressed and resolved through formal grievance mechanisms
Training
Training policies and programs in place
Number of training hours completed per year, per employee
Share of employees that have been trained
Safety
Safety programs or procedures in place
Coverage of health and safety topics in formal agreements (e.g., collective agreements, agreements with unions)
Details on joint management-workers health and safety committee
Details of management H&S system
Share of employees and contractors the H&S system covers
Details of H&S risk assessment
Details of internal H&S audits
Main measures adopted to manage H&S issues, including suppliers and contractors
Details of user's safety improvement
Lost-time injuries frequency rate (LTIFR)
If LTIFR not available, type and rates of injuries and details of the methodology used
Peer and historic comparables on LTIFR
New measures to improve safety of employees
Archaeology and cultural heritage
Details of archaeology works and surveys on cultural heritage
Discovery/exposition details of archaeological findings and cultural heritage

Exhibit 3. Governance Factors

Company's impact on economic and social environment
Key shareholders and stakeholders
Company's impact on local employment and local economic development
Details on monitoring indicators on social and economic development
Key issues raised by shareholders/stakeholders in relation to the project
Commitments or policies on considering ESG issues in the selection of suppliers and contractors
Commitments or policies to assure that suppliers are compliant with minimum ESG standard
Details of foundations and charities established by the company
Stakeholder's management and relations
Details on local community engagement
Details on a system to communicate construction or operation issues
Details on stakeholder engagement affecting company operation
Relationships with local non-profit organization, schools, environmental protection association, local communities etc
Details on a grievance mechanism available for population
Details on complaints raised by stakeholders and how they have been resolved
Shareholder's rights
Details on fellow shareholders
Details on a formal Corporate Governance framework
Details on information and decision participation rights of all shareholders
Is the executive remuneration linked to CSR/ESG performance of the company?
Details on protecting minority shareholders from abusive actions
Board structure

Total number of Board members
Total number of female Board members
Total number of independent Board members
General backgrounds of Board members
Details on performance assessment of Board members
Details on training provided to Board members
Frequency of Board meetings
Internal control and risk management processes in place
Description of risks covered by the processes
Transparency
Disclosure of key financial information to shareholders
Applicable accounting standards
Independent audit arrangements
Commitments and policies to promote business ethics
Measures to monitor and prevent risks of corruption
Compliance
Details of compliance procedures
Details on significant fines for non-compliance with laws and regulations (count and value)
Details on awards received
Assurance and alignment
Details on property rights
Business continuity processes and procedures
Cybersecurity arrangements
Details on ESG-linked KPIs

3. ORGANIZATION

3.1. Corporate Responsibility

Given the continual evolution and advancement in all measures of ESG, Argo has established a dedicated Asset and Corporate Sustainability Team (Team ACS), led by an Asset and Corporate Sustainability lead (ACS Lead). Team ACS is responsible for the day-to-day implementation of responsible investing and stewardship policies, the management of improvement initiatives, and overall monitoring and growth in the ESG space. Team ACS provides professional inputs on ESG-related considerations, working closely and tactically with investment and asset management teams in building the value of AMF, and with the corporate team on matters affecting the ESG standing of Argo as a firm. Team ACS Team meets bimonthly on a formal basis, in addition to ad hoc collaboration on a continual basis.

The ACS Lead is a member of Argo’s Senior Management Team and reports directly to the Board of Argo Infrastructure Partners with a dotted line to the CEO. The ACS Lead participates in the Investment Committee meetings (IC) to present ESG matters when necessary and is a standing member of the Risk and Performance Management Committee meetings (RPMC).

Exhibit 4. Governance of Responsible Investing

Scopes and priorities of sustainability outcomes pursued by Argo, such as reducing carbon footprint or promoting human rights, following Portfolio Company Board approval are presented by the ACS Lead to the RPMC for sign off. Final approval is for certain matters obtained by the Argo Board. Measures to ensure alignment on achieving sustainability outcomes include, without limitation:

- ESG-related KPIs for relevant directors and employees (in Team ACS and in other teams);
- Internal ESG screening requirements for underwriting investments;

- Internal ESG monitoring and reporting cycle for investments in the AMF portfolio;
- Regular reporting to clients on AMF ESG performance;
- Participation in industry platforms benchmarking ESG performance.

AMF ESG performance is discussed at least quarterly during RPMC meetings. In the context of protecting and enhancing the value of AMF, each RPMC meeting discusses risks and opportunities related to sustainability outcomes, identifies and commissions portfolio actions and, where necessary, escalates matters to the Board.

Argo's CEO is ultimately responsible for ensuring the implementation of objectives and measures set out in this policy, including the allocation of adequate personnel and financial resources. The CEO vets all client and investment reporting, including those related to ESG.

We seek independent verification on ESG performance in all AMF assets, usually through an external or internal audit. In 2024, Argo intends to understand the process and costs required to obtain annual certification under relevant standards for environmental management, such as ISO 14007, and social responsibility, such as ISO 26000.

