SFDR Article 9 Fund – Website Disclosures Sections based on Articles 23 and 37 to 49 SFDR Commission Delegated Regulation (EU) 2022/1288

Product Name: Pioneer Infrastructure Partners II SCSp

Legal Entity Identifier: 984500YRC481A0EC7888

Last Reviewed: May 2024

Sustainability-Related Disclosures

A. Summary

The European Union's ("EU") Sustainable Finance Disclosure Regulation 2019/2088 ("SFDR") requires Pioneer Point Partners LLP ("Pioneer" or the "Manager") to provide transparency on how sustainability considerations are integrated into the investment process of Pioneer Infrastructure Partners II SCSp ("the Fund", "the financial product"), as delegated portfolio manager of the Fund. Pioneer is supportive of any regulation, including SFDR, that promotes sustainable investing. SFDR is in complete alignment with Pioneer's investment philosophy and supported by its *Sustainable Investment Framework* policy. The sections in this disclosure have been summarised below.

No Significant Harm to the Sustainable Investment Objective

The Fund's investments do no significant harm to the sustainable investment objective and this principle is upheld at every stage of the investment process, outlined further in this disclosure.

Sustainable Investment Objective of the Financial Product

The Fund aims to invest in sustainable infrastructure investments that are environmentally sustainable, specifically within the energy and environment sectors.

Investment Strategy

The Fund's investment strategy is aligned with the United Nation's Sustainable Development Goals ("UN SDGs") and with the various targets outlined in the European Green Deal (2019) and subsequent RePowerEU (2022) plan. Whilst Pioneer takes pride in selecting, managing and operating assets that support the transition to a low-carbon economy, in order to maintain its position as a leading responsible investor, Pioneer also embeds sustainable practices beyond the acquisition of, and investment in, sustainable infrastructure. The spectrum of ESG considerations and risks are accounted for throughout the whole investment process, from the initial review of an investment opportunity, to the active management and stewardship of investments, and through to exit.

Proportion of Investments

As an Article 9 product, the Fund targets sustainable infrastructure projects and seeks to support the transition to a low-carbon economy, primarily through investments in the energy and environment sectors. Although the Fund does intend to invest in Taxonomy-aligned activities, the minimum threshold for EU Taxonomy-aligned investments has been set at 0%. Furthermore, while the Fund intends to only invest in environmentally sustainable investments in line with its investment strategy, 10% of the asset allocation has been reserved to account for cash holdings, short-term bridge financing and derivatives for hedging purposes.

Monitoring of Sustainable Investment Objective

Pioneer incorporates sustainability considerations into all stages of its investment process, from investment screening, due diligence and decision-making, to the ongoing management of its assets, and into the exit phase, to ensure that the sustainable investment objective of the Fund is met. The stages of this process are further detailed in this disclosure.

Methodologies

Pioneer has not assigned a designated index to act as a reference benchmark. However, through the due diligence process and ongoing asset management, the Manager will assess the level of contribution to the sustainability objectives by looking at various quantitative and qualitative key performance indicators ("KPIs"). Portfolio companies report on these metrics on a quarterly basis post-investment and a selection of this data is reported to investors through quarterly reporting while the full set of metrics is disclosed in annual reporting.

Data Sources and Processing

Pioneer's ESG team works closely with the Manager's investment team ("the Investment Team") to ensure that the right processes are in place at the portfolio company level to monitor the relevant indicators. The data is provided by portfolio company management teams on a quarterly basis and Pioneer is then able to track progress and determine if the projects are performing in line with expectations and delivering on any strategic sustainability initiatives.

Limitations to Methodologies and Data

Pioneer's portfolio companies are often managed by small teams with varying levels of experience with sustainability reporting. Data is always captured on a best effort basis, however, there can be limitations to the quality of data captured in the early stages of investments. Pioneer seeks to mitigate this risk through its active asset management approach, working closely with the management teams of investee companies and supporting them to be able to deliver against the Fund's objectives and obligations, in addition to bringing in support from 3rd party advisors where appropriate. In some instances, calculation methodologies may change during the ownership period in an effort to improve data quality and accuracy.

