



LEA 02	Discipline: Mandatory	Principle: PRI 1, 2, 3
<p><b>Type of engagement</b></p> <p>Individual/ internal staff engagements</p> <p>Collaborative engagements</p> <p>Service provider engagements</p>	<p><b>Reason for interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</li> <li><input checked="" type="checkbox"/> To enhance corporate practice or identify the need to enhance corporate practice</li> <li><input type="checkbox"/> Other: specify _____</li> <li><input type="checkbox"/> We do not engage in internal staff</li> <li><input type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</li> <li><input type="checkbox"/> To enhance corporate practice or identify the need to enhance corporate practice</li> <li><input type="checkbox"/> Other: specify _____</li> <li><input type="checkbox"/> We do not engage in collaborative engagements</li> <li><input type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</li> <li><input type="checkbox"/> To enhance corporate practice or identify the need to enhance corporate practice</li> <li><input type="checkbox"/> Other: specify _____</li> <li><input type="checkbox"/> We do not engage in service provider engagements</li> <li><input type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</li> <li><input type="checkbox"/> To enhance corporate practice or identify the need to enhance corporate practice</li> <li><input type="checkbox"/> Other: specify _____</li> </ul>	

# RI TRANSPARENCY REPORT

## 2019

InfraRed Capital Partners Limited

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2019 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		✓	-							
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	🔒	n/a							✓
OO 08	Segregated mandates or pooled funds	🔒	n/a							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	Active ownership practices for listed assets	🔒	n/a							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown of listed equity investments by passive and active strategies	🔒	n/a							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown of fixed income investments by passive and active strategies	🔒	n/a							✓
OO FI 02	Reporting on strategies that are <10% of actively managed fixed income	🔒	n/a							✓
OO FI 03	Fixed income breakdown by market and credit quality	🔒	n/a							✓
OO SAM 01	Breakdown of externally managed investments by passive and active strategies	🔒	n/a							✓
OO PE 01	Breakdown of private equity investments by strategy	🔒	n/a							✓
OO PE 02	Typical level of ownership in private equity investments	🔒	n/a							✓
OO PR 01	Breakdown of property investments	✓	Private							✓
OO PR 02	Breakdown of property assets by management	✓	Private							✓
OO PR 03	Largest property types	✓	Private							✓
OO INF 01	Breakdown of infrastructure investments	✓	Private							✓
OO INF 02	Breakdown of infrastructure assets by management	✓	Private							✓
OO INF 03	Largest infrastructure sectors	✓	Private							✓
OO HF 01	Breakdown of hedge funds investments by strategies	🔒	n/a							✓
OO End	Module confirmation page	✓	-							

CCStrategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 01 CC	Climate risk	✓	Private							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public						✓	
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Private							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Private							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	✓	Private							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	🔒	n/a	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13 CC		✓	Private							✓
SG 14	Long term investment risks and opportunity	✓	Private	✓						
SG 14 CC		✓	Private							✓
SG 15	Allocation of assets to environmental and social themed areas	✓	Public	✓						
SG 16	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
SG 17	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
SG 18	Innovative features of approach to RI	✓	Private							✓
SG 19	Communication	✓	Public		✓				✓	
SG End	Module confirmation page	✓	-							

Direct - Property				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PR 01	Responsible Property Investment (RPI) policy	✓	Public	✓					✓	
PR 02	Fund placement documents and RI	✓	Public	✓			✓		✓	
PR 03	Formal commitments to RI	✓	Private				✓			
PR 04	Incorporating ESG issues when selecting investments	✓	Public	✓						
PR 05	Types of ESG information considered in investment selection	✓	Private	✓		✓				
PR 06	ESG issues impact in selection process	✓	Public	✓						
PR 07	ESG issues in selection, appointment and monitoring of third-party property managers	⚠	n/a				✓			
PR 08	ESG issues in post-investment activities	✓	Public		✓					
PR 09	Proportion of assets with ESG targets that were set and monitored	✓	Public		✓	✓				
PR 10	Certification schemes, ratings and benchmarks	✓	Private		✓					
PR 11	Proportion of developments and refurbishments where ESG issues were considered	✓	Public		✓					
PR 12	Proportion of property occupiers that were engaged with	✓	Public		✓					
PR 13	Proportion of green leases or MOUs referencing ESG issues	✓	Private		✓					
PR 14	Proportion of assets engaged with on community issues	✓	Private		✓					
PR 15	ESG issues affected financial/ESG performance	✓	Private	✓	✓					
PR 16	Examples of ESG issues that affected your property investments	✓	Private	✓		✓				
PR End	Module confirmation page	✓	-							

