

Morgan Stanley

INVESTMENT MANAGEMENT

2023

# Sustainability Report

Morgan Stanley  
Infrastructure Partners

ENVIRONMENTAL | SOCIAL | GOVERNANCE

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## About this Report

Please refer to the "Important Disclaimers" on page 48. The information in this report is being provided solely for informational purposes to institutional investors only. An investment in a fund will involve significant risks including the risk that an investor may lose its entire investment. Other significant risks associated with investing in a fund are described in Important Disclaimers at the end of this report.

The achievements, highlights, industry ratings and performance data represented in this report were observed during calendar year 2022, unless otherwise noted. As North Haven Infrastructure Partners (NHIP) I has been in disposition mode since 2013, NHIP I assets are excluded from sections of this report.

Select data within this report has undergone limited assurance by Apex Companies, LLC, as documented in a limited assurance statement which is included in the Appendix.

Please note that any sustainability or environmental, social and governance (ESG) targets, commitments or similar statements included throughout this report are aspirational goals that do not represent binding commitments of any Funds managed by Morgan Stanley Infrastructure Partners. Please refer to the offering documents of any Fund prior to investment for details on how, and the extent to which, the Fund takes sustainability considerations into account on a binding or non-binding basis. There can be no assurance that any sustainability or ESG-related initiatives, targets or goals described herein will be pursued, achieved or sustained. All goals and opportunities described herein are subject to change without notice. Any sustainability-related commitments made by portfolio companies of the Funds referred to herein shall not constitute commitments of the Funds themselves.

**EU Sustainable Finance Disclosure Regulation:** This report includes certain information on the sustainability practices and track record of Morgan Stanley and the Morgan Stanley Infrastructure Partners platform at an organizational and investment team level, which may not necessarily be reflected in the portfolio or practices of any existing or future Funds managed and / or offered by the platform. Please refer to the Offering Memorandum of any Fund prior to investment, for details on how, and the extent to which, the Fund takes sustainability considerations into account on a binding or non-binding basis.

North Haven Infrastructure Partners (NHIP) IV falls within Article 8 of EU Regulation 2019/2088 (SFDR) and is subject to the binding environmental and social characteristics set out in the related Offering Memorandum and Fund partnership agreement. In the event of any conflict between any information set out in this report and NHIP IV's Offering Memorandum and / or Fund partnership agreement, NHIP IV's Offering Memorandum and / or Fund partnership agreement, as the case may be, shall prevail. Please note that, other than NHIP IV, Morgan Stanley Infrastructure Partners does not currently offer any Funds within Europe that fall within Article 8 or 9 of SFDR, although it may choose to offer further such products in Europe in due course.

# Letter from the CIO



**MARKUS  
HOTTENROTT**  
Chief Investment Officer

Dear all,

We are delighted to present our fourth report summarizing our sustainability efforts and achievements.

Morgan Stanley Infrastructure Partners (MSIP) views sustainability as integral to what we do. Our portfolio companies provide essential infrastructure services. We believe that incorporating sustainability into the operation of our portfolio companies results in high-quality, resilient businesses with less operational risk.

Across our four focus sectors (transport, digital, energy transition and utilities), we view sustainability as an important value driver that supports companies to identify business opportunities and manage risks. We believe that, at exit, these companies are

generally more attractive to buyers. This, in turn, helps us meet client expectations and supports our goal of maximizing financial returns for our clients.

In this report, we provide detail about our portfolio companies' activities and highlight the following:

- MSIP's results on the 2023 GRESB Infrastructure Assessment (refer to pages 13-14)
  - Both North Haven Infrastructure Partners (NHIP) II and III achieved five stars and a peer ranking of 7<sup>th</sup> among 172 managers for their management scores
  - NHIP II and III achieved 97 and 99 out of 100 points, which translated to a peer ranking of 4<sup>th</sup> and 7<sup>th</sup> among 26 immediate peers, respectively
  - The vast majority of NHIP II and III companies – 10 of 12 companies – achieved a ranking of 1<sup>st</sup> among respective peer groups
- Our results on the most recent Principles for Responsible Investment Assessment on which MSIP scored 100 out of 100 and 5 stars on the infrastructure module (refer to page 15)
- MSIP's ongoing efforts to support our portfolio companies to assess and manage physical and transition climate-related risks. We continue to

acknowledge the challenges and opportunities of managing a transition to a low-carbon future and work with our portfolio companies on the most effective way to accomplish this for their respective businesses (refer to pages 17-18 and 23-24)

- MSIP's continued focus and engagement on diversity, equity and inclusion. As of year-end 2022, the percentage of diverse board members out of total NHIP II and III company board members was 38% (refer to page 19)

Again, we believe our approach to sustainability supports financial value creation opportunities for our companies. We continue to progress and enhance our sustainability program, and welcome your feedback on our approach and efforts.

Best regards,

A handwritten signature in black ink, appearing to read 'M Hottenrott', written in a cursive style.

Markus Hottenrott

# Introduction



# Morgan Stanley Infrastructure Partners at a Glance<sup>1</sup>

Morgan Stanley Infrastructure Partners (MSIP) is a leading infrastructure platform pursuing a global OECD strategy. The team has a proven and disciplined approach to investing in infrastructure assets and seeks to create value through active asset management and by implementing operational improvements.



## Sector Focus



<sup>1</sup> As of December 31, 2023.

<sup>2</sup> MSIP AUM reflects (i) Fair Market Value and uncalled capital for North Haven Infrastructure Partners I (NHIP I), North Haven Infrastructure Partners II (NHIP II), North Haven Infrastructure Partners III (NHIP III), (ii) Fair Market Value for limited partner co-investments, and (iii) uncalled capital for North Haven Infrastructure Partners IV (NHIP IV).

<sup>3</sup> This figure is inclusive of Crowley Wind and UltraEdge, which are signed but not yet closed.

# Global Footprint



## Investment Geographic Profile<sup>1</sup>

Gross capital invested since inception across NHIP I, II and III



● Americas	50%
● Europe	33%
● Asia-Pacific	10%

<sup>1</sup> As of December 31, 2022. Due to rounding, the sum of the constituent parts may not reflect total amount.

## Office Locations



NEW YORK



LONDON



MELBOURNE



AMSTERDAM



TORONTO



FRANKFURT



SAN FRANCISCO

A long train of flatcars carrying large white wind turbine nacelles on a gravel track at sunset. The nacelles are mounted on black metal frames. The sky is filled with dramatic, golden clouds, and the sun is low on the horizon, casting a warm glow over the scene. The foreground shows the gravel track and some sparse vegetation.

## Approach to Sustainability

# MSIP Sustainability Strategy

MSIP believes that embracing and institutionalizing sustainability practices helps drive long-term value and results in higher quality infrastructure assets.

We believe that we can play an important role in ensuring that our infrastructure companies provide essential services in a sustainable way that delivers value for our investors.

Our view is that the management of sustainability factors contributes to mitigation of risks and identification of potential business opportunities which can, in turn, enhance long-term, risk-adjusted returns.

MSIP employs a four-pronged strategy to ensure that consideration of sustainability risks and opportunities is embedded in our processes in a way that is aligned with our active management approach and responsive to our investors.<sup>1,2</sup>



<sup>1</sup>Please note that any ESG targets, commitments or similar statements included throughout this report are aspirational goals that do not represent binding commitments of any Funds managed by Morgan Stanley Infrastructure Partner (MSIP). Please refer to the offering documents of any Fund prior to investment, for details on how, and the extent to which, the Fund takes sustainability considerations into account on a binding or non-binding basis. There can be no assurance that any ESG-related initiatives, targets or goals described herein will be pursued, achieved or sustained. All goals and opportunities described herein are subject to change without notice. Any sustainability related commitments made by portfolio companies of the Funds referred to herein shall not constitute commitments of the Funds themselves. In implementing the strategy, MSIP is committed to adhering to all relevant laws and fiduciary obligations.

<sup>2</sup>MSIP I and MSIP IV are excluded from sections of this report. MSIP I has been re-deposited since 2021. MSIP IV falls within Article 8 of EU Regulation 2019/2088 (SFDR) and is subject to the objectives and terms set out in the related Offering Memorandum and Fund partnership agreement. The MSIP IV binding commitments are not described herein.

# Framework

MSIP believes that incorporating ESG considerations throughout the investment lifecycle reduces long-term investment risk and increases the attractiveness of its portfolio companies to buyers of core and core-plus infrastructure assets.

## MSIP Incorporation of ESG Considerations Into Investment Lifecycle

Acquisition Due Diligence	Acquisition & 100-Day Plan: Post-Close Strategy & Implementation	Monitoring & Improvement	Preparation for Exit
<ul style="list-style-type: none"> <li>Identify ESG topics specific to the target company</li> <li>Conduct ESG assessments to analyze risks &amp; opportunities; engage industry leading experts as appropriate</li> <li>Review internal and external ESG data / information, assess target's ESG framework, interview key personnel, &amp; conduct site visits</li> <li>Address identified risks and opportunities through investment structuring and / or post-close mitigation plans</li> <li>Prepare preliminary action items list for ownership period</li> <li>Make recommendations to Investment Committee (ICOMM)</li> </ul>	<ul style="list-style-type: none"> <li>Introduce sustainability program to company management, including sharing recommended best practices and controls, platform-wide ESG initiatives, and implementation of ESG reporting</li> <li>Set ESG action plan, key performance indicator targets, policies and procedures to improve performance on ESG factors assessed as being material<sup>1</sup></li> <li>Align management incentive plans to ESG improvements</li> <li>Conduct trainings to ensure effective integration of ESG policies and procedures</li> </ul>	<ul style="list-style-type: none"> <li>Ensure effective continued Integration and Implementation of ESG program</li> <li>Conduct formal board and quarterly asset reviews, inclusive of ESG key performance indicators, assessing short and long-term targets as relevant</li> <li>Perform enhanced monitoring and engagement if remediation of an ESG issue is required</li> <li>When applicable, set and implement strategic ESG goals and value creation objectives</li> <li>Conduct annual CEO Days for portfolio companies</li> </ul>	<ul style="list-style-type: none"> <li>Support the due diligence process of potential buyers, including compilation of necessary ESG documentation and key ESG performance data</li> </ul>

<sup>1</sup> MSIP defines materiality based on the company and / or sector attributes and uses frameworks such as GRESB to inform its materiality analysis.

# ESG Factors

While materiality may vary by company, the following factors are relevant across most of MSIP's portfolio companies.<sup>1</sup>



## Environmental

- **Support for a Low-Carbon Future:** We work with portfolio companies to identify and implement energy efficiency and / or carbon emissions reduction opportunities.
- **Reducing Environmental Footprint:** We aim to conduct our business activities in an environmentally responsible manner and work with our portfolio companies to minimize negative impacts specifically in the areas of energy, waste and water.
- **Biodiversity:** We support the preservation and enhancement of biodiversity in our greenfield projects as well as the operations of our portfolio companies. We seek to ensure that portfolio companies integrate relevant biodiversity considerations into their strategy, risk management and reporting.
- **Risk Management & Mitigation:** We perform robust due diligence and ongoing monitoring and assessment of environmental risks.



## Social

- **Diversity, Equity & Inclusion:** We believe diversity of backgrounds and perspectives leads to better decisions, improvement of employee engagement and, ultimately, enhanced productivity. We seek to promote diverse and inclusive workplace cultures, further gender balance and have zero tolerance against any type of discrimination.
- **Human Rights:** We support the protection and advancement of human rights in our businesses and throughout their supply chains. We strive to uphold global standards for responsible business, including equal opportunity, freedom to associate and bargain collectively and the elimination of modern slavery, human trafficking and child labor.
- **Health, Safety & Working Conditions:** We work with portfolio companies to build a rigorous culture of safety, striving for zero accidents. Workplace health and safety initiatives include the 'near miss' and 'job hazard analysis' programs, which reflect increased employee awareness of safety hazards, as well as a focus on recordable injuries and lost time, ultimately all with the intent to cause a lasting change in the behavior of employees.
- **Stakeholder Engagement:** We believe positive involvement with stakeholders, e.g., employees, customers and the communities in which we operate, contributes to building stakeholder trust and relationships.



## Governance

- **Ethics & Integrity:** Our portfolio companies strive to uphold high ethical standards and follow codes of business conduct, including anti-corruption and anti-money laundering policies and procedures. Employees and contractors are encouraged to ask questions, voice concerns and report any alleged violations of company policies.
- **Management Alignment:** Management team compensation plans are developed to seek alignment with corporate objectives including ESG-related considerations.
- **Board Leadership:** Through our board representation, which typically reflects control or co-control equity positions, we seek to build a strong sustainability culture by setting the tone at the top. The company board reviews plans and proposals for ESG metrics, policies and the measurement of progress with a focus on ongoing improvement.
- **Reporting:** We will report on our progress towards fulfilling our goals in relevant disclosures such as GRESB, UN PRI, quarterly fund reports and annual reporting.
- **Cybersecurity:** MSIP's proactive cybersecurity approach helps design risk-aligned strategies for our portfolio companies with the aim of enhancing the cyber resilience of critical data and IT infrastructure assets and focusing on actionable risk mitigation plans.

<sup>1</sup> Applies to all MSIP-controlled or co-controlled NIP II and III companies as of December 31, 2022. As NIP I has been in disposition mode since 2021, NIP I assets are excluded from sections of this report. Materiality of factors for portfolio companies are informed by standards such as GRESB and the Sustainability Accounting Standards Board (SASB). Any targets or goals noted here or elsewhere in this report are aspirational goals that the Managers of NIP II and III pursue as part of their respective responsible investment strategy for the respective Funds, and are not binding commitments. There is no guarantee that the Funds will achieve any of these aims.

# Responsibilities and Resources

Portfolio companies and MSIP work together to implement sustainability initiatives, supported by broader Morgan Stanley Investment Management (MSIM) and Morgan Stanley firm resources.



## Portfolio Companies and MSIP

- **Portfolio Company Management:** Primarily responsible for the management and monitoring of sustainability-related risks and opportunities and interacts directly with the MSIP Team and third-party ESG consultants as needed.
- **MSIP Team:** Coordinates the integration of ESG considerations throughout the investment lifecycle as part of due diligence and asset ownership during which the Team works with Portfolio Company Management to prioritize and focus on relevant sustainability programs.
- **MSIP Head of ESG:** Oversees the implementation of MSIP's sustainability strategy including advising on integration of ESG considerations into the MSIP investment lifecycle with a focus on value-add opportunities. Liaises with the MSIP Team, portfolio companies, MSIM and other MS sustainability resources.