Due Diligence

Pioneer's due diligence process seeks to identify all adverse impacts on sustainability by screening investments against a number of international frameworks. These include the UN SDGs, EU Taxonomy's Technical Screening Criteria, the International Finance Corporation's Performance Standards ("IFC Performance Standards"), as well as various material risk-based analyses. The results of such assessments, together with mitigation strategies, are evaluated by the Manager's investment committee ("the Investment Committee"). An investment will only proceed if the Investment Committee believes that these risks do no significant harm to the environmental objectives.

Engagement Policies

Pioneer seeks to primarily take majority stakes in its investee companies, with board representation. This provides the level of oversight and control required to ultimately deliver on the Fund's sustainable investment strategy.

Attainment of the Sustainable Investment Objective

Pioneer has not assigned a specific index designated as a reference benchmark. However, the Manager intends that the underlying investments of the Fund will support the strategic objective of investing in sustainable infrastructure investments that are environmentally sustainable, specifically within the energy and environment sectors. The Manager will seek to quantify the attainment of the sustainable investment objective of the Fund through a selection of KPIs.

B. No Significant Harm to the Sustainable Investment Objective

The Manager seeks to ensure that the Fund's sustainable investments do not cause harm to the sustainable investment objective by assessing the investments' performance against the attainment of indicators for adverse impact. Pioneer is committed to monitoring and reporting on the Principle Adverse Impact indicators ("PAIs") prescribed in the SFDR Regulatory Technical Standards ("RTS"). These qualitative and quantitative indicators will be disclosed in the relevant Fund documentation and in-line with the SFDR reporting requirements.

Prior to making an investment, the Manager gathers the PAIs that are available from the company during due diligence. Given the Fund targets investments in the lower mid-market, and often creates platforms, typically a large number of PAIs are not available and so the Manager seeks to make qualitative assessments of adverse impacts. During due diligence, the Manager seeks to identify all adverse impacts on sustainability factors by assessing the target company's sustainability profile against a number of international frameworks, including the UN SDGs and the IFC Performance Standards. Where a company has eligible activities, the Manager also assesses the company's activities against the Do No Significant Harm Technical Screening Criteria under the EU Taxonomy (as laid down in Regulation (EU) 2020/852), which are granular science-based criteria.

Pioneer conducts additional risk-based analyses on those sustainability factors deemed to be the most material to a particular investment. The results of the assessments, together with mitigation strategies, are evaluated by the Investment Committee and investments are allowed to proceed where the Investment Committee believes that these risks do no significant harm to the environmental objectives.

Post-investment, Pioneer adopts a hands-on, active approach to asset management to maximise value creation and reduce risk, particularly in respect of any PAIs that have been identified as being most relevant to the investment with a consistent focus on the satisfaction of the sustainable investment objective of the Fund. The Manager continually monitors sustainability performance, with a particular focus on any material risks that are identified during due diligence, and any new ones that are deemed to have arisen. Sustainability issues are reviewed and dealt with by Pioneer representatives during monthly, bi-monthly or quarterly portfolio company board meetings. Management teams of investee companies perform ongoing monitoring on a day-to-day basis. Anything material is reported and dealt with from a senior management level.

Pioneer's investment team works closely with portfolio management teams to ensure that all sites maintain their social license to operate. This includes that the projects are operated to the highest possible standard and in line with their respective permits and planning permissions. Furthermore, the Manager ensures that all portfolio companies adhere to the principles of good governance.

C. Sustainable Investment Objective of the Financial Product

The Fund aims to invest in sustainable infrastructure investments that are environmentally sustainable, specifically within the energy and environment sectors. The Fund's sustainable investment objective is aligned with the UN SDGs and various targets outlined in the European Green Deal (2019) and subsequent RePowerEU (2022) plan.

In pursuit of this sustainable investment objective, the Fund seeks to be an important force for financing and fostering environmentally impactful businesses in Europe that substantially contribute

to climate change mitigation and the transition to a circular economy. The Manager aims to achieve this not only through buying and managing sustainable infrastructure but by building new sustainable infrastructure.

