

Managing the consequences of Carillion plc's liquidation

Our Code of Conduct

Our history: InfraRed is an infrastructure and real estate asset manager with a track record exceeding 20 years. We are headquartered in London and manage over 200 infrastructure investments globally on behalf of a mixture of institutional investors, including many well-known pension funds, and UK retail investors. Many of these projects are Private Finance Initiatives/Public Private Partnerships in the UK.

We believe that investors in these projects bear the ultimate responsibility for the facilities management service delivery. Service delivery is key to the long-term success of a project for all stakeholders, and we have a strong, professional asset management team in place to ensure quality and consistency is maintained.

Carillion Liquidation: On 15th January 2018, Carillion entered liquidation. Carillion was contracted to provide facilities management services at ten projects in which funds managed by InfraRed have invested. These include three acute hospital projects, one primary care estate, one defence project and five emergency services projects.

Our priorities: We are focused on transferring into safe hands the delivery of services in a timely and coordinated manner. At the heart of this approach is the aim to avoid any unnecessary uncertainty for employees and clients, or disruption for those that use the facilities. We seek to achieve this in an open and collaborative manner, with no gain for ourselves or our investors as a result of the Carillion insolvency.

Contingency Plans: We worked closely with our key stakeholders at each project, for a number of months in advance of Carillion's liquidation, to develop contingency plans that we were able to activate immediately in January. These plans ensured that reliable, high quality replacement operators were standing by and ready to step in as and when required. We continue to work with all stakeholders as we seek to manage the transition of services from Carillion on a permanent basis.

New Service Providers: In selecting proven providers to transfer services to permanently, we have been assessing them against three vital criteria:

- demonstrably credible experience and expertise in the relevant sectors;
- a strong track record of positive workforce and supply chain relations; and
- a robust balance sheet.

Public Partners: Alongside this, we have sought to:

- reassure our public-sector clients that they will incur no adverse consequences as a result of Carillion's liquidation; and
- keep Carillion staff updated on progress, reassuring them that their jobs are safe and that their pay and conditions will not be negatively impacted.

The transition process is not yet complete and there remains a lot of hard work to do. We are making progress and InfraRed is fully committed to resourcing and managing this process in a collaborative, transparent and constructive manner that ensures the continued provision of services to the agreed service standards.

Enquiries:

Tulchan Communications
+44 (0) 20 7353 4200
Latika Shah
Sheebani Chothani

March 2018