



FENGATE



SUSTAINABILITY-RELATED DISCLOSURES

Fengate Infrastructure Fund V (USQ) LP

V1 – Issued November 3, 2025

1. Summary

Fengate Infrastructure Fund V (USQ) LP (the “**Fund**”) (with LEI: 254900NR9VQI8Q7ETE46) qualifies as an alternative investment fund and falls under the scope of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (“**SFDR**”). The Fund makes disclosures under article 8 of the SFDR. In compliance with Article 10 of the SFDR, the Fund is required to make certain website disclosures regarding its promotion of certain environmental and social characteristics. This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.

A reference benchmark has not been designated for the purpose of attaining the environmental and social characteristics promoted by the Fund. The Fund invests in certain infrastructure assets located in Canada and the United States intended to promote the following environmental and social characteristics by applying a rigorous sourcing, due diligence and asset management process to its investments:

- Supporting energy transition through investments in renewable power assets, such as utility-scale solar and wind power generation, and battery energy storage systems; and/or
- Providing access to digital technologies to communities, which may include rural communities, through investments in digital infrastructure, such as cell towers, data centers, fiber networks, and distributed wireless systems; and/or
- Fostering social cohesion and addressing the needs of a growing population, rising social and healthcare costs, and the enhancement of social facilities through investments in social infrastructure, such as education facilities, healthcare facilities, courthouses, and administration buildings; and/or
- Supporting sustainable transport and addressing the needs of a growing population and the enhancement of mass transportation assets through investments in transportation infrastructure, such as passenger transit systems and short-line rail.

The Fund seeks to generate risk-adjusted returns by making equity and equity-like investments in mid-market infrastructure assets across the United States and Canada by acquiring positions of control or significant influence in infrastructure assets in the energy transition, digital, social, and transportation sectors. The Fund targets investments in newly constructed, refurbished, or modified (“Greenfield”) and operational infrastructure asset (“Brownfield”) opportunities for which the majority of cash flows are derived from contracted revenues.

The Fund's sponsor, Fengate, has identified certain assets that it will exclude or limit from investment by the Fund, known as exclusions, to attain the environmental and social characteristics promoted by the Fund. In addition, the Fund will not invest in infrastructure assets whose principal operations are in a Restricted Sector (defined in section 4 below).

Fengate will also conduct due diligence on investee companies to ensure that they are following good governance practices, details of which are set out in section 4 below.

The Fund intends to invest at least 75% of its capital in assets that promote the environmental and social characteristics. In addition, the Fund intends to invest up to 25% of its capital in “other” assets which will be subject to minimum environmental and social safeguards.

As part of the investment process, Fengate will conduct due diligence on investee companies to ensure that they are following good governance practices, including in respect of sound management structures, employee relations, remuneration of staff and tax compliance.

Fengate uses certain Sustainability Indicators (defined in section 6 below) to measure the attainment of the environmental and social characteristics promoted by the Fund. In addition, the Fund will report material ESG criteria for each investment in its annual ESG monitoring, including annual asset level GHG emissions data and an ESG assessment based on the predetermined key indicators for ESG health of an investment.

In relation to due diligence, Fengate will consider the following ESG criteria:

- environmental: GHG emissions, water and waste management, energy management, sustainable land use, and resource depletion / renewable energy;
- social: human rights, impact on local community, data security, employee engagement, diversity and social inclusion, employee health and safety, and labour practices; and
- governance: business ethics, board composition and governance rights, critical incident and systematic risk management, remuneration policies, accounting integrity and audit equality and bribery, corruption, and conflicts of interest.

To ensure appropriate oversight and control of companies or projects, in most instances, Fengate obtains voting rights and board representation. Fengate seeks majority ownership stakes in projects and majority board representation, which provides Fengate the ability to closely monitor asset performance and influence proactive risk mitigation through its governance protections.

2. No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

3. Environmental or social characteristics of the financial product

Fengate aims to attain certain environmental and social characteristics by applying a rigorous sourcing, due diligence and asset management process to its prospective

investments. Through its investments in certain infrastructure assets located in the United States and Canada, the Fund intends to invest at least 75% of its capital in assets that promote one or more of the following environmental and social characteristics:

- Supporting energy transition through investments in renewable power assets, such as utility-scale solar and wind power generation, and battery energy storage systems; and/or
- Providing access to digital technologies to communities, which may include rural communities, through investments in digital infrastructure, such as cell towers, data centers, fiber networks, and distributed wireless systems; and/or
- Fostering social cohesion and addressing the needs of a growing population, rising social and healthcare costs, and the enhancement of social facilities through investments in social infrastructure, such as education facilities, healthcare facilities, courthouses, and administration buildings; and/or
- Supporting sustainable transport and addressing the needs of a growing population and the enhancement of mass transportation assets through investments in transportation infrastructure, such as passenger transit systems and short-line rail.