Direct - Infrastructure				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
INF 01	Description of approach to RI	✓	Private	✓					✓	
INF 02	Responsible investment policy for infrastructure	✓	Public	✓					✓	
INF 03	Fund placement documents and RI	✓	Public	✓			✓		✓	
INF 04	Formal commitments to RI	✓	Private				✓			
INF 05	Incorporating ESG issues when selecting investments	✓	Public	✓						
INF 06	ESG advice and research when selecting investments	✓	Private	✓			✓			
INF 07	Examples of ESG issues in investment selection process	✓	Public	✓		✓				
INF 08	Types of ESG information considered in investment selection	✓	Private	✓		✓				
INF 09	ESG issues impact in selection process	✓	Private	✓						
INF 10	ESG issues in selection, appointment and monitoring of third-party operators	✓	Public				✓			
INF 11	ESG issues in post-investment activities	✓	Public		✓					
INF 12	Proportion of assets with ESG performance targets	✓	Public		✓					
INF 13	Proportion of portfolio companies with ESG/sustainability policy	✓	Public		✓					
INF 14	Type and frequency of reports received from investees	✓	Private		✓	✓				
INF 15	Proportion of maintenance projects where ESG issues were considered	✓	Public		✓					
INF 16	Proportion of stakeholders that were engaged with on ESG issues	✓	Private		✓					
INF 17	ESG issues affected financial/ESG performance	✓	Private	✓	✓					
INF 18	Examples of ESG issues that affected your infrastructure investments	✓	Private	✓		✓				
INF 19	Approach to disclosing ESG incidents	✓	Private						✓	
INF End	Module confirmation page	✓	-							

# InfraRed Capital Partners Limited

## Reported Information

### Public version

### Organisational Overview

## PRI disclaimer

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## Basic information

OO 01

Mandatory

Public

Gateway/Peering

General

OO 01.1

Select the services and funds you offer

Select the services and funds you offer	% of asset under management (AUM) in ranges
Fund management	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
Fund of funds, manager of managers, sub-advised products	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Other	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Total 100%	

Further options (may be selected in addition to the above)

- Hedge funds
- Fund of hedge funds

OO 01.2

Additional information. [Optional]

InfraRed is a leading global investment manager focused on infrastructure and real estate. We create real value for our investors, project partners, communities and end users.

With c.150 professionals we manage c. US\$12bn of equity capital in multiple private and listed funds, primarily for institutional investors across the globe.

To date, we have launched 18 funds including two companies listed on the London Stock Exchange: HICL Infrastructure Company Limited and The Renewables Infrastructure Group. We have already either completely or materially realised 6 of these.

OO 02

Mandatory

Public

Peering

General

**OO 02.1** Select the location of your organisation's headquarters.

United Kingdom

**OO 02.2** Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

**OO 02.3** Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

150

**OO 02.4** Additional information. [Optional]

InfraRed's headquarters is located in London, with overseas offices based in Hong Kong, New York, Seoul, and Sydney.

<b>OO 03</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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**OO 03.1** Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

<b>OO 04</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway/Peering</b>	<b>General</b>
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**OO 04.1** Indicate the year end date for your reporting year.

31/12/2018

**OO 04.2** Indicate your total AUM at the end of your reporting year.

Include the AUM of subsidiaries, but exclude advisory/execution only assets, and exclude the assets of your PRI signatory subsidiaries that you have chosen not to report on in OO 03.2

	trillions	billions	millions	thousands	hundreds
Total AUM		12	407	000	000
Currency	USD				
Assets in USD		12	407	000	000

Not applicable as we are in the fund-raising process

**OO 04.4**

Indicate the total assets at the end of your reporting year subject to an execution and/or advisory approach.

	trillions	billions	millions	thousands	hundreds
Total AUM			572	800	000
Currency	USD				
Assets in USD			572	800	000

Not applicable as we do not have any assets under execution and/or advisory approach

**OO 04.5**

Additional information. [Optional]

InfraRed managed two advisory mandates in 2018, both in Real Estate.