D. Investment Strategy

Investment Strategy

The financial product's investment strategy is aligned with the UN SDGs and with the various targets outlined in the 2020 European Green Deal and REPowerEU plan. The Fund's strategy seeks to support the transition to a low-carbon economy and address some of the central issues this poses by positively screening for sustainable infrastructure projects within the energy and environment sectors. In asset selection, Pioneer adopts a rigorous, risk-based approach to due diligence and looks to invest in projects that materially contribute to at least one, and ideally more, of the following SDGs:

SDG 6: Clean Water and Sanitation – contribute to waste management infrastructure that decreases water pollution

SDG 7: Affordable and Clean Energy – improve the share of renewable energy in the global energy mix

SDG 9: Industry, Innovation and Infrastructure – facilitate the growth of new resilient and sustainable sectors that increase resource efficiency

SDG 11: Sustainable Cities and Communities – investing in projects that pay a pivotal part in the transition to a circular economy

SDG 12: Responsible Consumption and Production – enable and effect resource and consumption efficiency

SDG 13: Climate Action – investing in projects that accelerate carbon reduction and progress towards Net Zero

The Manager also embeds sustainable practices beyond the acquisition of, and investment in, sustainable infrastructure. Pioneer takes sustainability considerations and risks into account throughout the investment process in order to create value for project stakeholders, and to develop a more sustainable long-term strategy for the portfolio investments of the financial product. This includes a thorough governance review of companies in the due diligence process which is supported by legal, ESG, financial and tax advisors, and rigorous governance and policy reviews as part of Pioneer's active ownership.

From origination to exit, the Manager has developed a methodical investment decision-making process which is designed to identify and manage any material ESG risks and opportunities, make improvements where possible, and systematise the Investment Team's behaviour as responsible market participants, while also expanding the universe of buyers for the Fund's portfolio assets.

Assessment of Good Governance Practices

The Manager's due diligence process includes a governance review against the IFC Performance Standards, the PAIs, and the minimum safeguards of the EU Taxonomy. In respect of confirming good governance, the Manager focuses on human rights including workers' rights, sound management structures, remuneration of staff, anti-bribery/corruption, tax compliance and fair competition. Where an investment is found to lack sufficient policies and procedures, Pioneer prioritises these areas for improvement post-investment in 100-day and other short-term plans and continually monitors governance practices in the ownership phase. The Manager seeks to primarily take majority stakes, with board representation, to oversee and influence all major strategic and operational decisions. In this way, the Manager can strongly influence the top-level governance of the company

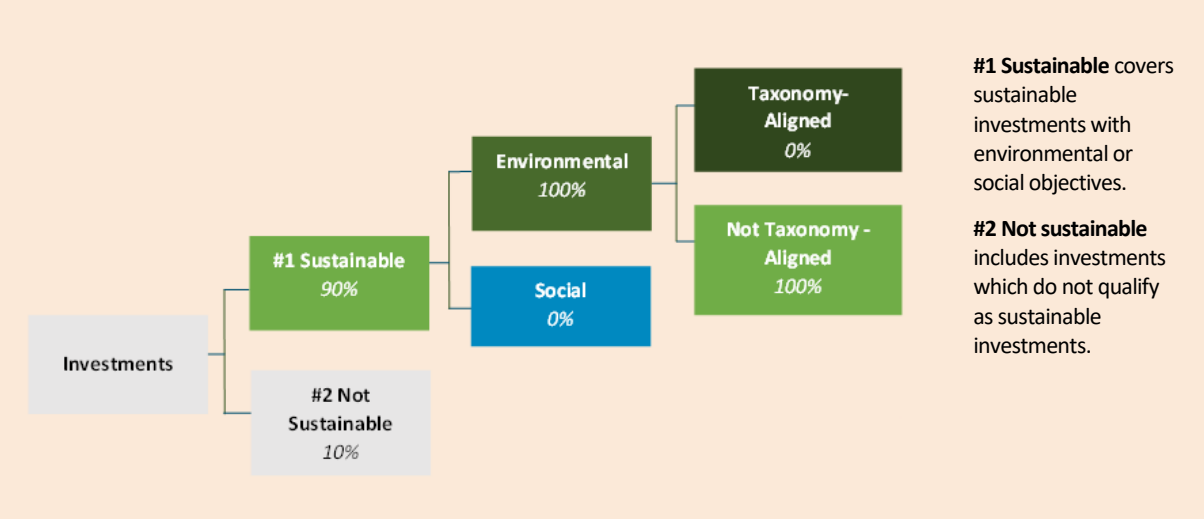
and implement best practices. The Manager also requires investee companies to report on social and governance related issues to the board, on which Pioneer always has representation in order to continually monitor performance, risks and impacts.