## Morgan Stanley Investment Management (MSIM)

- **MSIM Real Asset Global Head of ESG:** Oversees ESG for Real Assets, which includes Real Estate and Infrastructure, to develop and enhance the ESG framework, share best practices, and progress initiatives.
- **MSIM ESG Committee:** Is a senior-level cross-functional business and investment leader group that advises on and guides MSIM's support for the sustainable investment strategies of each investment business within MSIM.
- **MSIM Sustainability Team:** Supports MSIM's collective sustainability-related processes and governance and works with the investment team sustainability leads to coordinate global sustainable investing and stewardship initiatives.

## Morgan Stanley Firm

- **Environmental and Social Risk Management (ESRM):** Provides internal subject matter expertise on environmental and social risk, manages the Firm Environmental and Social Policy Statement and conducts due diligence on relevant transactions.
- **Global Sustainability Office (GSO):** Drives the Firm's sustainability strategy and works to ensure consistent integration of sustainability considerations across our corporate policies, business activities and operations in partnership with the three business segments, support services and risk and control functions.

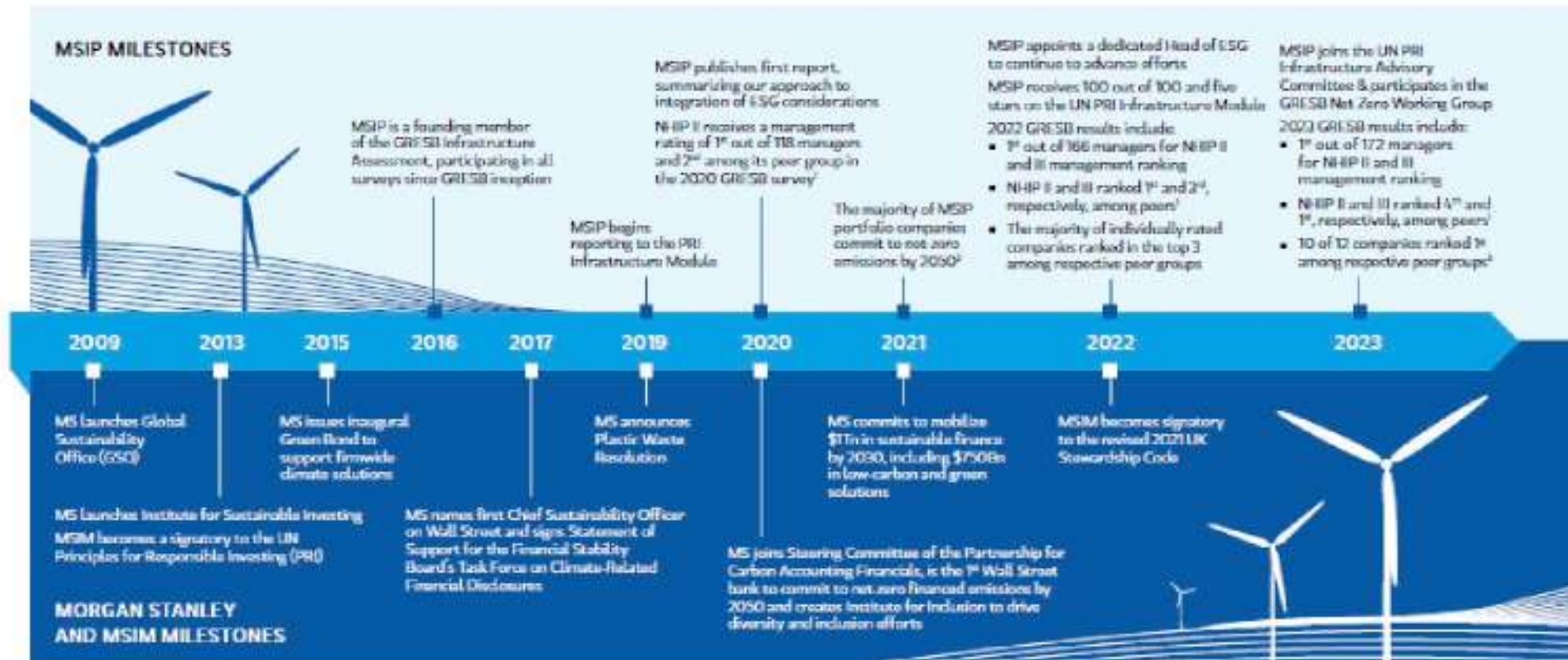
### CAPACITY BUILDING:

Recognizing that sustainability factors continue to evolve rapidly, MSIP implements training for our team members and portfolio companies.

In 2022, MSIP initiated a three-part ESG training series for the MSIP team, led by a leading UK-based ESG advisory and education firm, to deepen knowledge and understanding of ESG and climate topics. MSIP team members and portfolio company managers also participated in training focused on anti bribery and corruption as well as modern slavery developments. MSIP team members also have access to MS and MSIM training on sustainability-related topics.

# Sustainability Milestones

MSIP, Morgan Stanley and MSIM have a long history of sustainability.



Note: Timeline represents key sustainability-related events within MSIP, MS and MSIM. Provided listing is not exhaustive of all sustainability-related events. The statements above represent our opinions and views as of the date hereof and not as of any future date, and will not be supplemented.

<sup>†</sup>Immediate peer group consists of globally diversified, sectoral diversified, private equity infrastructure funds.

<sup>‡</sup>The majority of NHP II and III companies committed to net-zero emissions by 2050 or earlier. Decons

Melstium in NHP II does not yet have a formal net-zero commitment. Any targets or goals noted are aspirational goals that the Managers of NHP II and III pursue as part of their respective responsible investment strategy for the respective Funds, and are not binding commitments. There is no guarantee that the Funds will achieve any of these aims.

<sup>‡</sup>Lightpath and Iteum Melstium received a peer ranking of 1<sup>st</sup> out of 20 peers and 5<sup>th</sup> out of 6 peers, respectively.

Past performance is not indicative of future results.

# Engagement

Participation in and contributions to industry groups support MSIP's efforts to evolve our approach and align with best-in-class practices.



GRESB  
INFRASTRUCTURE

## GLOBAL REAL ESTATE SUSTAINABILITY BENCHMARK (GRESB)

MSIP is a founding participant of the GRESB Infrastructure Assessment, participating in its surveys since inception in 2016. Participants are scored on their ESG policies, management practices and performance. GRESB Infrastructure

covers several asset types, including energy generation, energy transmission and distribution, transportation, telecommunications, water and waste treatment and social infrastructure. MSIP's assessed funds received a score in the top decile in the 2017, 2018, 2019, 2021, 2022 and 2023 survey infrastructure assessments. In 2020, MSIP assessed funds were in the top decile and quartile.<sup>1</sup>

Our 2023 GRESB results, based on 2022 data, are on pages 13-14 of this report.

Signatory of



Principles for  
Responsible  
Investment

## PRINCIPLES FOR RESPONSIBLE INVESTMENT (PRI)

In 2013, MSIM became a signatory to the Principles for Responsible Investment,

a collaborative effort among institutional investors to incorporate active consideration of environmental, social and governance issues within investment decision-making and ownership practice. The six Principles for Responsible Investment are a voluntary and aspirational set of investment principles that offer a menu of possible actions for incorporating ESG issues into investment practice. MSIP responds to the direct infrastructure module of PRI.

The most recent PRI indicator scorecard for MSIP is on page 15 of this report.



## SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity. At its heart are the 17 UN Sustainable Development Goals

(SDGs), which are an urgent call for action by all countries in a global partnership. As a leading infrastructure investor, MSIP seeks to align with and contribute to the UN SDGs.

The mapping of our portfolio company alignment against the SDGs is on page 47 of this report.



Task Force on  
Climate-Related  
Financial Disclosures

## TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Morgan Stanley, MSIM and MSIP leverage the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) to enhance our approach to managing climate change-related risks and opportunities and climate reporting.<sup>2</sup>

The mapping of MSIP's approach to climate-related risks and opportunities is on page 17 of this report.

## RECENT ENGAGEMENT ACTIVITIES

In 2022 and 2023, MSIP continued to engage external groups on standards and best practice in sustainability.

In 2023, MSIP participated in the GRESB Infrastructure Net Zero Working Group, which supported an independent review of existing net zero frameworks and methodologies to improve understanding of potential approaches.

MSIP also joined the PRI Infrastructure Advisory Committee which helps identify and understand different approaches to responsible investment in infrastructure and advises on work stream strategies and deliverables.

## REPRESENTATIVE LIST OF FIRM-WIDE INDUSTRY PARTNERSHIPS AND AFFILIATIONS

- Cores
- Council of Institutional Investors
- Global Impact Investing Network (GIIN)
- Sustainability Accounting Standard Board (now part of IFRS Foundation)
- Partnership for Carbon Accounting Financials (PCAF)
- United Kingdom Stewardship Code

<sup>1</sup> For informational purposes only and not intended to predict the performance of any investment.

<sup>2</sup> As of 2023, TCFD will be incorporated into the International Sustainability Standards Board (ISSB). Refer to the [MSIM Climate Report 2022](#).



# Achievements

# Key Highlights<sup>1,2</sup>



<sup>1</sup>Please note that any ESG targets, commitments or similar statements included throughout this report are aspirational goals that do not represent binding commitments of any Funds managed by MSP. Please refer to the offering documents of any Fund prior to investment, for details on how, and the extent to which, the Fund takes sustainability considerations into account on a binding or non-binding basis. There can be no assurance that any ESG-related initiatives, targets or goals described herein will be pursued, achieved or sustained. All goals and opportunities described herein are subject to change without notice. Any sustainability-related commitments made by portfolio companies of the Funds referred to herein shall not constitute commitments of the Funds themselves.

<sup>2</sup>The information herein has been obtained from portfolio companies or third party sources. While MSP believes that such sources are reliable, neither MSP nor any other Morgan Stanley affiliate has independently verified such information or assumes any responsibility or liability for the accuracy, completeness or fairness of such information or any omission of information.

<sup>3</sup>Combined NHP II and III portfolio company revenue for reporting year ending December 31, 2022.

<sup>4</sup>2022 GRESB results for NHP II and III out of total asset managers.

<sup>5</sup>Immediate peer group consists of globally diversified, sector diversified, private equity infrastructure funds.

<sup>6</sup>100% of NHP II and III companies held as of December 31, 2022 have responded to GRESB. Lightpath and Grants Midstream received a peer ranking of 3 out of 20 peers and 5 out of 6 peers, respectively.

<sup>7</sup>Includes full-time equivalent employees and contract workers as reported by NHP II and III portfolio companies to the 2022 GRESB Assessment.

<sup>8</sup>Route Miles is a measurement used to quantify network footprint. YE 2022 route miles includes a measurement of each fiber cable for Lightpath, miles of intracity and street level access fiber for Telo Columbus (incl. backbones, coax fiber access and LA transport Layer) and core and access fiber cable miles deployed by FastFiber, not including customer fiber drop cables.

<sup>9</sup>Homes passed are homes that can be connected to FastFiber's and Telo Columbus' networks. Homes connected to FastFiber and Telo Columbus networks at YE 2022 was 4.5M.

<sup>10</sup>Represents clean water produced by the Seven Seas Water Group.

<sup>11</sup>Calculated based on deployed capital for companies that have made net-zero commitments by 2050 or earlier as a percentage of companies owned as of December 31, 2022, excluding publicly listed companies. Grants Midstream in NHP II does not yet have a formal net-zero commitment.

# GRESB Results – Fund Level<sup>1</sup>

In the 2023 GRESB rating, NHIP III and II received five-star ratings. NHIP III received a score of 99 and a ranking of 1<sup>st</sup> among immediate peers.<sup>2</sup> NHIP II received a score of 97 and a ranking of 4<sup>th</sup> among immediate peers.<sup>2</sup> In terms of management, both NHIP III and II received full scores (30 out of 30 possible points) and ranked 1<sup>st</sup> out of 172 managers.

	2022		2023		
	RANKING	GRESB SCORE	PEER GROUP RANKING	PEER GROUP RANKING	
NHIP III	Infrastructure Peer Group <sup>2</sup>				
	GRESB Rating	★★★★★	★★★★★		
	Overall				
	Management				
	Performance				
NHIP II	Infrastructure Peer Group <sup>2</sup>				
	GRESB Rating	★★★★★	★★★★★		
	Overall				
	Management				
	Performance				

<sup>1</sup> GRESB results reflect 2022 Asset-level ESG Performance Data as reported in 2023 GRESB response. Scores and certifications described herein are based on methodology and criteria created by GRESB, which are not fully known to Morgan Stanley. The content of this section is for informational purposes only and is not intended to predict the performance of NHIP II, B or any investment thereof. Participation in the GRESB Infrastructure Assessment, a not-for-profit organization for which MSIP is a founding participant, includes an annual membership fee payable by MSIP.

<sup>2</sup> Immediate peer group consists of globally diversified, sectorally diversified, private equity infrastructure funds.