**OO 06**

**Mandatory**

**Public**

**Descriptive**

**General**

**OO 06.1**

Select how you would like to disclose your asset class mix.

as percentage breakdown

as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	0	0
Fixed income	0	0
Private equity	0	0
Property	10-50%	0
Infrastructure	>50%	0
Commodities	0	0

Hedge funds	0	0
Fund of hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Money market instruments	0	0
Other (1), specify	0	0
Other (2), specify	0	0

**OO 06.2** Publish asset class mix as per attached image [Optional].

**OO 06.3** Indicate whether your organisation has any off-balance sheet assets [Optional].

- Yes
- No

**OO 06.5** Indicate whether your organisation uses fiduciary managers.

- Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.
- No, we do not use fiduciary managers.

<b>OO 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Peering</b>	<b>General</b>
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**OO 09.1** Indicate the breakdown of your organisation's AUM by market.

93.4	Developed Markets
6.6	Emerging Markets
0	Frontier Markets



### Asset class implementation gateway indicators

OO 12	Mandatory	Public	Gateway	General
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**OO 12.1** Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

#### Core modules

- Organisational Overview
- Strategy and Governance

#### RI implementation directly or via service providers

##### Direct - Other asset classes with dedicated modules

- Property
- Infrastructure

#### RI implementation via external managers

#### Closing module

- Closing module

# InfraRed Capital Partners Limited

## Reported Information

### Public version

### Strategy and Governance

## PRI disclaimer

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## Investment policy

SG 01

Mandatory

Public

Core Assessed

General

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Fiduciary (or equivalent) duties <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input checked="" type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

**SG 01.4**

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

Our investment strategy is to Create Real Value for all our stakeholders, not only for our investors, but also for our partners and especially the users of our assets and the surrounding communities which benefit from new or refurbished buildings or infrastructure. InfraRed strives to be a responsible investor and to develop and manage long term sustainable real estate and infrastructure assets.

InfraRed's motivation stems from a belief that the ability to identify, assess and manage ESG considerations can provide sustainability and a positive ethical impact on our investment and corporate performance, local communities and society at large.

InfraRed has developed and integrated ESG analysis into our investment process to ensure that related risk factors and opportunities are considered throughout the investment cycle. In addition, we make certain we understand how the issues of sustainable investment are addressed by our business associates and encourage our partners to adhere to the highest standards of corporate conduct and implement corporate governance framework in line with applicable country codes.

**SG 01.5**

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

InfraRed's overall RI-ESG policy is approved by its Governance Board and is reviewed annually. There are separate but complimentary policies for the listed infrastructure funds and private real estate funds, as outlined in the next indicator SG 02.

InfraRed's policy is addressed to all parts of its business and explicitly applies to all elements of ESG.

This high-level policy is integrated in the infrastructure investment process through the use of a comprehensive checklist, drawing out details specific to the type of opportunity in question, i.e. the sector, development project or operating asset; separate sector-specific guidance is provided to deal teams and asset managers. In Real Estate, ESG analysis is a core part of the template investment paper.

Integration is supported further by training for InfraRed individuals, especially those serving as directors on project company boards, and, increasingly, on a workshop basis for third party project company managers. The monitoring of these third party managers regarding ESG performance is systemic and consistent, driven by an online reporting tool and assessment by InfraRed.

ESG is a fixed part of the quarterly reviews of all projects by InfraRed.

No

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

**SG 02****Mandatory****Public****Core Assessed****PRI 6**

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**SG 02.1**

Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

Policy setting out your overall approach

URL/Attachment

URL



URL

<https://www.ircp.com/files/Downloads/ESG%20Policy%202017.pdf>

- Attachment (will be made public)
- Formalised guidelines on environmental factors
- Formalised guidelines on social factors
- Formalised guidelines on corporate governance factors

URL/Attachment

- URL

URL

<https://www.ircp.com/files/Downloads/UK%20Stewardship%20Code%20Disclosure%20Statement%20-%202017%20update.pdf>

- Attachment (will be made public)
- Asset class-specific RI guidelines
- Sector specific RI guidelines
- Screening / exclusions policy
- We do not publicly disclose our investment policy documents

**SG 02.2**

Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

- URL

URL

<https://www.ircp.com/files/Downloads/ESG%20Policy%202017.pdf>

- Attachment
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities

URL/Attachment

- URL

URL

[https://www.ircp.com/files/Downloads/Conflicts%20of%20Interest%20Policy\\_2018.pdf](https://www.ircp.com/files/Downloads/Conflicts%20of%20Interest%20Policy_2018.pdf)

- Attachment
- ESG incorporation approaches
- Active ownership approaches
- Reporting

URL/Attachment

- URL

URL

<https://www.hicl.com/investor-relations/reports-publications>

- Attachment
- We do not publicly disclose any investment policy components

**SG 02.3** Additional information [Optional].

We publish our PRI Assessment Report so our stakeholders can see how we compare against our peers.

