

SFDR Periodic Disclosure, PAI Statement and EU Taxonomy

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: Infranode I (No.1) AB
Legal entity identifier: 556982-5283 (corporate identity number)
Product type: Article 8 (1), (2), and (2a) of the Regulation (EU) 2019/2088 (SFDR)
Reporting period: Full Year 2024
Regulatory reference: This report contains a periodic disclosure for the fund as required by Article 11(1) of Regulation (EU) 2019/2088 (SFDR) for SFDR Article 8 products. The report is based on the template provided in Annex III of the Commission Delegated Regulation (EU) 2023/363. The annex to this report contains the principal adverse impact indicators (PAI) based on Annex I of Commission Delegated Regulation (EU) 2022/1288.

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?	
☒ ☒ ☐ Yes	☒ ☐ ☒ No
☐ It made sustainable investments with an environmental objective: ____%	☒ It promoted Environmental / Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of 74% of sustainable investments¹ .
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
☐ It made sustainable investments with a social objective: ____%	☐ with a social objective
	☐ It promoted E/S characteristics, but did not make any sustainable investments

¹ The indicated EU Taxonomy-alignment implies solely substantial contribution to climate change mitigation as defined in applicable regulation. The indicated share is based on turnover for the reporting period.



Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The fund promotes environmental and social characteristics by investing in infrastructure assets and projects that enable sustainable and efficient functioning of the environments, economies, communities, and people that they serve. The fund manages a diverse portfolio of infrastructure companies, such as energy utilities, renewable power generation, transport, and digital infrastructure. Sustainability in a broader sense – and climate considerations in particular – are integral to every stage of the fund’s investment journey, from screening for opportunities through investment and active ownership.

During the reporting period, the fund achieved progress and met the environmental and social characteristics it promotes, as presented in the sub-sections below.

How did the sustainability indicators perform?

The table below summarises sustainability progress measured by selected key indicators. Infranode approach is to monitor sustainability performance of our portfolio on the basis of ESG reports received from the portfolio companies directly. During the reporting period, seven out of nine assets provided their ESG reports which corresponds to c. 96% of AUM.

Table 1: Selected sustainability indicators

Selected sustainability indicators	FY 2024	FY 2023	FY 2022	FY 2021
Scope 1 GHG, tonnes CO ₂ e/year (PAI 1.1) ²	2,676	1,940	5,244	n/a
Scope 2 GHG, market-based tonnes CO ₂ e/year (PAI 1.2) ^{2, 3}	30,219	28,053	17,602	n/a
Scope 2 GHG, location-based, tonnes CO ₂ e/year (PAI 1.2) ³	73	n/a		
Scope 3 GHG emissions, tonnes CO ₂ e/year (PAI 1.3) ²	10,735	16,474	78,704	n/a
Proportion of assets subject to Infranode Net Zero 2040 commitment ⁴	100%	100%	n/a	n/a
Proportion of assets with board-approved roadmaps to NZ 2040 ⁵	96%	n/a	n/a	n/a
Overall SFDR PAI data coverage for this fund	95%	93%	94%	88%
Proportion of investments with satisfactory sustainability performance traced by SFDR PAI, as confirmed by industry experts ²	96%	97%	n/a	n/a
Proportion of investments with satisfactory pre-investment ESG DD	100%	100%	100%	100%
Proportion of assets covered by a code of conduct	100%	100%	100%	100%
Proportion of assets contributing to SDGs 4, 7, 9, 11, 12, and 13	100%	100%	100%	100%

² Indicator added during FY 2023 disclosure.

³ Starting from FY 2024, scope 2 is presented in both versions, location-based and market-based.

⁴ For FY 2023 disclosure, the indicator “Proportion of assets (weighted by investment value) with emissions reduction targets” has been re-formulated to reflect Infranode climate commitment Net Zero 2040.

⁵ Indicator added for FY 2024 disclosure

... and compared to previous periods?

With progress on decarbonisation journey in line with Infranode Net Zero 2040 commitment, an indicator was added to trace proportion of assets with developed and board-approved roadmaps to Net Zero. This is a substantial progress comparing to previous reporting period.

Increase in GHG Scope 1 is due to one company ramp-up of own heat generation as their heat supplier reduced heat supply during the reporting year. Further progress was reached with GHG emissions tracing, resulting in an ability to present both market-based (MB) and location-based (LB) Scope 2 GHG. The increase in GHG Scope 2MB is driven by one asset's increased consumption of electricity for generation of district heat by their heat pumps in response to an increased heat demand by their customers. The reported low GHG Scope 2LB is predominantly driven by a zero-emissions factor applied on electricity consumed in Norway as AIB latest report states Norwegian electricity being 100% renewable (previous year, it was 1.49% based on fossil) corresponding to the emission factor 0 gCO₂/kWh (previous year, 7.23 gCO₂/kWh). Reduction of GHG Scope 3 is due to reduced CAPEX activity by a number of portfolio companies, as well as improved classification of fuel-based emissions by one portfolio company.