# GRESB Results – Asset Level<sup>1</sup>

In the 2023 GRESB rating, 11 of 12 portfolio companies received a five-star rating and 10 of 12 assets ranked 1<sup>st</sup> among their peers within their respective sectors.<sup>2</sup>

		2022 <sup>3</sup>		2023 <sup>4</sup>			
COMPANY		GRESB SCORE	GRESB RATING	GRESB SCORE*	PEER AVG SCORE	PEER GROUP RANKING	PEER GROUP
NHP II ASSETS	Seven Seas Water	96	★★★★★	100	75	1 of 6	Americas   Environmental Service   Maintenance and Operation
	FastFiber	97	★★★★★	99	85	1 of 14	Europe   Fiber Networks   Maintenance and Operation
	Lightpath	96	★★★★★	96	83	3 of 20	USA   Fiber Networks   Maintenance and Operation
	Telia Columbus	88	★★★★★	97	89	1 of 6	Western Europe   Fiber Networks   Maintenance and Operation
	Highway LNG	97	★★★★★	100	85	1 of 7	Global   Energy Resource Processing Company
	SpecialtyCare	N/A	★★★★★	99	81	1 of 16	Health and Social Care Services   Maintenance and Operation
	StraitNZ	N/A	★★★★★	98	81	1 of 8	Other Transport
NHP I ASSETS	Ital Gas Storage	96	★★★★★	97	86	1 of 13	Energy Resource Storage Companies   Maintenance and Operation
	Altán Redes	94	★★★★★	98	80	1 of 17	Americas   Data Infrastructure   Maintenance and Operation
	Red Oak Power	94	★★★★★	97	92	1 of 7	USA   Gas-Fired Power Generation   Maintenance and Operation
	Brazos Midstream	93	★★★★	91	86	5 of 6	USA   Natural Resources Transportation Companies   Maintenance and Operation
	Bayonne Energy Center	97	★★★★★	97	92	1 of 7	USA   Gas-Fired Power Generation   Maintenance and Operation

<sup>1</sup> GRESB results reflect 2022 Asset Level ESG Performance Data as reported in 2023 GRESB response. Scores and certifications described herein are based on methodology and criteria created by GRESB, which are not fully known to Morgan Stanley. The content of this section is for informational purposes only and is not intended to predict the performance of NHP I, II, or any investment thereof. Participation in the GRESB Infrastructure Assessment, a not-for-profit organization for which MSIP is a founding participant, includes an annual membership fee payable by MSIP.

<sup>2</sup> Brazos Midstream received a five-star rating and Lightpath and Brazos Midstream received a peer ranking of 3 out of 20 peers and 5 out of 6 peers, respectively.

<sup>3</sup> All scores marked out of 100 unless otherwise stated.

<sup>4</sup> The 2023 GRESB overall average score is 83.

# PRI Indicator Scorecard Detail<sup>1</sup>

The Principles for Responsible Investment (PRI) Infrastructure Module looks at responsible investment implementation during fundraising, pre-investment processes and post-investment processes.

**INFRA**  
Module

**100**  
Total Score  
(out of a maximum  
100 %)

**5**  
★★★★★

SECTION	NUMBER	SUB-SECTION	TOPIC	SCORE
Policy	INF 01	Investment Guidelines	Infrastructure specific elements of responsible investment policy	200/200
Fundraising	INF 02	Commitments to investors	Formal responsible investment commitments made	200/200
Pre-investment	INF 03	Materiality Analysis	Level at which materiality is assessed	200/200
Pre-investment	INF 3.1	Materiality Analysis	Tools used in materiality analysis	150/150
Pre-investment	INF 04	Due Diligence	Effect of ESG on selection of infrastructure investments	200/200
Pre-investment	INF 05	Due Diligence	Processes used to conduct ESG due diligence	150/200
Post-investment	INF 09	Monitoring	Tracking of core ESG KPIs	150/150
Post-investment	INF 10	Monitoring	Processes that support investors in meeting ESG targets	200/200
Post-investment	INF 11	Monitoring	Management of post-investment ESG risks and opportunities	200/200
Post-investment	INF 14	Monitoring	Processes for ensuring asset-level ESG competence	200/200
Post-investment	INF 16	Exit	Responsible investment information shared with buyers at exit	150/150
Post-investment	INF 17	ESG Portfolio Information	Methods for reporting core ESG metrics and targets	150/150

<sup>1</sup> Source: [PRI Assessment and Transparency Reports for Morgan Stanley Investment Management 2021](#). Signatories report on their responsible investment activities by responding to asset-specific modules in the Reporting Framework. Each module houses a variety of indicators that address specific topics of responsible investment. Signatories' answers are then assessed and results are compiled into an Assessment Report. The Assessment Report includes: indicator scores – summarising the individual scores achieved; module scores – grouping similar indicator scores together into modules (e.g. policy, assurance, governance) and comparing them to the median scores; and an aggregation of all the indicator scores within a module to assign a rating of 1 to 5 stars. More information on the PRI methodology is available on [PRI website](#). Participation in the PRI assessment, a not-for-profit or gazettee for which MSIM is a signatory, includes an annual membership fee payable by MSIM. Such membership fees are not payments for a rating.

The image depicts a futuristic digital environment. The floor is a dark grid with glowing blue lines that form a network of paths and connections. Several stacks of square, metallic-looking blocks are scattered across the grid. Each block has a glowing blue light emanating from its edges, giving it a three-dimensional, illuminated appearance. The overall aesthetic is clean, modern, and high-tech, suggesting a focus on data, technology, or digital infrastructure.

## Focus Areas

# Climate Highlights

MSIP believes that a focus on climate risks and opportunities at our portfolio companies is key to creating value and ensuring that companies are prepared for a low-carbon future.

Climate change is an important factor for the infrastructure sector to consider from a physical and transition risk perspective. Infrastructure assets can face acute and chronic physical risks as well as potential climate-related regulatory, market, technology and reputational risks. At the same time, a transition to a low-carbon economy can provide potential business opportunities in terms of cost savings associated with resource efficiency as well as the ability to participate in potential new markets or offer new products and services. MSIP leverages the Task Force on Climate-Related Financial Disclosures (TCFD) framework to organize and report on our climate-related efforts.<sup>4</sup>

<sup>1</sup> Please refer to Appendix for Limited Assurance Statements.

<sup>2</sup> The percentage of companies is calculated based on deployed capital per company that has made a net-zero commitment by 2050 or earlier for those companies owned as of December 31, 2022, including publicly listed companies. Iiracox Midstream in NIIP II does not yet have a formal net-zero commitment.

<sup>3</sup> Near-term targets are absolute or intensity-based depending on the portfolio company.

<sup>4</sup> As of 2022, TCFD will be incorporated into the International Sustainability Standards Board (ISSB) Standards.

Past performance is not indicative of future results.



## GOVERNANCE

- MSIP teams are responsible for conducting diligence on physical and transition risks, supported by MSIP's Head of ESG and external consultants as relevant. MSIP teams engage companies on their approaches to climate risks and opportunities during ownership.
- Climate related risks and opportunities are reviewed as part of the ICOMM process.
- MSIP has implemented ESG training that includes a focus on climate topics.
- Portfolio companies have identified senior leaders responsible for their ESG and climate efforts. Material climate risks and opportunities are incorporated into companies' board reviews as relevant.

## STRATEGY

- MSIP engages with individual companies on their strategies to assess and manage physical and transition risks as well as identify potential climate-related opportunities.
- Portfolio companies are assessing or undertaking greenhouse gas emissions reduction activities relevant to their businesses. See pages 23-24.
- MSIP engages with industry groups on climate-related best practices to continue to evolve our approach. See page 10.

## RISK MANAGEMENT

- Climate related risks and opportunities are integrated into the investment lifecycle for each company.
- Physical Risks – NIIP II and III companies have worked with an external consultant to assess physical climate risks and resilience measures. See page 11.
- Transition Risks – The majority of NIIP II and III companies have completed a qualitative transition risk identification and assessment. MSIP supports companies as they continue to assess these risks through 2023.

## METRICS & TARGETS

- MSIP reports on our climate approach and portfolio companies' Scope 1 and 2 emissions and emissions reduction and energy efficiency efforts in our annual Sustainability Report.
- Portfolio companies measure and track Scope 1 and 2 greenhouse gas emissions which have undergone limited assurance.<sup>1</sup>
- 91% of NIIP II and III companies have set net-zero commitments.<sup>2</sup>
- Portfolio companies have set near-term targets to reduce absolute or intensity metrics.<sup>3</sup> MSIP works with portfolio companies to track progress, including tracking absolute and intensity metrics for higher emitting sectors. Scope 1 and 2 emissions for several companies increased from 2021 to 2022 as a result of increases in production and asset expansion. See pages 21-43 for portfolio company reporting.

# Physical Climate Risk Assessment

To address potential physical risk and assess portfolio companies' ability to manage and mitigate these risks, MSIP engaged a consultant to conduct a climate change risk assessment for NHIP II and III companies. This assessment used a quantitative, forward-looking scenario analysis approach that is aligned with the recommendations of the TCFD.



The analysis was conducted using a climate analytics data provider and resulted in identifying the top physical climate change risks to portfolio company assets and a range of associated Modeled Average Annual Loss (MAAL) values. As part of this analysis, future exposure to physical climate hazards such as temperature, drought, coastal flooding, river flooding, tropical cyclones or severe storms and wildfire was evaluated.<sup>1</sup> Potential financial impacts of climate hazard exposure were calculated for each asset under each scenario at future time horizons ranging from 2030 to 2100 at 10-year intervals. The time horizons span the likely lifetime of the NHIP II and III assets.

As of 2022, a physical climate assessment has been completed by an external consultant for participating companies.<sup>2</sup> For most companies, the scenario analysis results were used to develop shorter and longer-term company action plans. The plans identified adaptation and resilience planning measures aimed at helping to reduce asset vulnerability and business interruption from current and future climate change hazards. These plans were discussed with portfolio companies with the goal of identifying resilience measures and next steps.

The following examples<sup>3</sup> demonstrate how two companies are addressing elements of physical climate risk.

## SEVEN SEAS WATER (SSWG)

To address potential physical risks associated with climate change, SSWG continues to increase the resilience of its facilities. In the fourth quarter of 2022, SSWG was awarded the first Building Performance Wind Rating to a facility by the US Resilience Council.<sup>4</sup> The Harley facility in St. Thomas, U.S. Virgin Islands received the inaugural Gold Wind rating and a Silver Seismic rating. These ratings assess safety, damage and recovery of structures given potential hazards, such as earthquakes, flooding or wind. The analysis and ratings demonstrate SSWG's efforts to build resilience to address potential weather and climate-related challenges.

## FASTFIBER

In addition to an assessment of physical risks associated with its head office, FastFiber aims to address climate-related risks by assessing the company's resilience to catastrophes and disasters in its risk management framework, limiting greenhouse gas emissions and working toward the goal of improving the network resilience, namely by moving parts of its network cables from aerial poles to underground ducts.

<sup>1</sup> Available data to assess physical climate hazards varied by portfolio company. This assessment included 12,000+ assets included in the NHIP II and III portfolio companies as of 2022. For some companies' assets with distributed assets or without a specific centralized location, a qualitative assessment scenario analysis was also employed.

<sup>2</sup> Companies owned as of year end 2022.

<sup>3</sup> The examples herein have been obtained from portfolio companies. While MSIP believes that such sources are reliable, neither MSIP nor any other Morgan Stanley affiliate has independently verified such information or assumes any responsibility or liability for the accuracy, completeness or fairness of such information or any omission of information.

<sup>4</sup> The US Resilience Council is a 501(c)(3) non-profit organization for implementing and disseminating rating systems that describe the performance of buildings during earthquakes and other natural hazard events.

# Other Focus Areas<sup>1</sup>

MSIP engages our portfolio companies on factors that are material to their businesses, measuring progress and continuing to encourage improvement.



## WATER AND WASTE MANAGEMENT

In 2022, portfolio companies continued to work on their water efficiency and waste management efforts. As outlined in previous reports, a number of companies have set water efficiency or management plans and targets specific to their businesses. Target types have included: reduction in absolute or intensity of water withdrawal, increasing water reuse or targets applicable to certain types of water. Similarly, portfolio companies continued to work to improve their waste management practices. Target types have included: increasing waste diversion or recycling rates or targets to reduce specific categories of waste. For both water and waste management, our focus continues to be on those companies for which water and waste management are material to the businesses.

Please refer to page 25 for examples of portfolio company activities related to water use and efficiency and waste management.



## DIVERSITY, EQUITY AND INCLUSION

MSIP continues to work with our portfolio companies to support the advancement of their diversity and inclusion efforts.

In 2020, we introduced an aspirational goal to have at least 30% of board seats in our portfolio companies held by diverse board members by the end of 2023.<sup>2</sup>

We are pleased to report that we continue to make progress toward this goal. As of year-end 2022, the percent of board seats held by diverse board members across NHP II and III portfolio companies was approximately 38%.<sup>3</sup>

We also continue to focus on gender diversity among board members. As of year end 2022, approximately 21% of board members were gender diverse, with at least one gender diverse person at each portfolio company.

Please refer to page 28 for examples of portfolio company activities related to diversity, equity and inclusion.



## CYBERSECURITY

MSIP is focused on cybersecurity to help ensure portfolio companies' data and IT

infrastructure are cyber resilient and meet best practices. Since 2017, MSIP has engaged an external cybersecurity consultant to conduct regular reviews of its portfolio companies.<sup>4</sup> This analysis includes a current state assessment of each portfolio company's value chain to identify key cyber-business risks based on high probability and high impact scenarios as well as an analysis of portfolio companies' program, capabilities, operating model and IT infrastructure.

Based on this review, an action plan is developed for each company focused on reducing business risk. Cybersecurity remains an important focus area that portfolio companies will continue to progress.

<sup>1</sup> Focus areas will apply to MSIP-controlled or co-controlled NHP II and III companies that have been owned for at least 12 months as of December 31, 2022. Please note that the information set out herein is correct as of the date of this report and may vary over time. Any targets or goals noted are aspirational goals that the Managers of NHP II and III pursue as part of their respective responsible investment strategy for the respective Funds, and are not binding commitments. There is no guarantee that the Funds will achieve any of these aims.

<sup>2</sup> The goal is based on the percentage of gender, racially or ethnically diverse board members across all portfolio company board seats.

<sup>3</sup> The board diversity calculation incorporates gender, racial and ethnic diversity metrics where the information is available for companies owned as of December 31, 2022. The calculation for Brazeo Midstream includes the Brazeo Midstream Holding Board and Brazeo Midstream Permian Board. This calculation includes Hispanic and Latino board members at Altán Rudes. If these board members are not included in the total metric, the board diversity metric as of year end 2022 would be 30%.

<sup>4</sup> These include MSIP-controlled or co-controlled NHP II and III companies as of December 31, 2022.

# UN Sustainable Development Goals<sup>1</sup>

MSIP is proud to contribute to the UN Sustainable Development Goals (SDGs). We work with our portfolio companies to map alignment to the goals and, while our portfolio companies align with many SDGs through their operations and initiatives, we highlight six goals where we believe we have the greatest alignment across the portfolio.