Regarding publication of InfraRed's investment principles and overall investment strategy, please note that as a regulated private equity firm managing private funds, InfraRed details its investment strategy in relevant fund Private Placement Memoranda and Limited Partnership Agreements.

The investment strategies for the two listed infrastructure funds is available on their respective websites.

HICL's approach to responsible investment is summarised on its website: <https://www.hicl.com/about-us/responsible-investment>

TRIG's reporting includes ESG where relevant and can be reviewed here: <http://www.trig-ltd.com/investor-relations/reports-publications>

<b>SG 03</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>General</b>
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**SG 03.1** Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

- Yes

**SG 03.2** Describe your policy on managing potential conflicts of interest in the investment process.

Where legal duties of loyalty and trust towards an investor are applicable, InfraRed and the funds it manages must put the interests of the investor above their own interests and must not profit from their responsibilities except with the knowledge and consent of the investor.

InfraRed's Conflicts of Interest Policy sets out how it seeks to:

- Identify circumstances which may give rise to conflicts of interest entailing a material risk of damage to investor interests
- Establish appropriate mechanisms and systems to manage those conflicts
- Maintain systems designed to prevent actual damage to investor interests through any identified conflicts

InfraRed has well established adequate internal policies, procedures, systems and controls in place which are designed to identify and manage potential conflicts of interest fairly and control access to information and subject deals to appropriate controls and reviews. These include, but are not limited to the following:

- Conflicts register
- Chinese walls
- Confidential information
- Personal Account Dealing
- Gifts and corporate entertainment
- Inducements
- Separate supervision and segregation of function
- Disclosure and declining to act

InfraRed's Conflicts of Interest Policy is publicly available and can be found at the following address:  
[https://www.ircp.com/files/Downloads/Conflicts%20of%20Interest%20Policy\\_latest%202018.pdf](https://www.ircp.com/files/Downloads/Conflicts%20of%20Interest%20Policy_latest%202018.pdf)

No

<b>SG 03.3</b>	Additional information. [Optional]
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InfraRed's Real Estate business in China, run as a joint venture, has its own conflicts policy.

## Objectives and strategies

<b>SG 05</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway/Core Assessed</b>	<b>General</b>
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<b>SG 05.1</b>	Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.
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- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

<b>SG 05.2</b>	Additional information. [Optional]
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Corporate ESG objectives are drafted by InfraRed's Responsible Investment - ESG Committee and approved by InfraRed's Governance Board. The RI-ESG Committee also meets quarterly to review progress and discuss strategy.

Investment level ESG objectives are incorporated into the initial investment proposal which is approved by the relevant fund Investment Committee. The same committee considers ESG matters as a fixed agenda item in its quarterly investment review meeting, providing a framework for review and response across the fund's portfolio of investments.

## Governance and human resources

SG 07

Mandatory

Public

Core Assessed

General

SG 07.1

Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.

### Roles

- Board members or trustees
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Internal Roles (triggers other options)

### Select from the below internal roles

- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
  - Head of Risk, Technology & Operations**
    - Oversight/accountability for responsible investment
    - Implementation of responsible investment
    - No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
- Investor relations
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify (1)

### Other description (1)

Asset Management Team members

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify (2)

Other description (2)

**Head of Finance (re: tax)**

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment

**SG 07.2** For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

InfraRed has a RI-ESG Committee chaired by the Deputy CEO and is comprised of various ESG champions from the Infrastructure, Real Estate and Central Functions business areas.

The RI-ESG Committee reports into the Governance Board, and the main purpose of the committee is to consider and review the implementation of InfraRed's ESG Policy. Core objectives include to:

- Promote good ESG and strive for best practice
- Ensure the current ESG policy remains fit for purpose
- Ensure InfraRed's values remain aligned
- Ensure all individuals understand the importance of good ESG
- Arrange training where appropriate
- Ensure all reporting is being undertaken in an efficient and timely manner
- Ensure all regulatory risk is considered and mitigated
- Develop our ESG communications
- Monitor developments in the market and our competitors

Some members of staff also have specific ESG related objectives written into their formal annual performance appraisal process.