4. Investment Strategy

The Fund will make equity and equity-like investments in mid-market infrastructure assets across the United States and Canada to generate risk-adjusted returns. The Fund seeks to acquire positions of control or significant influence in infrastructure assets in the energy transition, digital, social, and transportation sectors.

The Fund adopts an investment strategy which incorporates environmental and social characteristics into its investment process, comprising rigorous sourcing, diligence and approval, and asset management to prospective investments.

As a first step, Fengate will ensure that any proposed investment will promote one or more of the environmental and social characteristics as described in Section 3. Fengate has also identified certain assets that it will exclude or limit from investment by the Fund, known as exclusions, to attain the environmental and social characteristics promoted by the Fund. In addition, the Fund will not invest in infrastructure assets whose principal operations are in any of the following sectors (each a “**Restricted Sector**”): tobacco; firearms; nuclear power; coal power (including coal-fired generation, transportation and mining); oil (including upstream, midstream and storage); upstream gas; and mining.

The Fund may invest in infrastructure assets whose principal operations are not in a Restricted Sector but that nonetheless have some exposure to a Restricted Sector, provided that: (i) no more than 15% of any such infrastructure asset’s total revenues is derived from

Restricted Sectors; and (ii) there is a planned trajectory to reduce this exposure over time. These restrictions will be assessed at the time of investment.

The Fund does not invest in projects that violate human rights, run afoul of local law, damage the environment, or have unfair labour practices.

Good governance

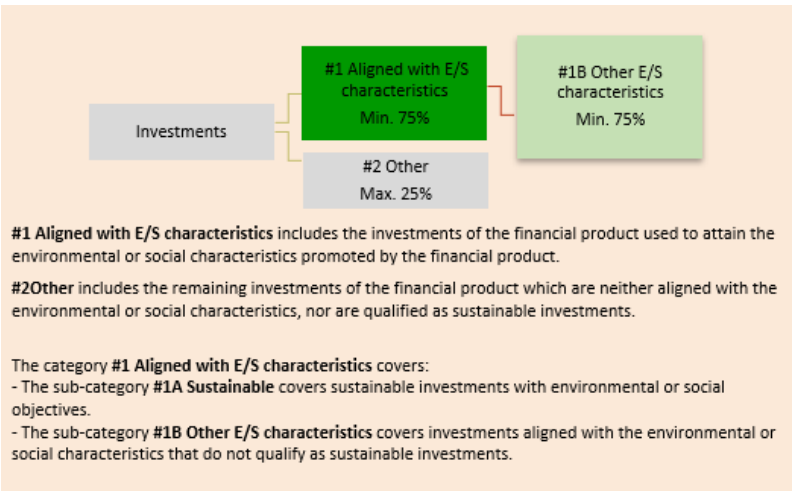
As part of the investment process, Fengate will conduct due diligence on investee companies to ensure that they are following good governance practices, including in respect of sound management structures, employee relations, remuneration of staff and tax compliance.

Fengate partners with leading design-builders, infrastructure operators, and power developers, and promotes the use of favorable economic and responsible practices. To ensure alignment on beliefs and investment approach, including our responsible investment approach, Fengate also conducts site visits and performs in-depth interviews with management and other personnel. In most instances, Fengate holds a majority ownership stake in investments, and therefore majority board representation, providing Fengate the ability to closely monitor asset performance and influence proactive risk mitigation through its governance protections.

5. Proportion of investments

The Fund intends to invest at least 75% of its capital in assets that promote the environmental and social characteristics. In addition, the Fund intends to invest up to 25% of its capital in “other” assets which will be subject to minimum environmental and social safeguards. The Fund may also hold cash and cash equivalents for hedging and liquidity purposes.

The Fund’s investments are not expected to be aligned with the EU Taxonomy.



6. Monitoring of environmental or social characteristics

Fengate uses the following key performance indicators (the “**Sustainability Indicators**”) to measure the attainment of the environmental and social characteristics promoted by the Fund on an annual basis:

- In respect of all environmental and social characteristics: percentage of total capital deployed into assets that promote one or more environmental and social characteristics. This will be calculated using the following formula:

$$\frac{\text{Value of total capital deployed into assets that promote one or more environmental or social characteristics}}{\text{Value of total capital deployed}}$$

- In respect of energy transition only: installed capacity (MW/kW or MWh/kWh)

The environmental and social characteristics sought to be promoted by the Fund and the Sustainability Indicators used to measure the attainment of those characteristics will be measured and evaluated throughout the lifecycle of the Fund and monitoring processes are followed on an annual basis to accurately track Sustainability Indicators across investments.