## SDG 3: Good Health and Well-Being

Portfolio companies seek to foster workplaces with excellent environmental, health and safety (EHS) management, with a focus on keeping people safe.



## SDG 5: Gender Equality

Portfolio companies work to ensure non-discrimination of hire, pay and promote diversity, equity & inclusion within the workforce.



## SDG 8: Decent Work and Economic Growth

Portfolio companies develop and train their people and support the protection of human rights.



## SDG 9: Industry, Innovation and Infrastructure

Portfolio companies are committed to maintaining and developing quality, reliable, sustainable and resilient infrastructure.



## SDG 10: Reduced Inequalities

Portfolio companies seek to develop a culture of diversity, equity & inclusion, promote equal opportunities and support local employment and capacity development, where relevant.



## SDG 13: Climate Action

Portfolio companies aim to reduce their carbon emissions – the majority of companies are committed to support the goal of net-zero emissions by 2050.<sup>2</sup>



<sup>1</sup> MSIP recognizes that the UN Sustainable Development Goals (SDGs) were written by Governments for Governments and, therefore, engagement themes with corporates and the SDGs may not be perfectly aligned. The content of this publication has not been approved by the United Nations and does not reflect the views of the United Nations or its officials or Member States. For additional information, please see the United Nations Sustainable Development Goals [website](#). Please note this analysis is not representative or indicative of binding commitments to such SDGs. NHF II and III do not track the UN SDGs on a binding basis. SDG mapping may also evolve over time. Please refer to Appendix for UN SDG portfolio company mapping.

<sup>2</sup> Branch Midstream in NHF II does not yet have a formal net-zero commitment.

# Portfolio Company Highlights



# Portfolio Company Highlights<sup>1</sup>

We believe that a comprehensive approach to sustainability drives long-term value. The following portfolio company highlights seek to demonstrate our efforts toward a sustainable, safer and more inclusive environment.



<sup>1</sup> MSIP II and III portfolio company highlight activities are as of December 31, 2022, unless otherwise noted. Information summarized in the highlights has been provided by the respective companies. While MSIP believes that such sources are reliable, neither MSIP nor any other Morgan Stanley affiliate has independently verified such information or assumes any responsibility or liability for the accuracy, completeness or fairness of such information or any omission of information.

## Energy Efficiency & Emissions Reduction

Driving innovation in our assets to improve energy efficiency and reduce greenhouse gas emissions is key as we continue to see a transition toward a low-carbon future.



### PNE

PNE is a leading renewable energy company, developing both wind farms and photovoltaic systems. In 2022, PNE's owned wind portfolio increased from 233 MW in 2021 to 319 MW. As of December 2022, PNE generated 509 GWh of green electricity through its own operations, saving approximately 345,000 tons of CO<sub>2</sub> per year.<sup>1</sup>

### telecolumbus

#### TELE COLUMBUS

In 2022, Tele Columbus continued to source green electricity, using 99.7% certified green electricity to supply its networks and properties. Tele Columbus is also working to address greenhouse gas emissions associated with its vehicle fleet which is primarily used by customer service and technical field staff. Tele Columbus has a goal to transition all short-distance service cars to electric vehicles by 2030. In addition, Tele Columbus continued to switch from copper-based coaxial cable to optical fiber which has the potential to reduce energy consumption by limiting the need for a repeater. For example, while modernizing a subnetwork in Berlin's Charlottenburg borough, Tele Columbus assessed the impact of switching from copper-based coaxial cable to an FTTB connection that brings the optical fiber directly into homes and businesses, finding that the switch to fiber reduced the amount of electricity consumed by the network in half.



### SEVEN SEAS WATER GROUP (SSWG)

SSWG is focused on energy efficiency as well as sourcing renewable energy. Energy recovery systems at the company's desalination plants are estimated to reduce energy by 60% compared to conventional methods. In addition, SSWG has started to install renewable energy systems. In 2022, SSWG commissioned a 2.9 kWp solar system at the Cay Bay St. Maarten facility which powers the IT server and other office equipment. In 2022, an 8.2 kWp solar system at Lima, St. Thomas, US Virgin Islands was also approved and initiated.<sup>2</sup>



### ITAL GAS STORAGE

#### ITAL GAS STORAGE (IGS)

IGS continues to focus on process efficiency and energy intensity.<sup>3</sup> The company has undertaken energy efficiency measures, including modifying two out of four gas compressors, replacing traditional lights with LEDs and reducing energy consumption within the gas compressor cooling water circuit. In 2022, IGS reduced Scope 1 emissions by approximately 22%, primarily as a result of optimized processes. While location-based Scope 2 emissions increased by approximately 16% due to increased electricity use, in 2022, 99.8% of IGS's electricity was covered by Guarantee of Origin (GO) certificates which reduced IGS' market-based Scope 2 emissions.

<sup>1</sup>Please note PNE AG is a publicly listed company. For publicly available information on PNE, please visit homepage (pne-ag.com). Tons of CO<sub>2</sub> saved is based on PNE's estimate.

<sup>2</sup>This project has been completed as of July 2023.

<sup>3</sup>IGS measures energy efficiency as energy consumption in MWh per amount of gas allocated in the reservoir in MEm.

## Energy Efficiency & Emissions Reduction



### HÖEGH LNG

#### HÖEGH LNG

Höegh LNG continues to develop and implement technological innovations on its vessels to reduce emissions. A key part of the company's approach has been its Vessel Data Harvesting initiative, a digital platform developed by Höegh LNG to gather data from the fleet to track and improve performance. Höegh LNG also has ship energy efficiency management plans for all of its vessels which includes monitoring fuel consumption and sharing energy and fuel data with charterers. Energy efficiency efforts also include configuring power production machinery, analyzing hull performance and identifying potential benefits of various regasification modes. In addition, two vessels have a Propeller Glass Cap Fin, a device which reduces fuel consumption while sailing. This effort has demonstrated a decrease in required shaft power and fuel consumption as well as emissions of approximately 2%. Höegh LNG is also ramping up its clean energy initiatives in the emerging carbon capture and storage (CCS) value chain as well as in the areas of hydrogen and ammonia.



### BRAZOS MIDSTREAM

In addition to previous projects to reduce emissions, in 2023, Brazos entered into an agreement with another midstream company to utilize its pipeline to sell plant condensate to third party marketers. Condensate from Brazos' processing plants is normally sold and trucked to third party marketers. As part of the new agreement, Brazos will connect to the pipeline to transport the condensate, eliminating the need to truck the liquids. This will save approximately 14 truck trips per day and reduce emissions from potentially being released from the loading and unloading processes.



### STRAITNZ

StraitNZ is working to reduce the greenhouse gas emissions from its vessels and has undertaken the application of new hull coating which reduces the drag and allows the vessel to operate more efficiently. This effort has allowed StraitNZ to successfully meet the Carbon Intensity Indicator (CII) rating of "C" for MV Connemara and "B" for MV Feronia. StraitNZ is also focused on reducing emissions associated with its road freight operations. StraitNZ has installed solar panels on its Christchurch and Auckland depots and reached 98% electric forklifts usage at those depots to further abate its emissions.

**SUSTAINABILITY LINKED LOAN:** In 2022, StraitNZ initiated discussions with its financiers to convert its existing term loan into a Sustainability Linked Loan (SLL). A SLL links the sustainability performance of the business and the achievement of key performance indicator (KPI) targets to reduce borrowing costs. In its SLL, StraitNZ has committed to three sustainability key performance indicators (KPIs), specifically greenhouse gas emissions reductions on vessels, recycling of onboard cooking oil and electrification of forklifts at its freight depots. StraitNZ has agreed to seven-year targets for each KPI. In May 2023, StraitNZ's performance was verified by an independent assessor which confirmed that StraitNZ achieved all three targets for FY23 (financial year ending March 2023).

# Resource, Waste & Water

We work with our portfolio companies to focus on reducing material water use. In addition, we seek to identify opportunities to eliminate waste from being generated and increase resource efficiency, reuse and recycling.



## Red Oak

### RED OAK POWER

As part of its efforts to manage water use efficiently, the Red Oak Power facility analyzed its cooling tower flow system and identified areas to improve water use efficiency and heat transfer and began implementing process improvements. Enhancements were implemented on both the spray headers and nozzles of the cooling tower cells that increased the cooling tower's efficiency and reclamation of condensable water. The improvements were initially implemented on two cooling tower cells and will be implemented on the remaining eight cooling tower cells. These efforts are in addition to the Red Oak Power facility's 2021 successful implementation of a wallfield project that enables the facility to use reclaimed wellfield water. Red Oak Power continues to meet its target of using approximately 30% of its process water needs via the wellfield source.



## SEVEN SEAS WATER GROUP

### SSWGC

### SEVEN SEAS WATER GROUP (SSWGC)

SSWGC's mission is to provide safe, reliable, and cost-effective water and wastewater treatment solutions. In 2021, the City of Alice, Texas and the company announced a contract for the construction of a Public-Private Partnership brackish water desalination plant to provide drinking water to the City's residents. This Partnership will construct a water treatment plant which is intended to help the City's 20,000 residents access clean water from its brackish aquifer and improve drought resistance. In 2023, SSWG announced the construction start of the project. Upon its completion, it is anticipated the plant will provide the City with 2.7 million gallons of potable water daily. SSWG will operate and maintain this plant when it commences operations in 2024.



## HÖEGH LNG

### HÖEGH LNG

Höegh LNG's goal is to limit negative impacts that its operations might have on the environment and biodiversity. Since 2011, all new Floating Storage Regasification Units with trading capability are equipped with ballast water treatment and anti-fouling systems that comply with International Maritime Organization (IMO) conventions. In 2022, the company also modified the grey water systems on several vessels with the goal of reducing grey water treatment and management and allowing clean drain condensate to be re-purposed. Höegh has also implemented waste reduction efforts. From 2021 to 2022, in its fleet, Höegh reduced domestic waste (e.g., paper products, cardboard, glass, bottles, cans, metal, etc.) by 18%, operational waste by 5% and food waste by 2%. Höegh also reduced plastic waste by 1% despite four dry dockings. As an example, Höegh Gallant replaced disposable plastic drinking bottles, providing each crew member with a reusable, recycled plastic bottle, resulting in an annual reduction from approximately 3,500 bottles to virtually zero.



## STRAITNZ

### STRAITNZ

StraitNZ has implemented efforts to reduce waste to landfill rates and achieve higher recycling rates. Through increased awareness and strong standard operating procedures, StraitNZ recycled 100% of its onboard cooking oil (12,000 liters) in FY22. StraitNZ has initiated paperless self check-in kiosks to reduce paper waste. Initiatives are also underway to replace single use plastics with biodegradable alternatives. StraitNZ recycles approximately 75% of its overall waste generated with a target to increase recycling to 70% by 2021.

## Biodiversity

We aim to preserve the natural biodiversity of our assets' locations and believe maintaining balanced ecosystems is critical for a sustainable future. We will continue to evolve our approach to biodiversity and natural systems, tracking metrics as relevant.



### STRAITNZ

STRAITNZ is dedicated to reducing its impact on biodiversity in its operations. StraitNZ has set a target of zero biodiversity events which was successfully achieved in FY23. StraitNZ has also instituted a stringent process for ballast water management, and the disposal of sludge and bilge water happens only at treatment facilities onboard. StraitNZ does not discharge any untreated water back into freshwater bodies in order to reduce potential impacts on biodiversity and the surrounding environment.



### ITAL GAS STORAGE (IGS)

IGS acknowledges the significance of safeguarding biodiversity and monitors aspects of its activities that could have potential negative impacts. IGS' approach includes not operating within protected areas and adapting practices aligned with responsible

energy operations and environmental laws. IGS utilizes an Environmental Management System certified by UNI EN ISO 14001:2015 to effectively identify, monitor, and manage environmental impacts, including biodiversity.



### PNE

Biodiversity is of high importance for PNE. Detailed environmental studies are conducted to minimize the impact of wind and PV plants on biodiversity. Where interventions occur, they must be compensated and offset. The aim is to fully implement the regulatory requirements, while also involving local nature conservation associations in planning. In the course of its project in Langstuf, for example, compensatory planting was carried out and new trees were planted along roads and on playgrounds in the municipality's area. In the course of another project, Bötzenhagen, measures included ecological monitoring, planned shutdown times in the presence of bats or birds, nesting management, tree protection and the planting of hedges and trees.

# Health & Safety

Employees' health and safety is paramount. A proactive approach, stringent practices and processes and ongoing training underpin our focus on health and safety across all our portfolio companies. Our ambition is an accident-free environment.



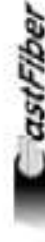
## BAYONNE ENERGY CENTER & RED OAK POWER

The Bayonne and Red Oak facilities continue their outstanding safety record. As of 2022, the Bayonne team has worked nine years without an Occupational Safety and Health Administration (OSHA) recordable incident or Lost Time Accident. The Red Oak team has worked six years without an OSHA recordable incident and 16 years without a Lost Time Accident. In addition, in 2022, the Bayonne team received the Corporate Safety Achievement Award.<sup>1</sup> In 2022, Red Oak received the North American Energy Services (NAES) Triple Zero Award reflecting the facility's excellent Environmental, Health & Safety, and North American Electric Reliability Corporation (NERC) compliance record.<sup>2</sup>



## ITAL GAS STORAGE (IGS)

Workforce safety continues to be a priority for IGS. During the construction of IGS Facility no severe accidents occurred in the approximately 2.4 million people hours spent by an average of 400 workers.<sup>3</sup> Following construction, IGS continued its focus on health and safety. In 2018, IGS received an ISO 45001 certificate, which recognizes occupational health and safety standards. In 2022, a total of 709 hours were dedicated to employee training in HSE matters, reflecting an 18% increase compared to the previous year. IGS employees, contractors and subcontractors have worked for over five years without a lost time injury.<sup>4</sup>



## FASTFIBER

In 2022, FastFiber continued its efforts to improve the implementation of Occupational Health & Safety (OHS) best practices. Regarding office activities, the internal safety teams received additional training on disaster events and emergency activities. Additional efforts were implemented to increase workers' safety at construction sites, including increasing the number of audits, encouraging near miss reporting, refreshing safety rule information, enforcing training actions on safety rules and additional work equipment checking procedures. The company registered zero severe accidents in 2020, 2021 and 2022.