The central Finance function has a particular responsibility for helping the two main business lines implement responsible tax arrangements, and has a degree of oversight regarding how structuring, etc. is carried out.

**SG 07.3** Indicate the number of dedicated responsible investment staff your organisation has.

Number

0

I confirm I have read and understood the Accountability tab for SG 07

I confirm I have read and understood the Accountability tab for SG 07

## Promoting responsible investment

SG 09

Mandatory

Public

Core Assessed

PRI 4,5

SG 09.1

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

### Select all that apply

Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

A Director in InfraRed's Infrastructure business is a member of the PRI Infrastructure Advisory Committee. InfraRed contributed through its member of the PRI Infrastructure Advisory Committee to the launch of Infrastructure DDQ guidance launched in September 2018.

- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- AFIC – La Commission ESG
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Code for Responsible Investment in SA (CRISA)
- Code for Responsible Finance in the 21st Century
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- ESG Research Australia
- Invest Europe Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify  
**The Energy Savings Opportunity Scheme (UK)**

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

InfraRed has submitted its ESOS notification and is compliant.

- Other collaborative organisation/initiative, specify

CRC Energy Efficiency Scheme (UK)

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

InfraRed Capital Partners (Management) LLP and Irere Kingdom 1 Ltd have successfully submitted their annual reports for CRC Phase 2.

- Other collaborative organisation/initiative, specify

Global Infrastructure Investor Association

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Active member of Global Infrastructure Investor Association (GIIA). InfraRed contributed to the working focused on communications.

- Other collaborative organisation/initiative, specify

The Infrastructure Forum



Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Shaped and contributed to the content of events organised by the The Infrastructure Forum during the year 2018, whilst participating to the events.

<b>SG 10</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 4</b>
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**SG 10.1** Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

- Yes

**SG 10.2** Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.

- Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)

Description

Annual ESG workshops for project-level managed service providers. In the Real Estate business, there are six-monthly meetings with shopping centre managers that include a focus on responsible management.

Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Provided financial support for academic or industry research on responsible investment
  - Provided input and/or collaborated with academia on RI related work
  - Encouraged better transparency and disclosure of responsible investment practices across the investment industry

#### Description

The “ESG Best Practice Guidance for SPV Managers” document, communicated to our Infrastructure project managers, has clarified InfraRed’s standards and helped “raise the bar”. These SPV managers work across the infrastructure industry.

#### Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Spoke publicly at events and conferences to promote responsible investment

#### Description

InfraRed hosts an annual Investor Event which includes a focus on responsible investment

#### Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Wrote and published in-house research papers on responsible investment

#### Description

As noted above in a different context, the “ESG Best Practice Guidance for SPV Managers” brings together in one reference document InfraRed’s thinking on responsible investment in infrastructure, including a comprehensive listing of ESG initiatives that should be considered for different kinds of projects.

### Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Encouraged the adoption of the PRI
  - Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)
  - Wrote and published articles on responsible investment in the media
  - A member of PRI advisory committees/ working groups, specify

### Description

An InfraRed individual is a member of the PRI Infrastructure Advisory Committee

### Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- On the Board of, or officially advising, other RI organisations (e.g. local SIFs)
  - Other, specify
- No

#### SG 10.3

Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]

InfraRed continues to organise annual half day workshops with many of its infrastructure managed service provider teams present to discuss and seek assistance in improving the overall effectiveness of its approach to Responsible Investment on its operational assets. More frequent collaboration takes place in respect of Real Estate assets with the greatest ESG 'footprint', e.g. shopping centres.

Relevant feedback has been reflected in the "ESG Best Practice Guidance for SPV Managers" reference document published in 2017 that helps to clarify InfraRed's standards and expectations, and which in turn should help to promote higher standards in the wider industry.

Through an InfraRed individual who is a member of the PRI's Infrastructure Advisory Committee, InfraRed had input to the PRI's Primer on Responsible Investment in Infrastructure.

## Outsourcing to fiduciary managers and investment consultants

SG 12

Mandatory

Public

Core Assessed

PRI 4

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**SG 12.1** Indicate whether your organisation uses investment consultants.

- Yes, we use investment consultants
- No, we do not use investment consultants.

