

Greystone Infrastructure ESG Policy

Revised January 9, 2018

INTRODUCTION

The Greystone Infrastructure Strategy (the “Strategy”)¹ aspires to be a leader in sustainable infrastructure investing. Due to the long-life span of infrastructure assets, we systematically consider environmental, social and governance (“ESG”) factors in our processes to create down-side risk protection and long-term value preservation for our clients.

This policy sets out our objectives and how we strive to embed sustainability in our fund operations, investment process and asset management.

OUR OBJECTIVES

- Adopt best practice corporate governance in our fund operations and advocate for commensurate levels of governance in our portfolio investments
 - Strong shareholder protection rights
 - Appropriate and diverse board structure
 - Independence of directors
 - Fair executive compensation
 - Formalized business ethics and risk controls
 - Mitigated or no perceived or known conflicts of interest
- Strive to invest in assets that minimize environmental impact and enable positive social contribution, and where possible:
 - Minimize greenhouse gas emissions and adapt to climate change
 - Maximize energy and water efficiency
 - Reduce waste output, repurpose operational by-products, divert waste from landfill and ensure proper disposal of hazardous waste
 - Protect and enhance biodiversity
 - Deploy leading occupational health and safety practices
 - Foster productive labour and union relations

- Engage local communities and key stakeholders
- Support local job creation and procurement
- Conduct environmental and social impact assessments for construction projects to identify, assess and mitigate negative impacts
- Exceed (where possible) and comply with all applicable laws or regulations
- Consider other material ESG factors specific to asset types
- Engage with our stakeholders to accelerate the adoption of ESG practices
 - Communicate our ESG Policy to all stakeholders and the public
 - Explain sustainability benefits and our approach to clients
 - Train members of the Infrastructure Investments team on our policy commitments, practices and tools
 - Advocate for responsible development, contracting and procurement with project partners
 - Encourage and support investment companies to adopt sustainability best practices
 - Share our sustainability practices and participate in industry collaboration and disclosure initiatives

IMPLEMENTATION

In meeting our commitments and ensuring continual improvement, we will:

- Integrate ESG factors into our investment processes, including due diligence, monitoring and reporting
 - Develop an internal toolkit of ESG knowledge and best practices
 - Systematically review all investments for material ESG risks and opportunities at the macro, country, sector and asset levels
 - Address material ESG factors in both qualitative and quantitative financial assessment

¹ Includes the Greystone Infrastructure (Canada) LP, Greystone Infrastructure Fund (Canada) LP II, Greystone Infrastructure Fund (Global Master) LP, and any co-investment mandates.

- Develop strategies to address all material ESG factors in risk assessment
- Adopt and report ESG performance indicators to clients
- Actively engage with our investment companies and asset managers to accelerate implementation of ESG practices in our holdings
 - Measure, report and set targets for energy and water use, greenhouse gas emissions and waste management
 - Pursue sustainability certifications, where applicable
 - Facilitate the sharing of knowledge and best practices among assets/companies
 - Use shareholder rights and board representation to advocate for ESG integration in governance
- Monitor and report on the implementation of this policy and asset sustainability performance

RESPONSIBILITIES

This policy applies to all members of the Infrastructure Investments team and forms part of Greystone Managed Investments Inc.'s fully integrated corporate ESG strategy.

The Executive Director/Head of Infrastructure is responsible for the implementation of and adherence to this policy. The Infrastructure Investments team's ESG representative reports on progress to Greystone Managed Investment Inc.'s ESG Committee annually.

The policy is reviewed annually.

Greystone Managed Investments Inc.

With over \$33 billion in assets under management¹, we proudly serve universities, pension funds, multi-employer groups, endowments & foundations, insurance companies, and non-profit organizations.

We are a private company, majority-owned by our employees – over 90% of eligible employees are shareholders.²

Greystone has in-house expertise in the following areas:

MULTI-ASSET

- Balanced
- Balanced Plus
- Target Date Plus
- Alternative Suite

REAL ASSETS

- Real Estate
- Infrastructure

PRIVATE DEBT

- Mortgages

FIXED INCOME

- Short-Term, Universe, Long-Term
- Corporate, High Yield
- Bond Plus
- Liability-driven Investing

PUBLIC EQUITIES

- Income & Growth
- Canadian, U.S., Global, International, China
- Canadian Small Cap

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¹ As at Dec 31, 2017.

² An eligible employee is defined as contributing one or more years of service to Greystone.

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