## HØEGH LNG

### HØEGH LNG

Maintaining safe operations and minimizing risk is key priority for Høegh LNG. Høegh LNG's Occupational Health and Safety (OHS) policy outlines that the company strives to ensure zero harm to its colleagues and provide an injury-free working environment. On vessels, seafarers participate in monthly safety meetings, safety campaigns and conferences. Høegh LNG also has a defined competence and training matrix for all ranks and positions in its fleet, and seafarers are briefed on health and safety policies and important procedures and processes before signing on to vessels. Høegh LNG's focus on safety extends to offshore colleagues. For example, the occupational health and safety management system covering office employees in Norway was developed in line with the Norwegian Working Environment Act.

<sup>1</sup> Ethos Energy is the operator of the Bayonne Energy Center and confers the Corporate Safety Achievement Award for excellence in safety performance.

<sup>2</sup> NAES is the operator of the Red Oak Power Facility and confers the safe champion award to recognize plants that have completed safety improvement plans, installed a safety committee and achieved 90% or better on safety indicators, among other factors. NERC is a not-for-profit regulatory authority whose mission is to assure the effective and efficient reduction of risks to the reliability and security of the grid, including developing and enforcing reliability standards.

<sup>3</sup> Over 12 month span ending June 30, 2018.

<sup>4</sup> Between August 2018 and October 2022, IGS had one lost time injury in October 2022 which was not work related according to both Italian rules and OSHA standards.

# Diversity, Equity & Inclusion

By endeavoring to advance diversity, equity and inclusion (DEI), we aim to nurture more inclusive and better performing companies. We continue to work with our portfolio companies to foster diverse and inclusive workplace cultures.



## SPECIALTYCARE

SpecialtyCare aims to promote a diverse, equitable and inclusive workplace. SpecialtyCare's commitment to diversity and inclusion is a cornerstone of its policies and is grounded in its training.

SpecialtyCare trains all of its people on its anti-discrimination, anti-harassment and non-retaliation policies, enforcement mechanisms and best practices. SpecialtyCare also conducts diversity training for all new hires. SpecialtyCare uses annual engagement, new hire and exit surveys to measure that its workplace environment meets high standards. In engagement surveys and exit interviews,

SpecialtyCare associates continue to rank the company extremely high in its ability to create a work environment free of discrimination. In 2022, SpecialtyCare continued to promote its job postings and job training opportunities at 67 Historically Black Colleges and Universities (HBCUs) in the United States.

## telecolumbus

### TELE COLUMBUS

In 2022, Tele Columbus reaffirmed its focus on diversity by appointing its first Diversity Officer who collaborates closely with the Management Team and the broader organization to accelerate the Tele Columbus diversity strategy. The Diversity Officer works together with the 12 members of the Diversity Council, which was started in 2022, and the human resources department to lead the development of a roadmap to achieve

diversity goals. One of the key goals is to double the percentage of women in management positions by 2020 from a baseline in 2021 (currently, 30.3% out of the 177 management positions are filled by women). As part of the Diversity roadmap, Tele Columbus has set up mandatory e-learning courses on DEI for all employees, along with separate e-learning specifically designed for senior management.



## SEVEN SEAS WATER GROUP (SSWG)

SSWG is dedicated to building a diverse workforce that is reflective of the communities it serves. The company strives to recruit individuals who enhance this diversity and, ultimately, the effectiveness of the organization. SSWG provides Diversity and Inclusion training to all employees each year. In 2022, SSWG held employee celebrations for International Women's Day, Black History Month, Pride Month, and Hispanic Heritage Month where the company shared presentations to build awareness of the importance of diversity within its workforce. SSWG primarily hires local residents to operate and manage its plants globally. SSWG also uses a variety of recruiting and sourcing tools to ensure its job opportunities reach a broad audience, including using social media platforms and organizations focused on minority and women recruiting. In 2022, SSWG partnered with In Her Sight, a social media platform targeted at sharing brand awareness with women candidates.

## Community & Social Responsibility

We aim to ensure our portfolio companies scale up their stakeholder and community engagement, including through their corporate responsibility efforts and community or philanthropic programs.



### SPECIALTYCARE

In 2022, SpecialtyCare continued its focus on community engagement and educational advocacy. SpecialtyCare helped start a perfusion school at Lipscomb University in Nashville, with the first graduation class in May 2022. SpecialtyCare also provides clinical student rotations for several of the perfusion schools in the country. Supporting perfusion school programs and clinical rotations enables an expansion of scarce clinical perfusionist resources in the United States. In addition, in 2022, SpecialtyCare continued to partner with the PENCL Foundation, a non-profit organization that connects businesses with Metro Nashville Public Schools. SpecialtyCare works with PENCL to regularly host learning sessions to introduce high school students to the healthcare industry to allow them to explore different career opportunities.



### FASTFIBER

Community engagement is important to FastFiber and its employees. In December 2022, FastFiber organized a collection of food and other essential goods to be given to the Associação Família Solidária de Oeiras which is a public institution aimed at supporting families affected by poverty. The association offers support to these families as they seek new means of livelihood. Over the course of a week, FastFiber's employees bought various food products that, together with Company donations, totaled 227kg of food.

## Lightpath

### LIGHTPATH

Lightpath engages with its communities and supports its employees to contribute in the locations in which they work and live. As such, Lightpath has established a program that provides all of its team members with eight hours of paid leave in order to perform volunteer services for charitable and community service programs. In 2022, the paid volunteer benefit represented 6,184 hours of volunteer time worth approximately \$750,000.



### IGS ITAL GAS STORAGE

### ITAL GAS STORAGE (IGS)

To address sustainability in the community in which it operates, IGS seeks to manage and minimize its impact on its surrounding area with initiatives such as tree planting, enhanced lighting systems and noise control. In 2022, the approval process for a Water Treatment Plant commenced, reflecting IGS' efforts to mitigate waste-related impacts. The plants' use of chemicals to treat water reduces the need for waste transport and the potential associated impacts, which is a benefit to the community. In addition, since 2018, IGS has participated in the "Nucleo a Nucleo", an environmental educational initiative, which is aligned with UN, Intergovernmental Panel on Climate Change and the World Meteorological Organization guidelines and has engaged over 80 local school classes. In 2022, IGS also actively engaged the local community through educational initiatives such as guided tours of its facilities.

# Portfolio Company Data

**Please note with regard to data on the following tables:**

- Company data is submitted annually to GRESB. Companies divested prior to December 31, 2022 are excluded from this report.
- In some instances, data may vary from company reports and GRESB submission due to indicator definition, assumptions and timing of data collection.
- Select MHP II and III 2022 company data disclosed in this report have been assured by an independent third-party as outlined in the Appendix. See Appendix for a copy of the assurance statement.
- Values throughout the data tables may be impacted by rounding.
- While MSP believes the data has been reasonably determined based on current practices, methodologies and standards, these may continue to evolve. Data may vary from year to year based on many factors, some of which are beyond our control. Data may also need to be restated from prior periods.
- This data was not prepared in accordance with, and not meant to comply with, any current proposed or future regulatory disclosure requirements.

**NORTH HAVEN INFRASTRUCTURE PARTNERS III**



**Seven Seas Water (Americas)**

- Seven Seas Water Group (SSWG) provides decentralized water and wastewater treatment solutions, delivering approximately 18 billion gallons annually of clean water
- The company owns facilities that help repurpose treated wastewater for industrial and agricultural purposes, helping to promote water conservation
- In 2022, SSWG commissioned a 2.9 kWp solar system at its SL Maarten facility, and an 8.2 kWp solar system at its facility in St. Thomas, US Virgin Islands was also approved and initiated
- In addition to minimizing packaging waste during shipping and working to consolidate shipments, SSWG has implemented recycling programs in several of its locations
- SSWG works to develop a diverse workforce. As of 2022, 39% of the management team was racially or ethnically diverse, and 21% of the management team was comprised of female team members
- SSWG aims to give back and help communities to thrive by donating to programs and organizations that promote education, youth development and sustainability

<sup>1</sup> Energy generated in solar

<sup>2</sup> Not applicable due to the nature of the asset's operations.

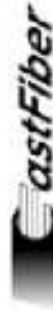
<sup>3</sup> Scope 1 emissions are related to cars. Fleet process emissions are captured in Scope 2 emissions; a minor amount of fuel is used by a relatively small number of vehicles.

† Past performance is not indicative of future results.

**2022 COMPANY PERFORMANCE DATA**

Employee Health & Safety	Fatalities	RESULT
Recordable injuries	0	0
Lost time injuries	1	1
Lost time injury frequency rate (MTTR for workday)	1	1
Total recordable injury frequency rate (MTTR for workday)	2.22	2.22
Energy reported / purchased	138,162	138,162
Energy generated	51	51
Energy exported/sold (generating assets only)	N/A <sup>1</sup>	N/A <sup>1</sup>
Energy consumed	138,167	138,167
<b>GHG Emissions (Metric tons CO2e)</b>		
Scope 1 (direct sources)	0 <sup>2</sup>	0 <sup>2</sup>
Scope 2 (indirect sources, location-based)	683,592	683,592
Scope 2 (indirect sources, market-based)	N/A	N/A
Total scope 1 and 2 (location-based)	683,592	683,592
Total scope 1 and 2 (market-based)	N/A	N/A
<b>Air Pollutants (kg)</b>		
SOx	0	0
NOx	0	0
PM2.5	0	0
PM10	0	0
Ozone-depleting substances (ODS)	0	0
Lead (Pb)	0	0
Mercury (Hg)	0	0
Non-complexions	0	0
Wet/dry solids	123,448	123,448
Discharges	73,572	73,572
<b>Water (Megaliters)</b>		
Waste generated (non-hazardous)	217	217
Waste generated (hazardous)	0	0
Re-use	0	0
Recycling waste	0	0
Composting	0	0
Waste-to-energy	0	0
Incineration	0	0
Landfill	317	317
Unlabeled	0	0
Total waste disposed	317	317
Waste diversion rate	0.0%	0.0%
<b>Biodiversity / Habitat (Hectares)</b>		
Habitat maint./annual	0	0

### NORTH HAVEN INFRASTRUCTURE PARTNERS III



#### FastFiber (Portugal)

- FastFiber has the largest national fiber optic network in Portugal, serving over 5.5 million homes.
- In October 2023, FastFiber acquired the regional fiber optic network operator Fibroglobal to complement its coverage and range of services, and has been integrating existing ESG policies into Fibroglobal.
- In 2022, FastFiber achieved its Quality Certification ISO 9001.
- The Company complied with its policy to procure 100% green electricity and undertook measures such as converting all lighting to LEDs and assessing opportunities for additional greenhouse gas emissions reductions.
- FastFiber teams received Occupational Health & Safety (OHS) training on disaster events and additional efforts were implemented to support workers' safety, such as increasing the number of audits and encouraging near miss reporting.
- In addition to annual ESG training, employees received new training on Diversity and Inclusion and cybersecurity.
- FastFiber continues to develop its cybersecurity and data protection policies. Cyber Risk and Vulnerability Management have been implemented, along with tools to monitor and detect network anomalies and malicious traffic.
- FastFiber has implemented a preferential procurement policy to be able to source recycled materials and has initiated dialogue with suppliers to measure and reduce Scope 3 emissions.

<sup>1</sup> Not applicable due to the nature of the asset's operations.

<sup>2</sup> CO<sub>2</sub>e emissions associated with vehicle fleet are included in Scope 1 greenhouse gas emissions. SO<sub>x</sub> and NO<sub>x</sub> emissions associated with vehicle fleets were applicable, but not calculated.

<sup>3</sup> FastFiber did not calculate specific waste streams in 2022 but, in 2023, the company is undergoing a process to document and classify diversion opportunities.

Past performance is not indicative of future results.

#### 2022 COMPANY PERFORMANCE DATA

2022 COMPANY PERFORMANCE DATA	RESULT
<b>Employee Health &amp; Safety</b>	
Fatalities	0
Recordable injuries	0
Lost time injuries	0
Lost time injury frequency rate (M/1M hrs worked)	0
Total recordable injury frequency rate (M/1M hrs worked)	0
<b>Energy (MWh)</b>	
Energy imported / purchased	189
Energy generated	N/A <sup>1</sup>
Energy exported / sold (generating assets only)	N/A <sup>1</sup>
Energy consumed	189
<b>GHG Emissions (Metric tons CO<sub>2</sub>e)</b>	
Scope 1 (direct sources)	41
Scope 2 (indirect sources, location-based)	9
Scope 2 (indirect sources, market-based)	0
Total scope 1 and 2 (location-based)	50
Total scope 1 and 2 (market-based)	41
<b>Air Pollutants (kg)</b>	
SO <sub>x</sub>	N/A <sup>2</sup>
NO <sub>x</sub>	N/A <sup>2</sup>
PM <sub>2.5</sub>	N/A <sup>2</sup>
PM <sub>10</sub>	N/A <sup>2</sup>
Chloro-depleting substances (CDS)	0
Lead (Pb)	N/A <sup>2</sup>
Mercury (Hg)	N/A <sup>2</sup>
Non-compliance	0
<b>Water (Megaliters)</b>	
Withdrawals	0.09
Discharges	0.09
<b>Waste (Metric tons)<sup>3</sup></b>	
Waste generated (non-hazardous)	N/A <sup>3</sup>
Waste generated (hazardous)	N/A <sup>3</sup>
Re-use	N/A <sup>3</sup>
Recycling waste	N/A <sup>3</sup>
Composting	N/A <sup>3</sup>
Waste-to-energy	N/A <sup>3</sup>
Incineration	N/A <sup>3</sup>
Landfill	N/A <sup>3</sup>
Unknown	N/A <sup>3</sup>
Total waste disposed	N/A <sup>3</sup>
Waste diversion rate	N/A <sup>3</sup>
<b>Biodiversity / Habitat (Hectares)</b>	
Habitat maintained	0

## NORTH HAVEN INFRASTRUCTURE PARTNERS III

## Lightpath Lightpath (U.S.)

- As of year-end 2022, the Lightpath All-Fiber network consists of over 20,000 route miles serving over 13,500 locations throughout its footprint
- Lightpath continues to partner on projects to develop and construct fuel and solar cell installations at a number of head-end locations. In 2022, fuel and solar projects were completed for the company's headquarters location
- Lightpath continues to review its fleet to identify opportunities to optimize the existing and new vehicle fleet, including proposed fleet replacements in its budgeting process and working with vendors to expand its replacement plan
- Lightpath completed Physical Climate Risk Assessment in 2022 and began working with landlords to support a focus on resiliency
- Lightpath engages in a feedback loop through net promoter score (NPS) surveys by seeking feedback from customers and employees throughout the year
- Lightpath implemented an updated Vendor Code of Conduct policy that incorporates Human Rights protections along with Anti-Slavery and Non-Discrimination requirements for its vendors. It also encourages vendors to identify and reduce carbon emissions and to monitor and reduce emissions, water and waste

<sup>1</sup> Not applicable due to the nature of this asset's operations.