## ESG issues in asset allocation

**SG 13**

**Mandatory**

**Public**

**Descriptive**

**PRI 1**

**SG 13.1** Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, to assess future ESG factors

Describe

As part of its due diligence process in both real estate and infrastructure, InfraRed has included a specific ESG section to address issues such as flooding zones or energy efficiency.

- Yes, to assess future climate-related risks and opportunities

Describe

CC scenario analysis exercises were carried out for InfraRed's private Infrastructure and RE Funds in their investment periods. Involving the relevant Fund Managers, these exercises identified a range of fund and project-specific risks and opportunities and some further work items. It was reviewed by the RI-ESG Committee.

- No, not to assess future ESG/climate-related issues

**SG 13.2**

Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify
- We do not consider ESG issues in strategic asset allocation

<b>SG 13.3</b>	Additional information. [OPTIONAL]
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As a manager of private and listed funds focused on 2 particular asset classes, InfraRed cannot engage in active or tactical asset allocation. However, ESG considerations are central to how new funds are designed. Long-term forecasts of macro environmental and social trends drive the focus of their investment strategies; governance standards are a main determinant of the jurisdictions in which InfraRed invests. Further details are set out in the response to the next indicator SG 14.

In addition, InfraRed is well positioned to learn from analysis of consumer behaviours undertaken at the portfolio level. This helps us focus on specific real estate sectors that are increasing in prominence, and confirm or challenge the key macro trends in our infrastructure strategies. InfraRed conducts detailed quantitative scenario forecasting in respect of HICL, the listed infrastructure fund, modelling a range of ESG-relevant factors.

<b>SG 15</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>SG 15.1</b>	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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Yes

<b>SG 15.2</b>	Indicate the percentage of your total AUM invested in environmental and social themed areas.
----------------	--

	%
--	---

49

<b>SG 15.3</b>	Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.
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	Area
--	------

Energy efficiency / Clean technology

	Asset class invested
--	----------------------

Property

Infrastructure

	% of AUM
--	----------

4

	Brief description and measures of investment
--	--

Includes building battery storage facilities to help balance renewable energy assets.

The % figure here relates to the percentage of Infrastructure assets in the area (i.e. not overall AUM).

Renewable energy

Asset class invested

- Property
- Infrastructure

% of AUM

25

Brief description and measures of investment

Includes building and operating wind farms, PV solar and CSP solar parks.

The % figure here relates to the percentage of Infrastructure assets in the area (i.e. not overall AUM).

- Green buildings

Asset class invested

- Property

% of AUM

10

- Infrastructure

Brief description and measures of investment

Includes buildings that have reached or expected to reach certain a BREEAM rating of Very Good and HQE Excellent.

The % figure here relates to the percentage of property assets in the area (i.e. not overall AUM).

- Sustainable forestry
- Sustainable agriculture
- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing
- Education

Asset class invested

- Property
- Infrastructure

% of AUM

7

Brief description and measures of investment

Includes building schools and providing facilities management services.  
The % figure here relates to the percentage of Infrastructure assets in the area (i.e. not overall AUM).

Global health

Asset class invested

- Property
- Infrastructure

% of AUM

19

Brief description and measures of investment

Includes building hospitals and various healthcare facilities and providing facilities management services.  
The % figure here relates to the percentage of Infrastructure assets in the area (i.e. not overall AUM).

Water

Asset class invested

- Property
- Infrastructure

% of AUM

4

Brief description and measures of investment

Includes interests in water operating companies, building desalination facilities management services.  
The % figure here relates to the percentage of Infrastructure assets in the area (i.e. not overall AUM).

Other area, specify

No

Communication

SG 19	Mandatory	Public	Core Assessed	PRI 2, 6
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**SG 19.1**

Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.

**Caution! The order in which asset classes are presented below has been updated in the online tool to match the Reporting Framework overview.**

If you are transferring data from an offline document, please check your response carefully.