Prior to investment

- Fengate will assess whether any investment in an asset is excluded or limited investment by assessing it against the following exclusion criteria:
 - The Fund will not invest in infrastructure assets whose principal operations are in any of the Restricted Sectors: tobacco; firearms; nuclear power; coal power (including coal-fired generation, transportation and mining); oil (including upstream, midstream and storage); upstream gas; and mining.
 - The Fund may invest in infrastructure assets whose principal operations are not in a Restricted Sector but that nonetheless have some exposure to a Restricted Sector, provided that: (i) no more than 15% of any such infrastructure asset's total revenues is derived from Restricted Sectors; and (ii) there is a planned trajectory to reduce this exposure over time. These restrictions will be assessed at the time of investment.
- Fengate will conduct due diligence and screening that will consider how environmental or social characteristics will be promoted by the financial product. The Fund will consider the following ESG criteria as part of the due diligence phase:
 - environmental: GHG emissions, water and waste management, energy management, nature and biodiversity; and

- social: responsible labour, human rights, community relations, health and safety, diversity and social inclusion; and
- governance: board composition and governance rights, critical incident and systematic risk management, cybersecurity, remuneration policies, accounting and reporting integrity.

Following investment

Fengate will conduct the following monitoring after investing:

- Energy management and usage (gas and electricity) of public-private partnership (“P3”) projects is carefully monitored by Fengate and its operating partners to ensure it is as efficient as possible and is in line with contract requirements. For all P3 projects, electricity and gas usage are contractually targeted and monitored resources. Fengate and its operating partners are ultimately responsible for energy usage and are subject to financial penalties from local government authorities should forecast energy usage be higher or lower than the original agreed annual energy targets.
- Water usage of P3 projects is monitored by Fengate and its operating partners by comparing monthly and annual totals to identify significant or unusual changes in usage. Water usage is typically managed by comparing meter readings on site with water supply invoices. By closely monitoring usage and changes, Fengate and its operating partners can identify leaks, inefficient equipment (boilers, chillers), and issues with the metering systems themselves.
- For Fengate’s cogeneration investments, the operating partner reports regularly on the percentage mix of off-gases utilized from the industrial complex, and the quantity of steam generated from the cogeneration process. Given the financial benefits of operating as efficiently as possible, regular maintenance schedules for the equipment are required to ensure optimal function. Water consumption is heavily regulated by local environmental authorities, with scrutiny on water and steam recovery from the industrial complexes, leveraging metering to identify any issues.

Fengate conducts regular check-ins with the value creation and asset management (“VCAM”) team on ESG performance and progress on key initiatives. In addition to the above, Fengate collects and monitors key ESG metrics such as health and safety, union labour hours, and various governance policies and procedures including cybersecurity and human rights.

Fengate will also report material ESG criteria for each investment in its annual ESG monitoring in line with its Sustainability Indicators, including annual asset level GHG emissions data and an ESG assessment based on the predetermined key indicators for ESG

health of an investment in order to monitor the promotion of the environmental or social characteristics.

7. Methodologies for environmental or social characteristics

Fengate uses methodologies including calculations and due diligence to calculate Sustainability Indicators in order to effectively measure the attainment of the environmental and social characteristics.

During diligence, Fengate deploys its standardized ESG diligence tool that requires the investment team to complete a comprehensive review of the environmental and social risks, characteristics and opportunities associated with the investment. The review is supported by desktop research, third-party tools, technical advisors, and asset-level information. Fengate's Responsible Investment team are responsible for reviewing due diligence findings. The findings from the due diligence process on any proposed investment, including any material environmental and social risks, will be set out in a memo to the Investment Committee. Fengate's Head of Responsible Investment is responsible for conducting an in-depth review and sign off on the results of the ESG assessment before an investment is presented to the Investment Committee for final approvals.

The following methodology is employed annually to calculate the Sustainability Indicators:

- In respect of all environmental and social characteristics: percentage of total capital deployed into assets that promote one or more environmental and social characteristics. This will be calculated using the below formula. The calculation is undertaken to ensure the Fund is meeting its target of investing at least 75% of its capital in assets that promote the environmental and social characteristics.

$$\frac{\text{Value of total capital deployed into assets that promote one or more environmental or social characteristics}}{\text{Value of total capital deployed}}$$

- In respect of energy transition only: installed capacity (MW/kW or MWh/kWh) will be calculated using the nameplate capacity for each relevant asset, as documented in engineering reports and/or commissioning certificates.

8. Data sources and processing

Fengate uses internal and external data sources, as described below, to annually calculate, and review each asset's performance against, the Sustainability Indicators and to measure attainment of the environmental and social characteristics promoted by the Fund.