<sup>2</sup> CO<sub>2</sub>e emissions associated with vehicle fleet are included in Scope 1 greenhouse gas emissions. SO<sub>x</sub> and NO<sub>x</sub> emissions associated with vehicle fleet were applicable, but not calculated.

Past performance is not indicative of future results.

## 2022 COMPANY PERFORMANCE DATA

Employee Health & Safety		RESULT
Fatalities		0
Recordable injuries		3
Lost time injuries		1
Lost time injury frequency rate (LTI/M hrs worked)		3.05
Total recordable injury frequency rate (TRIF/M hrs worked)		2.18
Energy reported/purchased		57,917
Energy generated		N/A <sup>1</sup>
Energy exported/sold (generating assets only)		N/A <sup>1</sup>
Energy consumed		57,917
<b>GHG Emissions (Metric tons CO<sub>2</sub>e)</b>		
Scope 1 (direct sources)		609
Scope 2 (indirect sources, location-based)		37,918
Scope 2 (indirect sources, market-based)		N/A
Total scope 1 and 2 (location-based)		38,527
Total scope 1 and 2 (market-based)		N/A
<b>Air Pollutants (kg)</b>		
SO <sub>x</sub>		N/A <sup>2</sup>
NO <sub>x</sub>		N/A <sup>2</sup>
PM <sub>10.5</sub>		N/A <sup>2</sup>
PM <sub>2.5</sub>		N/A <sup>2</sup>
Chlorine-displacing substances (CDS)		N/A <sup>2</sup>
Lead (ppb)		N/A <sup>2</sup>
Mercury (ng)		N/A <sup>2</sup>
Non-compliance		N/A <sup>2</sup>
Withdrawals		5C
Discharges		5C
<b>Water (Megaliters)</b>		
Waste generated (non-hazardous)		418
Waste generated (hazardous)		0
Re-use		0
Recycling waste		1.5
Composting		0
Waste-to-energy		0
Incineration		0
Landfill		44C
Unk-moved		0
<b>Waste (Metric tons)</b>		
Total waste disposed		418
Waste diversion rate		0.7%
<b>Biodiversity / Habitat (Hectares)</b>		
Habitat maintained		0

## NORTH HAVEN INFRASTRUCTURE PARTNERS III

## telecolumbus

## Tele Columbus (Germany)

- Tele Columbus is a leading German fiber network operator and #2 cable company in terms of Homes Connected (3.2m households connected, 4.8m homes passed<sup>1</sup>)
- Over 85% of Tele Columbus' Scope 1 and 2 emissions is from electricity use. In 2022, 99.7% of electricity supplied to Tele Columbus' networks and properties was certified green electricity
- To address vehicle fleet emissions, Tele Columbus has a goal to transition all short-distance cars to electric vehicles by 2030. While vehicle activity and, thus, Scope 1 emissions increased from 2021 to 2022, initial efforts led to a 4.9% reduction in CO2 emissions per kilometer
- To address Scope 3 emissions related to product use, materials and hardware purchasing, Tele Columbus implemented a recycling process and achieved a recycle rate of approximately 70%, preventing ~60 tonnes of electronic waste in 2022
- Tele Columbus continues to execute its health and safety approach, including implementing employee training and safety committees at each location and monitoring leading key performance indicators, such as Time Pressure on Field Staff
- In 2022, Tele Columbus appointed its first Diversity Officer

<sup>1</sup> Homes Passed are homes that can be connected to Tele Columbus' networks.

<sup>2</sup> Not applicable due to the nature of the asset's operations.

<sup>3</sup> Offsets are accounted for in this aggregate figure.

<sup>4</sup> CO2e emissions associated with vehicle fleet and building fuel usage are included in Scope 1 greenhouse emissions; SOx and NOx emissions associated with fleet and a single site natural gas use were applicable, but not calculated.

Past performance is not indicative of future results.

## 2022 COMPANY PERFORMANCE DATA

Employee Health & Safety	Fatalities	RESULT
Recordable injuries	0	0
Lost time injuries	15	15
Lost time injury frequency rate (per 10M hrs worked)	3.4	3.4
Total recordable injury frequency rate (per 10M hrs worked)	7.62	7.62
Energy (MWh)	Energy imported/purchased	38,799
	Energy generated	N/A <sup>2</sup>
	Energy exported/sold (generating assets only)	N/A <sup>2</sup>
	Energy consumed	38,799
GHG Emissions (Metric tons CO2e)	Scope 1 (direct sources)	1,877
	Scope 2 (indirect sources, location-based)	12,500
	Scope 3 (indirect sources, market-based)	63
	Total scope 1 and 2 (location-based)	14,377 <sup>3</sup>
	Total scope 1 and 2 (market-based)	1,869 <sup>4</sup>
Air Pollutants (kg)	SO <sub>x</sub>	N/A <sup>2</sup>
	NO <sub>x</sub>	N/A <sup>2</sup>
	PM2.5	N/A <sup>2</sup>
	PM10	N/A <sup>2</sup>
	Ozone-depleting substances (ODS)	N/A <sup>2</sup>
	Lead (Pb)	N/A <sup>2</sup>
	Mercury (Hg)	N/A <sup>2</sup>
	Non-complexions	N/A <sup>2</sup>
	Withdrawals	0.67
	Discharges	0.67
Water (Metric tons)	Waste generated (non-hazardous)	78
	Waste generated (hazardous)	0
	Re-use	60
	Recycling waste	13
	Composting	N/A <sup>5</sup>
	Waste-to-energy	N/A <sup>5</sup>
	Incineration	N/A <sup>5</sup>
	Landfill	1
	Unknown	N/A <sup>5</sup>
	Total waste disposed	78
	Waste diversion rate	38.0%
Biodiversity / Habitat (Hectares)	Habitat meters aroid	N/A <sup>5</sup>

## NORTH HAVEN INFRASTRUCTURE PARTNERS III



## HÖEGH LNG

## Höegh LNG (Global)

- Höegh LNG owns and operates floating flexible energy infrastructure that supports countries' efforts in diversifying their energy sources and ensuring reliable access to natural gas
- Höegh LNG continues to develop and implement technological innovations to reduce emissions associated with its vessels. The company installed energy saving devices at the end of the propellers on two vessels, helping to reduce fuel consumption while sailing
- H LNG modified its grey water and clean condensate system onboard three of its Floating Storage Regasification Units. This modification helps prevent mixing clean condensate (water) with other grey water, reducing unnecessary treatment and grey water management as well as costs and workload
- The company's fleet reduced plastic waste by 17% despite performing four dry dockings during the year
- Höegh LNG continues its safety focus with a goal of zero harm and an injury free environment. In 2022, the company reported zero lost time injuries (LTI) on its vessels<sup>1</sup>
- Höegh LNG continues to focus on diversity. While efforts are ongoing, the number of women on board the fleet increased from 5 to 17<sup>2</sup>, and the first female chief officer was appointed

<sup>1</sup> There were 5 total recordable injuries in 2022.

<sup>2</sup> This is out of a total CEO-managed personnel.

<sup>3</sup> Calculated based on total employee hours

<sup>4</sup> Not applicable due to the nature of the asset's operations.

<sup>5</sup> Höegh does not calculate or report the GHG emissions from water incineration, which may or may not be a material source of Scope 1 emissions. The company's assessment is that the volume of water treated in this way is limited as it is only applicable to sailing vessels and not to the entire fleet. The waste is processed and measured according to industry standards and IMO's requirements.

<sup>6</sup> Applicable but not calculated by the asset. Select air pollutants are relevant, but not precisely calculated given the standard level of air emissions and/or current calculation methodologies.

Pass performance is not indicative of future results.

## 2022 COMPANY PERFORMANCE DATA

## Employee Health &amp; Safety

	Facilities	RESULT
Recordable injuries		0
Lost time injuries		5
Lost time injury frequency rate (MTM for worked)		0
Total recordable injury frequency rate (MTM for worked)		1.28 <sup>5</sup>

## Energy (MWh)

Energy imported/purchased	3,804,479
Energy generated	N/A <sup>6</sup>
Energy exported/sold (generating assets only)	N/A <sup>6</sup>
Energy consumed	3,804,479

GHG Emissions (Metric tons CO<sub>2</sub>e)

Scope 1 (direct sources)	874,184 <sup>7</sup>
Scope 2 (indirect sources, location-based)	67
Scope 2 (indirect sources, market-based)	N/A
Total scope 1 and 2 (location-based)	874,246
Total scope 1 and 2 (market-based)	N/A

## Air Pollutants (Kg)

SOx	30,500
NOx	N/C <sup>8</sup>
PM2.5	N/C <sup>8</sup>
PM10	N/C <sup>8</sup>
Chlorine-depleting substances (CDS Level (%))	N/A <sup>8</sup>
Mercury (kg)	N/C <sup>8</sup>
Non-compliance	0

## Water (Megaliters)

Withdrawals	431,816
Discharges	435,816

## Waste (Metric tons)

Waste generated (non-hazardous)	750
Waste generated (hazardous)	0
Re-use	0
Recycling waste	0
Composting	0
Waste-to-energy	0
Incineration	0
Landfill	773
Unknown	18
Total waste disposed	790
Waste diversion rate	0.0%
Biodiversity / Habitat (Hectares)	0

## NORTH HAVEN INFRASTRUCTURE PARTNERS III



## SpecialtyCare (U.S.)

- SpecialtyCare is committed to delivering exceptional care outcomes, patient safety and financial results in more than 1,200 hospitals and health systems, supporting 13,500 physicians during 500,000+ procedures annually
- SpecialtyCare's associates participated in over 6,600 hours of training on ESG-related courses in 2022
- SpecialtyCare received a bronze level Cigna Healthy Workforce Designation™ in recognition of making a difference in the health and well-being of their employees in areas such as program foundations and whole-person health
- The company's CARES (Community, Access, Responsibility, Education, Service) program supports employees' participation in medical missions through scholarships, paid time off and equipment donations
- SpecialtyCare's Brinkardt Perfusion Scholarship supports the development of future leaders by funding four education scholarships annually

\* Limited data are available for recordable injuries and lost time injury frequency rate of 30.00. FY 2022 actual recordable injuries was 40.

† Not applicable due to the nature of this asset's operations.

‡ CO2e emissions associated with vehicle fleet and building footprints are included in Scope 1 greenhouse emissions. SOx and NOx emissions associated with fleet and a single-site natural gas use were not calculated.

† Past performance is not indicative of future results.

## 2022 COMPANY PERFORMANCE DATA

Employee Health & Safety	Facilities	RESULT
Recordable injuries		0
Lost time injuries		40 <sup>*</sup>
Lost time injury frequency rate (w/1M hrs worked)		0
Total recordable injury frequency rate (w/1M hrs worked)		13.74 <sup>†</sup>
Energy (MWh)	Energy imported/purchased	1,200 <sup>‡</sup>
	Energy generated	N/A <sup>‡</sup>
	Energy exported/sold (generating assets only)	N/A <sup>‡</sup>
	Energy consumed	1,200 <sup>‡</sup>
GHG Emissions (Metric tons CO2e)	Scope 1 (direct sources)	60
	Scope 2 (indirect sources, location-based)	385
	Scope 2 (indirect sources, market-based)	283
	Total scope 1 and 2 (location-based)	445
	Total scope 1 and 2 (market-based)	343
Air Pollutants (kg)	SOx	N/C <sup>‡</sup>
	NOx	N/C <sup>‡</sup>
	PM2.5	N/A <sup>‡</sup>
	PM10	N/A <sup>‡</sup>
	Other depleting substances (ODSD)	N/A <sup>‡</sup>
	Lead (Pb)	N/A <sup>‡</sup>
	Mercury (Hg)	N/A <sup>‡</sup>
	Non-compliances	N/A <sup>‡</sup>
Water (Megaliters)	Withdrawals	0.47
	Discharges	0.38
Waste (Metric tons)	Waste generated (non-hazardous)	69
	Waste generated (hazardous)	0
	Re-use	0
	Recycling waste	0
	Composting	0
	Waste-to-energy	0
	Incineration	0
	Landfill	65
	Unknown	0
	Total waste disposed	69
	Waste diversion rate	0.0%
Biodiversity / Habitat (Hectares)	Habitat maintained	N/A <sup>‡</sup>

## NORTH HAVEN INFRASTRUCTURE PARTNERS III



### StraitNZ (New Zealand)

- StraitNZ is a ferry and logistics operator that manages multiple daily freight and passenger services across the Cook Strait in New Zealand. In 2022, StraitNZ carried over 1.7 million freight lane meters<sup>1</sup> and over 300k passengers.
- StraitNZ successfully converted its existing term debt facility to a sustainability linked loan, with all three key performance indicators achieved in FY23
- StraitNZ completed application of new hull quality coating on both of its ferry vessels to drive approximately 5% reduction in emissions from vessels
- At its Christchurch and Auckland freight depots, StraitNZ installed solar panels and reached 98% utilization of electric forklifts
- StraitNZ initiated paperless self-check-in kiosks to reduce paper waste, recycled 100% of its onboard cooking oil in FY23 and is working to replace single-use plastics with biodegradable alternatives
- StraitNZ achieved fleet saver gold status and accredited employer status granted by the NZ government. These certifications are provided to eligible businesses who demonstrate a strong commitment to the highest standards of employee safety
- StraitNZ achieved gold status certification provided by Qualmark, the official assurance organization for NZ Tourism, for providing best in-class sustainable tourism in New Zealand

<sup>1</sup>A lane meter is a method of measuring capacity of dock area on roll-on/roll-off ships to cargo vessels with containers.