Overall data coverage improved by two percentage points as portfolio companies slightly increased coverage of their reports. Still, two out of nine portfolio companies (corresponding to c. 4% of AUM) do not report on ESG to Infranode which remains a subject to improve.

Sustainability performance of the portfolio has been subject to expert screening with regards to signs of adverse impacts on sustainability factors. In 2024, industry experts (Sweco) confirmed absence of thereof.

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

The financial product has not committed to making any sustainable investments, and the fund is fully invested. Still, it systematically integrates sustainability aspects at each investment phase, as outlined in the Figure 1 below. Also, the fund has high EU Taxonomy-alignment share, as presented in the Figure 2 below.

Figure 1: Integration of Sustainability at investment and ownership phases



Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

The business activities of the portfolio companies were subject to EU Taxonomy assessment by independent experts. Eligible business activities were subject to assessment and verification against EU Taxonomy criteria on Do No Significant Harm. The verified EU Taxonomy-aligned investments therefore do not cause significant harm. The fund's EU Taxonomy-alignment shares are presented in Figure 3 below.

In addition, all received ESG reports by portfolio companies have been subject to expert screening with regards to signs of adverse impacts on sustainability factors. In 2024, industry experts (Sweco) confirmed absence of thereof, however noted areas for improvement.

How were the indicators for adverse impacts on sustainability factors taken into account?

See section below on consideration of principal adverse impacts on sustainability factors.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

The business activities of the portfolio companies have been subject to EU Taxonomy assessment by independent experts. Eligible business activities were subject to assessment and verification against EU Taxonomy criteria on Minimum Safeguards – which (among other things) are based on the OECD MNE Guidelines and the UNGP on Business and Human Rights. The verified EU Taxonomy-aligned investments are therefore considered to be aligned with the OECD MNE and the UNGP. Furthermore, portfolio companies participate in GRESB benchmark, which (among other things) conducts an extensive assessment of companies' governance against best practice. These efforts cover all but two assets which are managed with a tailored approach suitable for their governance model, comprising monitoring via annual reports and disclosed performance.

It is therefore considered that the investments adhere to good governance as assessed in the due diligence and monitored during the holding period.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?

Consideration of principal adverse impacts on sustainability factors is an integrated part of the ESG due diligence and sustainability monitoring of the portfolio, and represents an integral part of the active ownership approach exercised by Infranode.

During Due Diligence phase, principal adverse impacts indicators (PAII) on sustainability factors are considered by Infranode with respect to target company's sustainability performance as well as quality of sustainability data management and ability to report. This leads to an assessment of training needs for the company in order to be integrated to Infranode processes.

During ownership, Infranode uses PAII directly reported by the portfolio companies for monitoring of their sustainability performance. For this, independent industry experts are engaged to assess the portfolio PAII reports to identify outliers and segments of concern. The assessment of FY 2024 reports confirmed that no matters requiring for immediate attention and high concern were identified, confirming that portfolio caused no significant harm on sustainability aspects traced by PAII.

The annex to this report presents SFDR PAII for the fund for the reporting period.



What were the top investments of this financial product?

Top investments of the fund are listed in Table 2.

Table 2: Top investments of the fund

Largest investments	Main sector(s)	% AUM	Country
Oslofjord Varme	District heating and cooling	31%	Norway
Loiste	Distribution of electricity, district heating	17%	Finland
Vandel III	Production of electricity (solar PV)	13%	Denmark

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period.



What was the proportion of sustainability-related investments?

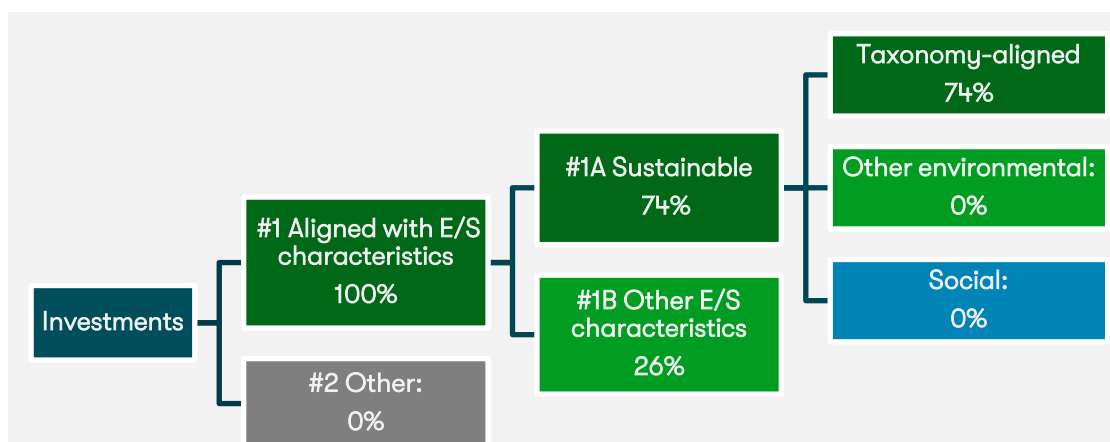
The reported proportion of sustainability-related investments is based on EU Taxonomy-alignment of this financial product.