Fengate uses a standard ESG data collection template, including an ESG data questionnaire, that is maintained and distributed by the Responsible Investment Team. Annually, Fengate’s

VCAM team completes an ESG data questionnaire for each of its investments, collating asset level data to assess greenhouse gas emissions, building certifications, employee health and safety, local community engagement and governance. The ESG data collection template is completed by Fengate's VCAM team, alongside third-party development and operating partners, using data sources such as utility bills, employee engagement survey results, policy documents, health and safety reports, and other internal reports.

To ensure data quality, once data is collected, it is reviewed by project directors, and subject to a quality assurance sign-off before being further examined by the Director of Responsible Investment. Fengate may select certain assets for further evaluation and review, including an examination of underlying utility bills, or a copy of corporate policies to corroborate the data provided.

All collected data is then centralised within Fengate's proprietary ESG data management tool, where key metrics such as greenhouse gas intensity and financed emissions are calculated. Fengate is currently in the process of migrating to a third-party ESG data management tool.

The VCAM team gathers investment level data for reporting. The proportion of data estimated in respect of this reporting is as follows:

- For the Fund's P3 projects, data is metered and monitored to ensure accuracy and quality. There are no estimates used for energy or water use across P3 investments.
- For the Fund's renewable power investments, which do not use energy or water, no data is estimated.
- For the Fund's cogeneration investments, Fengate relies on several hundred data points, which are measured and stored. Data is compared against certified revenue meters, Continuous Emissions Monitoring Systems, and indirect energy balance calculations. No estimations are required for energy and water use measurements.

9. Limitation to methodologies and data

There is risk of inaccuracy or inconsistency due to the various available methods for monitoring the Sustainability Indicators. In addition, Fengate leverages the Common Carbon Footprinting and Exposure Metrics recommended by the Task Force on Climate-related Financial Disclosures to communicate investment-specific GHG emissions across its portfolio. Fengate leverages this methodology to provide investors with a standardized method of calculating GHG emissions. In this way, Fengate ensures that the risk of inaccuracy or limitation to calculating and monitoring the Sustainability indicators is minimized so as not to impact how the environmental and social characteristics are met.

10. Due diligence

Consideration of the ESG criteria set out below forms an integral part of each phase of the Fund's investment strategy, to ensure that the Fund invests in, and remains invested in, infrastructure assets that fall within the four Target Sectors, that support the attainment of the environmental and social characteristics described above, and that the investee follows good governance practices.

Fengate will consider the following ESG criteria as part of the due diligence phase:

- environmental: GHG emissions, water and waste management, energy management, nature and biodiversity; and
- social: responsible labour, human rights, community relations, health and safety, diversity and social inclusion; and
- governance: board composition and governance rights, critical incident and systematic risk management, cybersecurity, remuneration policies, accounting and reporting integrity.

Fengate's due diligence process will also include consideration of the investee company's management structures, employee relations, remuneration of staff and tax compliance in order to ensure good governance practices are being followed.

Due diligence findings, including material ESG risks, mitigants, and opportunities are included in a proposed transaction's Investment Committee Memo. Fengate's Head of Responsible Investment provides an in-depth review and sign-off on the results of the ESG due diligence assessment before an investment is presented to the Investment Committee for final approvals.

11. Engagement policies

Fengate's infrastructure platform invests largely through Special Purpose Vehicles. Fengate's VCAM team is responsible for administering the project agreements with government sponsors; managing the funding of project debt and equity; managing payments to design-builders, infrastructure operators, and other service providers; renewing insurance policies; bookkeeping and administering bank accounts; filing regulatory documents; and preparing financial reports. Fengate will contract key project services to high-quality industrial partners (e.g. design-builders, infrastructure operators) and carry out administrative services (e.g. financial reporting, cash management) with which it is familiar. During the investment process, when counterparties are appointed, Fengate looks to ensure that equivalent policies are implemented by any service providers that it chooses to work with. Fengate engages with numerous service providers, including design-builders and operating partners, promoting the use of favorable environmental and economic practices.

To ensure appropriate oversight and control of companies or projects, in most instances, Fengate obtains voting rights and board representation. Fengate seeks majority ownership stakes in projects and majority board representation, which provides Fengate the ability to closely monitor asset performance and influence proactive risk mitigation through its governance protections.

Fengate will consider opportunities to participate in collaborative engagement initiatives that support businesses and projects, Fengate's stakeholders, and the industries in which it invests. To support positive growth and change within each industry in which it invests, Fengate is an active member in a number of industry groups including Real Property Association of Canada (REALPAC), NAIOP Commercial Real Estate Development Association, Canadian Council of Public-Private Partnerships (CCPPP), Association for the Improvement of American Infrastructure (AIAI), and the Association for Corporate Growth (ACG). In addition, Fengate sponsors relevant industry events annually.

12. Designated reference benchmark

A reference benchmark has not been designated for the purpose of promoting the environmental and social characteristics.

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