3.2. Reporting

There is a mandatory ESG section in each of the following reports and submissions:

- investment proposal, presented to the IC for approving a new investment;
- asset management report on AMF assets, presented to RPMC at least quarterly;
- investor report, issued to clients at least quarterly.

Each of the ESG sections must follow a standard format and meet minimum disclosure requirements set on the basis of ESG definitions from Section 2. It is intended to reflect our understanding of the current circumstances and, where applicable, includes a plan on improving ESG performance going forward.

Argo reports various aspects of its ESG performance to industry benchmarking platforms at least annually (currently, to PRI, GRESB and NABTU) and publishes ESG-related disclosures on our website and through industry media.

4. STEWARDSHIP

4.1. Key Objectives

As an active manager of our client's capital, Argo engages closely with companies in our portfolio. We endorse [ICGN Global Stewardship Principles 2020 1.pdf](#) and are committed to exercising our investor rights responsibly. For example, ICGN Principle 3. The monitoring and assessing of portfolio companies through our portfolio monitoring system and ICGN Principle 6. Promoting long term value-creation through the integration of ESG factors into AMF goal setting and decision making.

The basis of our stewardship model is to foster alignment between Argo and each of the investee companies on our investment objectives, including sustainability goals. We inform each of the companies about our ESG framework and direct, where feasible, (or else, encourage) them to improve sustainability outcomes, including in the relationships with their business partners and employees. We also engage with our investment partners to the same purpose.

Beyond asset-specific work, we engage with industry associations, such as LTIIA and GIIA, policy makers, including UN initiatives, OECD and ICGN, and governments to stay appraised and influence the development, of latest standards in corporate governance and stewardship.

4.2. Operating Protocols

We regularly produce and update Asset Management Plans (AMPs) for each of the portfolio companies, starting with a Transition Plan, prepared when the investment is made. Each AMP must be approved by IC or RPMC and, depending on asset circumstances, would define objectives and principal tasks, which includes matters pertaining to ESG, for a period of up to two years. An AMP would usually assign priorities to different tasks, considering magnitude and probability of the benefits they can yield.

Key channels for exercising our stewardship duties at portfolio companies include:

- Argo-appointed representatives voting at board meetings and shareholder meetings;
- Argo professionals (including Team ACS) engaging with directors and employees on specific initiatives;
- Argo engaging with other shareholders for developing shared agendas and implementation programs;
- Argo engaging other industry and policy stakeholders with a view of fostering progress toward AMP objectives.

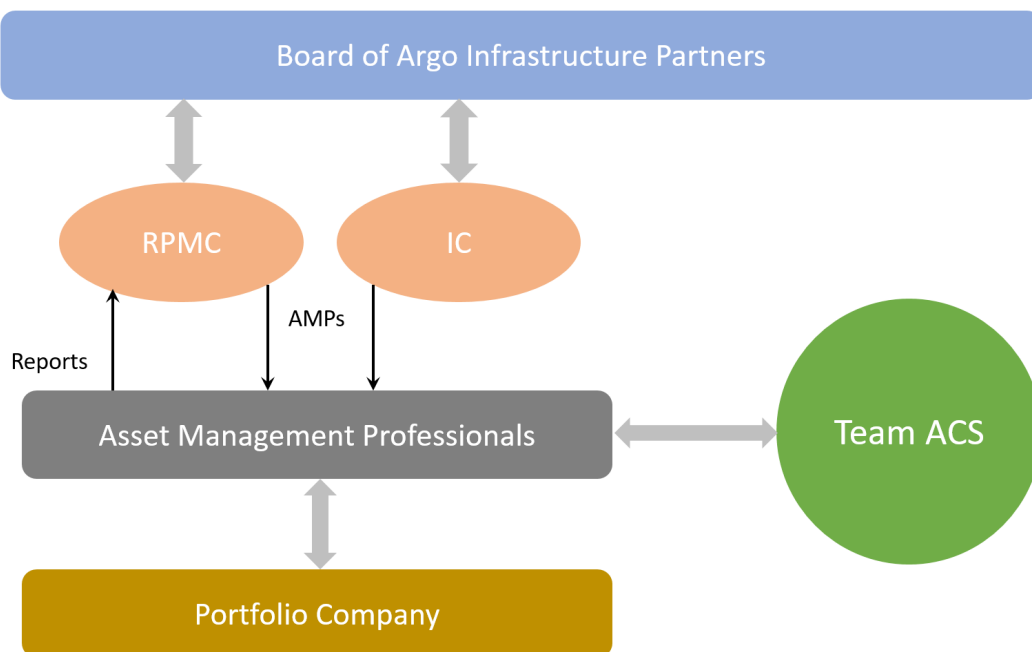
Any implementation challenges and failures are reported and may trigger an escalation at the next authority level – e.g., from senior leadership of an investee company to its Board, then to RPMC, then to Argo senior leadership.