E. Proportion of Investments

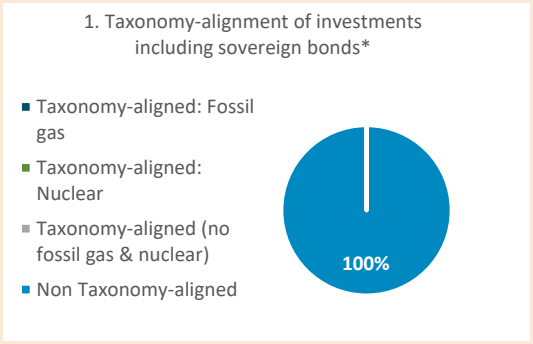
As an Article 9 product, the Fund seeks to invest in sustainable infrastructure projects in line with its sustainable investment objective. The Fund seeks to support the transition to a low-carbon and circular economy, primarily through investments in the energy and environment sectors. The Fund intends to only invest in environmentally sustainable investments in line with its investment strategy, however a small proportion of the asset allocation under has been reserved to account for cash holdings, short-term bridge financing and derivatives for hedging purposes, and is included under '#2 Not Sustainable'.

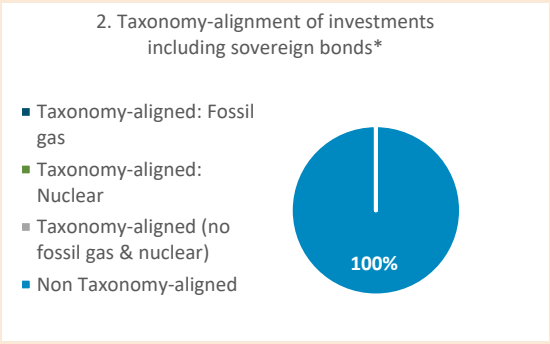
The Fund intends to invest in Taxonomy-aligned activities, however, the Manager has not set a minimum threshold or target percentage of EU Taxonomy-aligned investments that the investment portfolio must meet so for the purpose of product disclosures, the target has been set at 0%. Pioneer does not want to exclude sustainable infrastructure investment opportunities that might not currently be considered eligible, but that the Manager believes still contribute to the Fund's sustainable objectives and/or do no significant harm to the six environmental objectives of the EU Taxonomy. Furthermore, for eligible investments which are not aligned at the point of investment, Pioneer considers the possibility of bringing investments into EU Taxonomy alignment to be a value creation opportunity.

The diagrams below illustrate the intended asset allocation.



The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.





** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

F. Monitoring of the Sustainable Investment Objective

Pioneer incorporates sustainability considerations into all stages of its investment process, from robust investment screening and decision-making, to the ongoing management of its assets, and into the exit phase in order to ensure that the Sustainable Investment Objective is met. Pioneer's strategy focuses on acquiring controlling stakes in its investee entities, with significant minority positions considered on an exceptional basis and, in all cases, with significant board representation. This allows Pioneer to pursue a sustainable ownership strategy in all of its investments and generate positive environmental impacts in ways that are measurable and significant, and with a strong degree of oversight and control.

Pioneer has elected to measure the attainment of the sustainable investment objective using a selection of quantitative KPIs which are disclosed in relevant Fund documentation. For the climate change mitigation objective, where applicable to the specific investment, indicators will include:

- Greenhouse Gas Emissions (kt CO2e)
- Greenhouse Gas Emissions avoided (kt CO2e)
- Renewable energy capacity (MW)
- Renewable energy generated (MWh)

In respect to the circular economy objective, the indicator that the Manager will measure against will be:

- Materials recycled / recovered (kt)

Pioneer may use additional KPIs to quantify the attainment of the sustainable investment objective with regard to specific investments where additional KPIs are more material for those activities.

G. Methodologies

Pioneer has not designated a reference benchmark for the purpose of attaining the sustainable investment objective. However, through the due diligence process and ongoing asset management, the Manager will assess the level of contribution to the sustainability objectives by capturing various quantitative and qualitative key performance indicators including the sustainability indicators outlined

above, in addition to KPIs most material to specific investments. These KPIs will be reported based on actual data provided by portfolio companies where possible, but in some cases estimates may be used. Pioneer will also use the PAIs to ensure that investments do no significant harm to the sustainable investment objective. A selection of these qualitative and quantitative indicators are reported to investors through quarterly reporting while the full set of metrics is disclosed in annual reporting in the relevant Fund documentation and in-line with the SFDR reporting requirements.