<sup>2</sup>Not applicable due to the nature of the asset's operations.

<sup>3</sup>Applicable but not calculated by the asset.

Past performance is not indicative of future results.

### 2022 COMPANY PERFORMANCE DATA

Employee Health & Safety	Fatalities	RESULT
Recordable injuries	0	0
Lost time injuries	7	7
Lost time injury frequency rate (W/1M hrs worked)	63.4	63.4
Total recordable injury frequency rate (W/1M hrs worked)	61.8	61.8
Energy (MWh)	Energy imported / purchased	294,983
	Energy generated	N/A <sup>2</sup>
	Energy exported/sold (generating assets only)	N/A <sup>2</sup>
	Energy consumed	294,983
GHG Emissions (Metric tons CO <sub>2</sub> e)	Scope 1 (direct sources)	77,266
	Scope 2 (indirect sources, location-based)	115
	Scope 2 (indirect sources, market-based)	N/A
	Total scope 1 and 2 (location-based)	77,470
	Total scope 1 and 2 (market-based)	N/A
Air Pollutants (kg)	SO <sub>x</sub>	N/C <sup>3</sup>
	NO <sub>x</sub>	N/C <sup>3</sup>
	PM <sub>2.5</sub>	N/A <sup>2</sup>
	PM <sub>10</sub>	N/A <sup>2</sup>
	Chlorine displacing substances (CDS)	N/A <sup>2</sup>
	Lead (Pb)	N/A <sup>2</sup>
	Mercury (Hg)	N/A <sup>2</sup>
	Non-compliance	0
Water (Megalitres)	Withdrawals	20
	Discharges	15
Waste (Metric tons)	Waste generated (not-hazardous)	428
	Waste generated (hazardous)	0
	Re-use	0
	Recycling waste	63
	Composting	0
	Waste to energy	0
	Incineration	0
	Landfill	365
	Unknown	0
	Total waste disposed	428
	Waste diversion rate	15.0%
Biodiversity / Habitat (Hectares)	Habitat maintained	0

### NORTH HAVEN INFRASTRUCTURE PARTNERS III



#### PNE<sup>1</sup> (Germany)

- In 2022, PNE sold, commissioned or put into construction 4,819 MW/MWp of wind energy and solar PV projects
- In 2022, PNE's own operations included 20 wind farms, with which PNE produced 509 GWh of green electricity
- In 2022, the Company also presented a new strategy which included the following targets for 2027:
  - 1,500 MW of operational projects in own generation portfolio
  - > 20,000 MW of under development projects in the pipeline
- PNE developed a new ESG strategy focused on five areas of action: governance, value chain, employees, environment and social responsibility
- PNE engages local communities in various ways, including sport and cultural institutions
- PNE recently added a special provision for electric and hybrid vehicles in its company car policy
- PNE has incorporated sustainability provisions in its value chain, focusing on regional purchasing and preferring to procure wind turbines from suppliers certified to a ISO14001 environment management system

<sup>1</sup> Please note as PNE AG is a publicly listed company, GHGSS performance data cannot be collated and published. For publicly available information on PNE, please visit [www.pne.com](https://www.pne.com).

Past performance is not indicative of future results.



## NORTH HAVEN INFRASTRUCTURE PARTNERS II



### Ital Gas Storage (Italy)

- In 2022, 99.8% of Ital Gas Storage's (IGS) electricity consumed was produced from renewable sources and covered by guarantee of origin certificates (Certificati di Garanzia di Origine)
- Since April 2020, more than 99% of IGS' electricity has been procured from renewable sources through guarantee of origin certificates.
- IGS continued to track its Scope 1 and 2 greenhouse gas emissions and specific Scope 3 emissions categories
- In 2022, IGS staff recorded 709 hours of Health, Safety, Security and Environment Training, an increase of 38.4% compared to 2021
- IGS recorded zero work-related injuries in 2020, 2021 and 2022, for both employees and contractors<sup>1</sup>
- IGS recycled 100% of its solid industrial waste in 2022
- From a community perspective, in 2022, IGS continued to participate in "Nuovole a motore"<sup>2</sup> which is an initiative aimed at educating children in local schools about climate change

<sup>1</sup> Between August 2020 and October 2022, IGS had one lost time injury in October 2022 which was not work-related according to both Italian national OSHA standards.

<sup>2</sup> Not applicable due to the nature of the asset's operations.

<sup>3</sup> Offsets are accounted for in this aggregate metric.

Past performance is not indicative of future results.

#### 2022 COMPANY PERFORMANCE DATA

##### Employee Health & Safety

	RESULT
Fatalities	0
Recordable injuries	0
Lost time injuries	0
Lost time injury frequency rate (LTIFR by worked)	0
Total recordable injury frequency rate (TRIFR by worked)	0

##### Energy (MWh)

Energy imported / purchased	25,233
Energy generated	N/A <sup>3</sup>
Energy exported / sold (generating assets only)	N/A <sup>3</sup>
Energy consumed	25,233

##### GHG Emissions (Metric tons CO<sub>2</sub>e)

Scope 1 (direct sources)	2,246
Scope 2 (indirect sources, location-based)	6,328
Scope 3 (indirect sources, market-based)	14
Total scope 1 and 2 (location-based)	8,430 <sup>3</sup>
Total scope 1 and 2 (market-based)	2,116 <sup>3</sup>

##### Air Pollutants (kg)

SO <sub>x</sub>	18%
NO <sub>x</sub>	3,956
PM2.5	N/A <sup>3</sup>
PM10	N/A <sup>3</sup>
Ozone-depleting substances (ODS)	N/A <sup>3</sup>
Lead (Pb)	N/A <sup>3</sup>
Mercury (Hg)	N/A <sup>3</sup>
Non-compliances	0
Withdrawals	2

##### Water (Megaliters)

Discharges	12
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##### Waste (Metric tons)

Waste generated (non-hazardous)	15
Waste generated (hazardous)	3
Re-use	0
Recycling waste	20
Composting	0
Waste-to-energy	1
Incineration	0
Landfill	0.1
Unknown	0
Total waste disposed	22
Waste diversion rate	39.1%
Habitat maintained	N/A <sup>3</sup>

##### Biodiversity / Habitat (hectares)

## NORTH HAVEN INFRASTRUCTURE PARTNERS II



### Altán Redes (Mexico)

- The ongoing build-out of Altán Redes' network is contributing to closing the digital divide and easing the adoption of information technologies in urban and rural areas in Mexico by reaching regions that lack connectivity
- As of year-end 2022, Altán Redes covered over 92 million individuals living in Mexico
- Altán reached 71.9% of the population who previously lacked connectivity in rural areas, surpassing its goal to reach at least 7.2% of that population
- Altán also made significant progress toward its goal of providing service to small-population localities. As of year-end 2022, Altán reached 110,192 localities (vs 106,000 in 2021) and achieved 100% of its goals to reach localities with less than 250 inhabitants, to reach localities with 250-5,000 inhabitants, and to reach localities with over 5,000 inhabitants
- To address biodiversity impacts, Altán continues to use its geographic information system (GIS) to identify certain environmental parameters, including state parks, national parks, protected sites, priority land regions and bird conservation sites, and builds its equipment installations away from these sites

<sup>1</sup> Not applicable due to the nature of the asset's operations.

<sup>2</sup> CO<sub>2</sub>e emissions associated with vehicle fleet are included in Scope 1 greenhouse gas emissions. SO<sub>x</sub> and NO<sub>x</sub> emissions associated with vehicle fleet were not applicable, but not calculated.

<sup>3</sup> Past performance is not indicative of future results.

#### 2022 COMPANY PERFORMANCE DATA

	RESULT
<b>Employee Health &amp; Safety</b>	
Fatalities	0
Recordable injuries	36
Lost time injuries	36
Lost time injury frequency rate (LTI/M hrs worked)	9.53
Total recordable injury frequency rate (TRIR/M hrs worked)	9.53
<b>Energy (MWh)</b>	
Energy reported/purchased	63,608
Energy generated	N/A <sup>1</sup>
Energy reported/sold (generating assets only)	N/A <sup>1</sup>
Energy consumed	63,608
<b>GHG Emissions (Metric tons CO<sub>2</sub>e)</b>	
Scope 1 (direct sources)	16B
Scope 2 (indirect sources, location-based)	29,348
Scope 2 (indirect sources, market-based)	N/A
Total scope 1 and 2 (location-based)	29,331 <sup>2</sup>
Total scope 1 and 2 (market-based)	N/A
<b>Air Pollutants (kg)</b>	
SO <sub>2</sub>	N/C <sup>3</sup>
NO <sub>x</sub>	N/C <sup>3</sup>
PM <sub>2.5</sub>	N/A <sup>1</sup>
PM <sub>10</sub>	N/A <sup>1</sup>
Ozone-depleting substances (ODS)	N/A <sup>1</sup>
Lead (Pb)	N/A <sup>1</sup>
Mercury (Hg)	N/A <sup>1</sup>
Non-compliance	N/A <sup>1</sup>
<b>Water (Megaliters)</b>	
Withdrawals	4
Discharges	4
<b>Waste (Metric tons)</b>	
Waste generated (non-hazardous)	7
Waste generated (hazardous)	0
Re-use	7,291
Recycling inputs	2
Composting	0
Waste-to-energy	0
Incineration	0
Landfill	6
Unknown	0
Total waste disposed	7,298
Waste diversion rate	93.9%
<b>Biodiversity / Habitat (Hectares)</b>	
Habitat maintained	N/A <sup>1</sup>

## NORTH HAVEN INFRASTRUCTURE PARTNERS II



## Red Oak Power (U.S.)

- The Red Oak Power facility received the North American Energy Services (NAES) Triple Zero Award reflecting the facility's excellent Environmental, Health & Safety, and North American Electric Reliability Corporation (NERC) compliance record for calendar year 2022
- The Red Oak Power facility received the North American Energy Services (NAES) Safe Champion Award that commends the facility's specific focus on worker safety during calendar year 2022
- The Red Oak Power team has worked six years without an OSHA recordable incident and fourteen years without a lost time accident
- The Red Oak Power facility replaced coupled and flanged chemical piping with updated fused-type piping to reduce the risk of chemical leakage
- The Red Oak Power facility installed a heat recovery steam generator stack damper on Unit 1 which maintains the unit's heat while it is offline and shortens start up times which helps to reduce fuel consumption
- The Red Oak Power Cybersecurity Task Force implemented enhancements to its existing cybersecurity systems including policy, hardware and software updates

<sup>1</sup> Not applicable due to the nature of the asset's operations.

Past performance is not indicative of future results.

## 2023 COMPANY PERFORMANCE DATA

Employee Health & Safety	RESULT
Fatalities	0
Recordable injuries	0
Lost time injuries	0
Lost time injury frequency rate (A/TM hrs worked)	0
Total recordable injury frequency rate (A/TM hrs worked)	0
Energy (MWh)	6,080
Energy imported / purchased	
Energy generated	3,204,562
Energy exported/sold (generating assets only)	3,137,650
Energy consumed	73,932
<b>GHG Emissions (Metric tons CO<sub>2</sub>e)</b>	<b>1,221,138</b>
Scope 1 (direct sources)	
Scope 2 (indirect sources, location-based)	1,865
Scope 2 (indirect sources, market-based)	N/A
Total scope 1 and 2 (location-based)	1,221,003
Total scope 1 and 2 (market-based)	N/A
<b>Air Pollutants (kg)</b>	<b>6,169</b>
SO <sub>x</sub>	
NO <sub>x</sub>	130,577
PM <sub>2.5</sub>	32,396
PM <sub>10</sub>	32,396
Ozone-depleting substances (ODS)	0
Lead (Pb)	N/A <sup>1</sup>
Mercury (Hg)	N/A <sup>1</sup>
Non-compliance	0
Water (Megaliters)	2,839
Withdrawals	
Discharges	183
<b>Waste (Metric tons)</b>	<b>302</b>
Waste generated (non-hazardous)	0
Waste generated (hazardous)	0
Re-use	0
Recycling waste	38
Composting	0
Waste-to-energy	0
Incineration	0
Landfill	272
Unknown	0
Total waste disposed	302
Waste diversion rate	10.0%
<b>Biodiversity / Habitat (Meters<sup>2</sup>)</b>	<b>0</b>
Habitat maintained	0

**NORTH HAVEN INFRASTRUCTURE PARTNERS II**



**Brazos Midstream (U.S.)**

- Brazos continues to work on initiatives to reduce greenhouse gas emissions, including a condensate pipeline project which would reduce truck trips and associated emissions as well as a program to allow compressor units to use lean gas as opposed to rich gas, resulting in less emissions for compressor stations
- These initiatives are in addition to programs that Brazos has already implemented, including a smart "pigging" program, the installation of the Vapor Recovery Units and installation of Compression Fuel Treatment Units
- Brazos' focus on safety includes implementation of worksite and vehicle safety policies
- Brazos integrates cybersecurity measures to prevent malicious activities and mitigate cybersecurity threats, including undergoing a cybersecurity assessment and conducting employee training

**2022 COMPANY PERFORMANCE DATA**

Facilities	RESULT
<b>Employee Health &amp; Safety</b>	
Recordable injuries	0
Lost time injuries	0
Lost time injury frequency rate (LTI/M hrs worked)	0
Total recordable injury frequency rate (TRIM hrs worked)	0
<b>Energy (MWh)</b>	
Energy imported/purchased	2,053,252
Energy generated	110 <sup>1</sup>
Energy exported/sold (generating assets only)	N/A <sup>2</sup>
Energy consumed	2,053,362
<b>GHG Emissions (Metric tons CO2e)</b>	
Scope 1 (direct sources)	63,043
Scope 2 (indirect sources, location-based)	63,569
Scope 2 (indirect sources, market-based)	N/A
Total scope 1 and 2 (location-based)	722,605
Total scope 1 and 2 (market-based)	N/A
<b>Air Pollutants (kg)</b>	
SOx	90,830
NOx	839,310
PM2.5	59,840
PM10	61,620
Chrom. displaing substances (CDS)	N/A <sup>2</sup>
Lead (Pb)	0
Mercury (Hg)	N/A <sup>2</sup>
Non-compliance	0
Wet-harrels	54
Discharges	54
<b>Water (Megaliters)</b>	
Waste generated (non-hazardous)	62
Waste generated (hazardous)	0
Re-use	0
Recycling waste	0
Composting	0
Waste-to-energy	0
Incineration	0
Landfill	52
Unk-mown	0
Total waste disposed	52
Waste diversion rate	0.07%
<b>Biodiversity / Habitat (Hectares)</b>	
Habitat-maintained	N/A <sup>2</sup>

<sup>1</sup>Energy generated for Brazos in solar.  
<sup>2</sup>Not applicable due to the nature of the asset's operations.