What was the asset allocation?

The asset allocation is presented in Figure 2 below.

Asset allocation describes the share of investments in specific assets.

Figure 2: Asset allocation



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

The investments in this fund were made in the following sectors:

- Steam and air conditioning supply (NACE: D35.30)
- Production of electricity (NACE: D35.11)
- Distribution of electricity (NACE: D35.13)
- Service activities incidental to water transportation (NACE: H52.22)
- Buying and selling of own real estate (NACE: L68.10)

The fund did not make any new investments during the reporting period.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

Infranode engaged independent industry experts to assess businesses of portfolio companies with regards to their eligibility and alignment to EU Taxonomy, solely focused on substantial contribution to climate change mitigation as defined in the applicable regulation. Substantial contribution to other objectives of the EU Taxonomy was not assessed and as such is not included.

The independent experts conducted evidence-based assessment for all components of EU Taxonomy: substantial contribution to climate change mitigation, absence of causing significant harm on other environmental objectives (DNSH; Do No Significant Harm criteria), as well as business conduct with due consideration of human and labour rights (Minimum Safeguards criteria). Business activities with documented evidence meeting all three components of the EU Taxonomy criteria were concluded EU taxonomy-aligned.

Enabling activities

directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are

activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

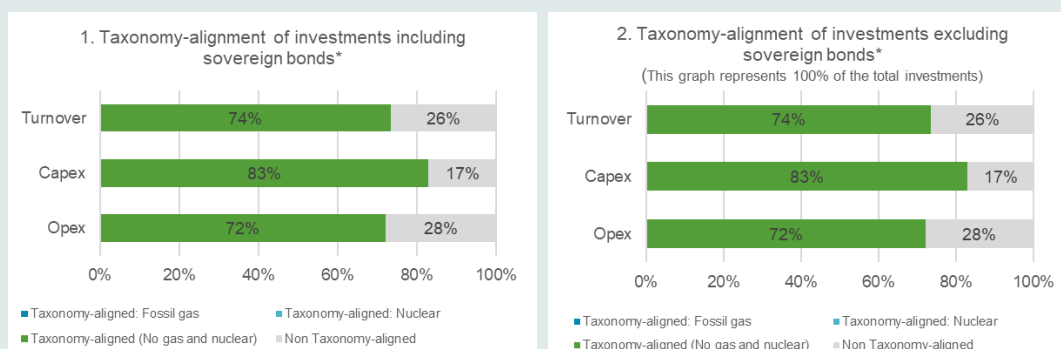
For the reporting period, the companies reported verification of the taxonomy assessments, as well as reported related shares of turnover, Capex and Opex for their respective business activities. The reported shares were then aggregated to the fund level in compliance with the applicable regulation. As such, no assumptions have been done when it comes to the reported shares.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?

- ☐ Yes
- ☒ No
- ☐ In fossil gas
- ☐ In nuclear energy

Figure 3: Fund's EU Taxonomy alignment for the reporting period.

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



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

What was the share of investments made in transitional and enabling activities?

Following classification established by the EU Taxonomy, the following shares are applicable for the reporting period:

- Enabling: 18% (based on turnover FY 2024),
- Transitional: 0% (based on Capex FY 2024).

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

Comparing to FY 2023, the EU taxonomy-alignment has changed in the following manner:

- Turnover-based EU Taxonomy alignment remained unchanged at 74%;
- Capex-based EU Taxonomy alignment increased by 1 percentage point;
- Opex-based EU Taxonomy alignment decreased by 2 percentage points;

Sustainable investments with an environmental objective not aligned with the EU Taxonomy **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

The change is mainly driven by allocation of respective turnover/Capex/Opex among the business activities, as well as one asset starting a new minor business line which is not yet assessed and therefore counted as not-aligned. No business activity changed its alignment status comparing to previous reporting period.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

The fund has not assessed whether any of the investments not aligned with the EU Taxonomy can be considered as sustainable investments under SFDR criteria. As such this share is 0%.

What was the share of socially sustainable investments?

The fund has not assessed whether any of the investments meet criteria of socially sustainable investments. As such this share is 0%.

What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

No investments are classified as “other”.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

During the reference period, Infranode conducted the following key actions:

- Developed and launched across portfolio methodology for preparing road maps to Net Zero 2040 – in line with Infranode climate commitment.
- Facilitated development of road maps to Net Zero by portfolio companies.
- Further improved reported data quality and consistency across portfolio.
- Received expert verification of satisfactory sustainability performance of portfolio as traced by SFDR PAIL – confirmed absence of high concerns requiring immediate attention.

Further details on these actions are listed below.



Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

How did this financial product perform compared to the reference benchmark?

A reference benchmark has not been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.