H. Data Sources and Processing

Pioneer has developed a sustainability performance reporting platform, in partnership with a sustainability advisor, which generates questionnaires that all portfolio companies are required to complete on a quarterly basis. The ESG team works closely with the Investment Team to ensure that the right processes are in place at the portfolio company level to monitor the relevant indicators so that they can be reviewed and reported in the format and frequency required. The reporting platform includes carbon calculation tools which support portfolio companies to report greenhouse gas emissions to a high standard, and requires supporting evidence to be submitted for various metrics for the ESG team to review. From the data received by the ESG team, Pioneer is able to track progress and determine if the projects are performing in-line with expectations and delivering on any strategic sustainability initiatives. If any concerns arise, Pioneer works with its management teams to develop appropriate mitigation strategies. Pioneer endeavours to always collect accurate data as opposed to estimates, however where this data is unavailable, estimates may be used.

I. Limitations to Methodologies and Data

Pioneer's portfolio companies are often managed by small teams with varying levels of experience with sustainability reporting. Although data is always captured on a best effort basis, there can be limitations on the quality of data captured in the early stages of investments. Pioneer does not believe that this affects the attainment of the sustainable investment objective due to the team's active asset management approach. Management teams are closely supported to appoint a dedicated sustainability manager and to roll out sustainability reporting internally in order to be able to deliver against the Fund's objectives and reporting obligations. In addition to this, Pioneer seeks to continually strengthen the quality of data collected and reported throughout its ownership period. In some instances, calculation methodologies may change or be updated in an effort to improve data quality and accuracy.

J. Due Diligence

Pioneer's due diligence process seeks to identify all adverse impacts on sustainability, using a number of international frameworks, including the UN SDGs, EU Taxonomy's Technical Screening Criteria, and the IFC Performance Standards. Pioneer conducts additional risk-based analyses on those deemed the most material and which might affect the Fund's ability to meet its environmental objectives and social safeguards. The results of such assessments, together with mitigation strategies, are evaluated by the Investment Committee. An investment will only proceed if the Investment Committee believes that these risks do no significant harm to the environmental objectives.

During the due diligence process, Pioneer, as the Manager of the Fund, focuses on assessing materiality indicators to select better-managed companies that can mitigate risk and exploit opportunities stemming from the key sustainability factors associated with that asset class and geography. The materiality factors will vary greatly between investments depending on their unique

characteristics, however, typically they include the physical location of the assets and their exposure to climate-related risks, the likely impact on the environment in which the asset is located, the dynamics of the industry in which the projects operate, and the business practices of related counterparties.

Pioneer also applies this risk-based due diligence framework to determine the scope of governance arrangements in place, particularly with regard to business ethics and human rights, to ensure that projects are operating in accordance with the UN's Guidelines and Principles.

K. Engagement Policies

To fulfil its responsibilities as an investor, Pioneer adopts an active approach to asset management that aims to improve the long-term, sustainable value of investments through an emphasis on realising any opportunities to enhance their sustainability profiles. Pioneer seeks to primarily take majority stakes in its investee companies, with board representation, enabling the Manager to pursue a sustainable ownership strategy in all of its investments and to generate positive environmental and societal impacts in ways that are measurable and significant.

Pioneer uses the KPIs captured during due diligence to inform its approach to long-term investment stewardship and engagement, including the development of a sustainability performance reporting framework consisting of quantitative and qualitative indicators as material to specific activities. During this process, Pioneer works closely with management teams to implement ESG improvement plans, and Pioneer tracks and monitors sustainability performance throughout its ownership. From the information received, Pioneer can monitor and assess progress to determine if the projects are performing in-line with its expectations.

L. Attainment of the Sustainable Investment Objective

Pioneer has not assigned a specific index designated as a reference benchmark, however, the Manager intends that the investments of the Fund will support the strategic objective of investing in sustainable infrastructure investments that are environmentally sustainable, specifically within the energy and environment sectors. In pursuit of the sustainable investment objective, the Fund seeks to be an important force for financing and fostering environmentally impactful businesses in Europe that substantially contribute to climate change mitigation and the transition to a circular economy. The Manager aims to achieve this not only through buying and managing sustainable infrastructure but by building new sustainable infrastructure, and seeks to quantify this through the KPIs outlined above.