Past performance is not indicative of future results.

**NORTH HAVEN INFRASTRUCTURE PARTNERS II**



**Bayonne Energy Center (U.S.)**

- The Bayonne Energy Center received the Passaic Valley Sewerage Commission's Award of Excellence for exceptional compliance with reporting and pretreatment requirements for 2022
- The Bayonne team has worked nine years without an OSHA recordable incident or Lost Time Accident and received the Corporate Safety Achievement Award for CY2022
- In 2022, the Bayonne Energy Center received the Fire Safety Appreciation Certificate from the Bayonne Fire Department for Continued Community Service, Dedication & Support to the Bayonne Fire Prevention Bureau Public Education Program
- To assist efforts of moving from fossil fuel to electric powered vehicles, the Bayonne Energy Center installed electric vehicle charging stations for employee and visitor use
- The Bayonne Energy Center optimized the distribution of ammonia through the units' selective catalyst control system and performed a regenerative cleaning on the units' oxidative catalysts to improve the control efficiency of both nitrogen oxide and carbon monoxide
- The Bayonne Energy Center enhanced their cybersecurity by upgrading workstations and servers with newer operating systems and establishing multi-factor authentication for outside internal plant network access with the virtual private network. The facility also added syslogging onto the firewalls and switches that separate the operational and informational technologies' connections for intrusion detection and monitoring

<sup>1</sup>Not applicable due to the nature of the asset's operations.

Past performance is not indicative of future results.

**2022 COMPANY PERFORMANCE DATA**

	Facilities	RESULT
<b>Employee Health &amp; Safety</b>		
Recordable injuries	0	0
Lost time injuries	0	0
Lost time injury frequency rate (per 100 hrs worked)	0	0
Total recordable injury frequency rate (per 100 hrs worked)	0	0
<b>Energy (MWh)</b>		
Energy imported / purchased	14,320	
Energy generated	1,386,568	
Energy exported/sold (generating assets only)	1,160,974	
Energy consumed	39,804	
<b>GHG Emissions (Metric tons CO2e)</b>		
Scope 1 (direct sources)	614,521	
Scope 2 (indirect sources, location-based)	4,392	
Scope 2 (indirect sources, market-based)	N/A	
Total scope 1 and 2 (location-based)	618,913	
Total scope 1 and 2 (market-based)	N/A	
<b>Air Pollutants (kg)</b>		
SOx	2,295	
NOx	36,371	
PM2.5	17,003	
PM10	17,003	
Ozone-depleting substances (ODS)	0	
Lead (Pb)	0	
Mercury (Hg)	0	
Non-halogenated	0	
Withdrawals	0	
Discharges	85	
<b>Water (Megaliters)</b>		
Withdrawals	181	
Discharges	19	
<b>Waste (Metric tons)</b>		
Waste generated (non-hazardous)	0	
Waste generated (hazardous)	0	
Reuse	0	
Recycling waste	4	
Composting	0	
Waste-to-energy	0	
Incineration	0	
Landfill	15	
Unknown	0	
Total waste disposed	19	
Waste diversion rate	100%	
<b>Biodiversity / Habitat (Hectares)</b>		
Habitat maintained	0	

An aerial photograph of a rural landscape featuring rolling green hills and fields. The terrain is characterized by smooth, undulating slopes and distinct patterns of agricultural fields. A dark green rectangular overlay is positioned at the bottom of the image, containing the word "Appendix" in white text.

# Appendix

# Independent Limited Assurance Statement

## To: The Stakeholders of Morgan Stanley Infrastructure Partners (MSIP)

### INTRODUCTION AND OBJECTIVES OF WORK

Apex Companies, LLC (Apex) has been engaged by Morgan Stanley Infrastructure Partners (MSIP) to provide limited assurance of its 2022 Health and Safety, Energy Greenhouse Gas (GHG) Emissions, Air Pollutants, Water Withdrawals, Water Discharges, Waste/Recycling Output, and Habitat Preservation data for twelve (12) assets: Altán Redes, Bayonne Energy Center, Brazos Midstream, FastFiber, Høgh LNG, Itai Gas Storage, Lightpath, Red Oak Power LLC, Seven Seas Water, SpecialtyCare, Tele Columbus, and StratiNZ. This assurance statement applies to the Subject Matter included within the scope of work described below.

This information and its presentation are the sole responsibility of the management of MSIP. Our sole responsibility was to provide independent assurance on the accuracy of the Subject Matter.

### SCOPE OF WORK

The scope of our work was limited to assurance over items identified as relevant by MSIP including metrics reported regarding Health and Safety, Energy GHG Emissions, Air Pollutant Emissions, Water Withdrawals, Water Discharge, Waste/Recycling Output, and Habitat Preservation for the period January 1, 2022 to December 31, 2022 (the "Subject Matter"). The metrics assured by Apex are included in the attached table.

Data and information supporting the Subject Matter were mostly historical in nature and in some cases estimated.

### REPORTING BOUNDARIES

The following are the boundaries used by MSIP for reporting sustainability data:

- Operational Control;
- Worldwide.

Past performance is not indicative of future results.

### REPORTING CRITERIA

The Subject Matter needs to be read and understood together with the 2023 GRESB Infrastructure Asset Reference Guide.

### LIMITATIONS AND EXCLUSIONS

Excluded from the scope of our work is any assurance of information relating to:

- Activities outside the defined assurance period;
- Material outside the scope of work.

This limited assurance engagement relies on a risk based selected sample of sustainability data and the associated limitations that this entails. The reliability of the reported data is dependent on the accuracy of metering and other production measurement arrangements employed at site level, not addressed as part of this assurance. This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

### RESPONSIBILITIES

The preparation and presentation of the Subject Matter are the sole responsibility of the management of MSIP.

Apex was not involved in the development of the Subject Matter or of the Reporting Criteria. Our responsibilities were to:

- Obtain limited assurance about whether the Subject Matter has been prepared in accordance with the Reporting Criteria;
- Form an independent conclusion based on the assurance procedures performed and evidence obtained;
- Report our conclusions to the Stakeholders of MSIP.



**ASSESSMENT STANDARDS**

- We performed our work in accordance with Apex's standard procedures and guidelines for external Assurance of Sustainability Reports and International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (effective for assurance reports dated on or after Dec. 15, 2015), issued by the International Auditing and Assurance Standards Board. A materiality threshold of ±5-percent was set for the assurance process.
- ISO 14064-3 Second Edition 2019-04: Greenhouse gases -- Part 3: Specification with guidance for the verification and validation of greenhouse gas statements.

**SUMMARY OF WORK PERFORMED**

As part of our independent assurance, our work included:

1. Assessing the appropriateness of the Reporting Criteria for the Subject Matter;
2. Queried information and data related to the Subject Matter from relevant personnel;
3. Reviewing the data collection and consolidation processes used to compile Subject Matter, including assessing assumptions made, and the data scope and reporting boundaries;
4. Reviewing documentary evidence provided by relevant personnel; and,
5. Matching a selection of the Subject Matter to the corresponding source documentation.

**CONCLUSION**

On the basis of our methodology and the activities described above:

- Nothing has come to our attention to indicate that the Subject Matter is not fairly stated in all material respects; and,
- It is our opinion that MSJP has established appropriate systems for the collection, aggregation and analysis of quantitative data.

**OTHER INFORMATION**

Regarding any perceived conflict of interest between Apex and MSJP:

1. Apex was acquired in February 2023 by an investment fund that is managed and controlled by Morgan Stanley Capital Partners (MSCP).

2. While MSCP and MSJP are under the indirect common control of Morgan Stanley, MSJP and MSCP are separate business units that generally operate independently of each other.
3. MSCP has no day-to-day control over the management and operations of Apex, including the assurance team that has conducted this assurance.
4. Apex has performed these data assurance services for MSJP portfolio companies for the last several years, prior to any contemplated acquisition of Apex by MSCP.

**STATEMENT OF INDEPENDENCE, INTEGRITY AND COMPETENCE**

Apex is an independent professional services company that specializes in Health, Safety, Social and Environmental management services including assurance with over 30 years history in providing these services.

Apex has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

No member of the assurance team has a business relationship with MSJP, its Directors or Managers beyond that required of this assignment. We have conducted this verification independently, and there has been no conflict of interest.

The assurance team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, and has over 20 years combined experience in this field and an excellent understanding of Apex's standard methodology for the assurance of sustainability data.



**CODY LORENTSON**  
Lead Assurance Project Manager  
Apex Companies, LLC  
Lakewood, CO



**JOHN ROHDE**  
Technical Reviewer/Principal Consultant  
Apex Companies, LLC  
Pleasant Hill, CA

# UN Sustainable Development Goals<sup>1,2</sup>

	1 No poverty	2 Zero hunger	3 Good health and well-being	4 Quality education	5 Gender equality	6 Clean water and sanitation	7 Affordable and clean energy	8 Decent work and economic growth	9 Industry, innovation and infrastructure	10 Reduced inequalities	11 Sustainable cities and communities	12 Responsible consumption and production	13 Climate action	14 Life below water	15 Life on land	17 Partnerships for sustainable development
<b>Saven Seas Water Group</b>	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
<b>FastFiber<sup>3</sup></b>	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
<b>Lightpath</b>	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
<b>Tele Columbus</b>	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
<b>Höegh LNG<sup>3</sup></b>	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
<b>SpecialtyCare</b>	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
<b>StrathZ</b>	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
<b>PNE<sup>3</sup></b>	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
<b>Ital Gas Storage<sup>3</sup></b>	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
<b>Alban Radas</b>	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
<b>Red Oak Power</b>	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
<b>Brazos Midstream</b>	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
<b>Bayonne Energy Center</b>	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●

<sup>1</sup> MJP recognizes that the UN Sustainable Development Goals (SDGs) were written by Governments for Governments and, therefore, engagement themes with corporates and the SDGs may not be perfectly aligned. The content of this publication has not been approved by the United Nations and does not reflect the views of the United Nations or its officials or Member States. For additional information, please see the United Nations Sustainable Development Goals website.

<sup>2</sup> Analysts apply to MJP controlled or co-controlled (M-CP) and all portfolio companies as of December 31, 2022 and was completed by at least teams utilizing the underlying M-CP SDG indicators. Please note this analysis is intended to map portfolio companies to UN SDGs, but is not representative or indicative of leading commitments to such SDGs. M-CP it will not track the UN SDGs on a leading basis. SDG mapping may also evolve over time.

<sup>3</sup> Beyond those SDGs identified above, several companies (alcan, storage, fast fiber, italgas and pnc) have identified specific SDGs to which they can make a significant contribution or for which they have identified specific goals.

Past performance is not indicative of future results.

# Important Disclaimers

The information in this Report is confidential. The following Report and the information contained herein (the "Report") are strictly confidential and proprietary, contain trade secrets and are being provided to you at your request in your capacity as an investor in one or more North-Haven Infrastructure Partners Funds (collectively the "Fund"). By acceptance of this Report you agree to keep it confidential and not to disclose it to anyone except as permitted under the applicable Limited Partnership Agreement of the Fund. This Report should not be photocopied, reproduced or disclosed to any person without the prior permission of the Fund's general partner (the "General Partner"). Investors should not construe the contents of this Report as advice as to legal, tax, financial, and other relevant matters concerning the Fund. All such sensitive representations and warranties in this Report are made as of December 31, 2022, unless stated otherwise, are subject to change, and will not be updated or otherwise revised to reflect information that subsequently becomes available or circumstances existing or changing occurring after such date.

Please note that any sustainability or environmental, social and governance (ESG) targets, commitments or similar statements included throughout this Report are aspirational goals that do not represent binding commitments of any Funds managed by Morgan Stanley Infrastructure Partners. Please refer to the offering documents of any Fund prior to investment for details on how, and the extent to which, the Fund uses sustainability considerations into account on a binding or non-binding basis. There can be no assurance that any sustainability or ESG-related initiatives, targets or goals described herein will be pursued, achieved or sustained. All goals and opportunities described herein are subject to change without notice. Any sustainability-related commitments made by portfolio companies of the Funds referred to herein shall not constitute commitments of the Funds themselves.

**EU Sustainable Finance Disclosure Regulation:** This Report includes certain information on the sustainability practices and track record of Morgan Stanley and the Morgan Stanley Infrastructure Partners platform at an organizational and investment team level, which may not necessarily be reflective of the portfolio or practices of any existing or future Funds managed and/or offered by the platform. Please refer to the Offering Memorandum of any Fund prior to investment for details on how, and the extent to which, the Fund takes sustainability considerations into account on a binding or non-binding basis.

North-Haven Infrastructure Partners (NHIP) JV falls within Article 8 of EU Regulation 2019/2088 (SFDR) and is subject to the binding environmental and social characteristics set out in the related Offering Memorandum and Fund partnership agreement. In the event of any conflict between any information set out in this Report and NHIP JV's Offering Memorandum and/or Fund partnership agreement, NHIP JV's Offering Memorandum and/or Fund partnership agreement, as the case may be, shall prevail. Please note that, other than NHIP JV, Morgan Stanley Infrastructure Partners does not currently offer any Funds within Europe that fall within Article 8 or 9 of SFDR, although it may choose to offer further such products in due course.

This Report is not an offer to sell nor a solicitation of an offer to buy any security. This Report is not an offer to sell nor a solicitation of an offer to buy. This Report has been prepared solely for informational purposes and does not constitute an offer to sell or a solicitation of an offer to purchase interests in the Fund or any other security or instrument or to participate in any trading strategy. This Report is not a recommendation or commitment on the part of Morgan Stanley. No sale of any such interests, security, instrument or trading

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