It is the responsibility of the asset managers that AMP requirements are captured, to the fullest extent possible, in business and action plans of each portfolio company. While relevant ESG topics vary from one asset to the other, Argo's focus on appropriate governance is designed to ensure achieving the following:

- the company Board is equipped with adequate technical, operational and financial expertise, and benefits from independence and diversity (when possible; striving to improve as board presence matures and turns over);
- corporate governance arrangements follow good market practices, such as presence of audit and compensation committees;
- Argo has adequate representation in the Board and shareholders meeting to advance implementation of AMPs and constructive dialogue with company management, other directors and shareholders;
- the company has adequate capacity to comply with national and local environmental, health and occupational safety requirements applicable to its business;
- the company follows Argo's policies in relation to ethical and governance matters, such as Policy on Conflict of Interests, Remuneration Guidelines and Responsible Contractor Policy.

Dedicated members of Argo's asset management team and Team ACS monitor the performance of each portfolio company. They report relevant findings, such as progress on AMP, company's Board updates, policy-related engagements etc, to the RPMC at least quarterly through the internal asset management report. Based on those reports, the RPMC not only decides on new asset management actions but may also provide input to the IC regarding future investment decisions and/or share relevant information within a wider circle at Argo and AMF assets (e.g., lessons learned).

Exhibit 5. Stewardship Operating Protocols



Any exceptions to implementing these protocols must be reported to Argo CEO and ACS and approved by the CEO.

4.3. Stewardship Tools

Three types of tools support our stewardship activities.

Forms and templates. We have developed standard forms and content requirements for asset management plans, reports and submissions sent to IC and RPMC and client reporting. Each of these forms includes a dedicated section on ESG. We also use an ESG questionnaire for screening potential investments and recording the ESG performance of portfolio companies. All of the forms and templates rely as a minimum on the ESG Definitions listed in Section 2.

Policies and Guidelines. This policy, together with other relevant policies, is communicated and enacted throughout the Argo organisation and to the AMF portfolio companies. They set a basis for promoting responsible investing in the company culture at Argo and the AMF portfolio companies.

KPIs. We often set ESG-linked performance targets for our employees as well as for contractors and management of portfolio companies. This way Argo fosters alignment on the policies, implementation of AMPs and on other relevant business objectives.

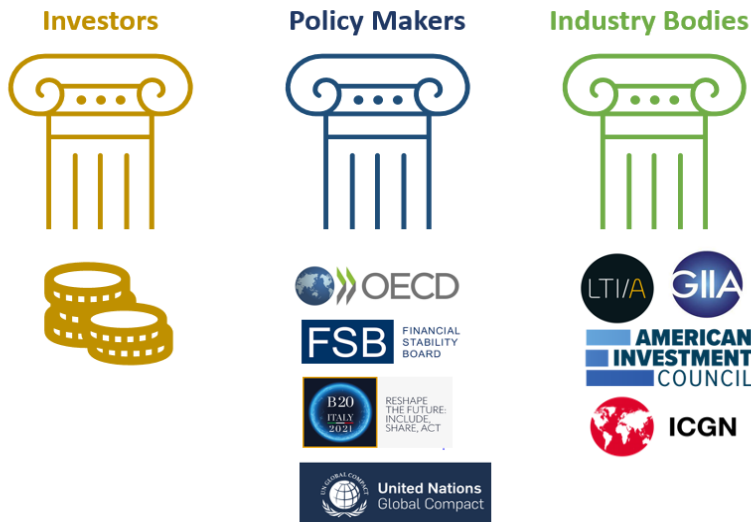
Usually, the AMP provides a single high-level source on ESG objectives for managing individual assets. The contents of an AMP are always adapted to specific infrastructure sector and asset circumstances.

The RPMC sets priorities for the various ESG stewardship actions bearing in mind their impact on the timely achievement of performance objectives. Any conflicting objectives are typically resolved at the RPMC but may also be escalated to the CEO and the Board of Argo.

5. ENGAGEMENT AND EXCLUSION

On-going dialogue with external stakeholders from business and research communities as well as with public bodies, is a key instrument for implementing this policy and for updating it going forward. One important direction of such engagement is the engagement with our investors. We regularly invite their feedback on the quality of our policies and reporting, and incorporate that feedback, where we can, into existing and new investment mandates. We also engage with industry associations and policy makers to understand latest trends in responsible investing and ensure alignment to our practices.

Exhibit 6. Argo Engagement Circle



Argo's exclusion policy with respect to investors and assets is based on requirements of the [UN Global Compact](#), [UN Security Council sanctions and other international frameworks](#). We also commit to additional exclusions based on our beliefs regarding particular sectors or when requested by clients – for example, investing in coal and related activities or in heavy oil terminals. Admission of investors to AMF is subject to a KYC and AML process in compliance with SEC requirements and our internal risk mitigation guidelines (e.g., with respect to investor geographies and origins of assets).