

SFDR – Sustainability entity disclosures

Ridgewood Infrastructure, LLC (“Ridgewood”) considers the disclosure requirements of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (“SFDR”). The main objective of the SFDR is to create a transparent and systematic framework for sustainability-related disclosures, mitigating the risk of greenwashing while ensuring sustainable financial growth.

The following statement has been prepared to comply with Articles 3-5 of the SFDR, the entity level website disclosure requirements. This statement may be subject to changes as further guidance and recommendations by the European Commission are made available. A clear explanation of any resulting changes or amendments to the statement will be published.

In accordance with the SFDR, product level disclosures for Ridgewood Water & Strategic Infrastructure Fund II, L.P., an Article 8 investment fund managed by Ridgewood, are available through the ESG page of Ridgewood’s website.

Sustainability risk policies – SFDR Article 3 Disclosures

Ridgewood integrates sustainability risks in its investment decision-making process and proactively focuses on operationalizing sustainability throughout our investment process, from sourcing and due diligence to ownership and asset management. Sustainability risks are environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of Ridgewood’s investments.

Ridgewood’s integration of sustainability risks includes the use of a thorough due diligence process prior to each investment. During the pre-screening phase potential material ESG risk factors are identified, with an emphasis on the ability to further evaluate and/or address these issues adequately during due diligence. Following the pre-screening phase, the initial and in-depth due diligence process provides a more informed understanding of the potential material ESG risk factors. The degree to which sustainability risks are considered may vary from one investment to another depending on the scope and specific strategy and objective underlying the investment. At any stage of the due diligence process (initial or in-depth), Ridgewood may conclude not to pursue an investment if there are ESG or other issues that are deemed to be too intractable to be resolved. Further, Ridgewood’s negative/exclusionary screening principles are also part of the due diligence processes.

For more information on Ridgewood’s integration of ESG in its investment approach, please see the ESG page of Ridgewood’s website, where you can view a pdf of our ESG Policy or request a copy of our annual ESG and Sustainability Report.

No consideration of sustainability adverse impacts – SFDR Article 4 Disclosures

Ridgewood proactively focuses on operationalizing sustainability throughout the investment process and is a signatory to the UN Principles for Responsible Investment (“UN PRI”) and Net Zero Asset Managers initiative. It also reports through the GRESB Infrastructure assessment and is a member of the Institutional Investors Group on Climate Change (“IIGCC”).

At this stage however, Ridgewood does not consider the principal adverse impacts of its investment decisions on sustainability factors, primarily due to the lack of sufficient available data and information to adequately assess such adverse sustainability impacts and fulfil the requirements of the Delegated Regulation of 6.4.2022 supplementing the SFDR with regards to regulatory technical standards (“RTS”). Further, the RTS will not be applicable until it enters into force, currently scheduled for January 2023. However, Ridgewood will re-visit the decision on a regular basis moving forward and re-evaluate whether it shall consider adverse impacts of investment decisions on sustainability factors. In particular, Ridgewood awaits the final RTS and the expected date of application.

Remuneration policy – SFDR Article 5 Disclosures

Ridgewood’s remuneration policy is consistent with the integration of sustainability risks by aligning team members’ incentives with Ridgewood’s investment strategy, objectives for long-term value creation and risk profile, including sustainability risks. ESG objectives are incorporated into investment professionals’ annual performance reviews and there are financial compensation incentives for meeting certain ESG goals. In this way, Ridgewood emphasizes the importance of sustainability risks through our remuneration policy.

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