Property

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

The information disclosed to clients/beneficiaries is the same

- Yes
- No



<p><b>Disclosure to public and URL</b></p>	<p><b>Disclosure to clients/beneficiaries</b></p>
<p><b>Disclosure to public and URL</b></p> <p><input type="checkbox"/> ESG information on how you select property investments</p> <p><input checked="" type="checkbox"/> ESG information on how you monitor and manage property investments</p> <p><input checked="" type="checkbox"/> Information on your property investments' ESG performance</p> <p><input checked="" type="checkbox"/> Other</p> <p><b>Specify</b></p> <p>ESG highlights 2018 - Social and Environmental Initiatives across the real estate portfolio</p>	<p><b>Disclosure to clients/beneficiaries</b></p> <p><input checked="" type="checkbox"/> ESG information on how you select property investments</p> <p><input checked="" type="checkbox"/> ESG information on how you monitor and manage property investments</p> <p><input checked="" type="checkbox"/> Information on your property investments' ESG performance</p> <p><input type="checkbox"/> Other</p>
<p><b>Frequency</b></p> <p><input type="checkbox"/> Quarterly or more frequently</p> <p><input type="checkbox"/> Biannually</p> <p><input checked="" type="checkbox"/> Annually</p> <p><input type="checkbox"/> Less frequently than annually</p> <p><input type="checkbox"/> Ad-hoc/when requested</p>	<p><b>Frequency</b></p> <p><input checked="" type="checkbox"/> Quarterly or more frequently</p> <p><input type="checkbox"/> Biannually</p> <p><input type="checkbox"/> Annually</p> <p><input type="checkbox"/> Less frequently than annually</p> <p><input type="checkbox"/> Ad-hoc/when requested</p>
<p><b>URL</b></p> <p><a href="https://www.ircp.com/files/Downloads/ESGHighlights2018_Infrared.pdf">https://www.ircp.com/files/Downloads/ESGHighlights2018_Infrared.pdf</a></p>	

**Infrastructure**

**Do you disclose?**

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

**The information disclosed to clients/beneficiaries is the same**

- Yes
- No

<b>Disclosure to public and URL</b>	
Disclosure to public and URL	<input checked="" type="checkbox"/> ESG information on how you select infrastructure investments <input checked="" type="checkbox"/> ESG information on how you monitor and manage infrastructure investments <input checked="" type="checkbox"/> Information on your infrastructure investments' ESG performance
Frequency	<input type="checkbox"/> Quarterly or more frequently <input checked="" type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested
URL	<a href="https://www.hicl.com/about-us/responsible-investment">https://www.hicl.com/about-us/responsible-investment</a>
URL	<a href="http://www.trig-ltd.com/about-trig/why-invest-trig">http://www.trig-ltd.com/about-trig/why-invest-trig</a>

<b>SG 19.2</b>	Additional information [Optional]
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To clarify, most infrastructure projects are held by the listed funds HICL and TRIG, to which InfraRed acts as investment manager/operator. The level of public disclosure is extensive and under market rules takes place equally in respect of the public and shareholders (i.e. the beneficiaries). The level of public disclosure for private unlisted funds is lower; this is standard practice in the industry and a requirement or expectation of investors.

# InfraRed Capital Partners Limited

## Reported Information

Public version

Direct - Property

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Overview

PR 01	Mandatory	Public	Core Assessed	PRI 1-6
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**PR 01.1** Indicate if your organisation has a Responsible Property Investment (RPI) policy.

Yes

**PR 01.2** Provide a URL or attach the document

URL

<https://www.ircp.com/files/Downloads/ESG%20Policy%202017.pdf>

Attach Document

[ESG Policy 2017.pdf \[160KB\]](#)

No

**PR 01.3** Provide a brief overview of your organisation's approach to responsible investment in property, and how you link responsible investment in property to your business strategy. [Optional]

InfraRed has a business wide ESG policy, that is complimented by policies tailored to the two parts of its business focused on direct property investment: European Real Estate and the China Funds.

InfraRed believes that the adoption and monitoring of environmental, social and governance (ESG) policies as part of its investment and asset management processes is integral to its investment strategy for both value-add and core+ funds and each project's business plan identifies ESG opportunities and targets to be implemented over an asset's hold period.

The implementation of initiatives identified at purchase are monitored on a project by project basis throughout the hold period and reported on at quarterly project review meetings with InfraRed's Real Estate senior management team and then at Investment Committee. Progress and outcomes are communicated to investors through quarterly reporting, biannual Advisory Committee meetings and at InfraRed's annual investor event.

ESG is embedded into our sourcing and asset management decision making process and is a key driver of value, as well as ensuring our assets positively impact the communities in which they are located and provide a purpose, beyond the financial, for our employees and on-site teams. The above, along with our active management mindset, inevitably means that InfraRed acquires buildings which it believes can be improved by capital investment, often having a positive impact on the environmental attributes of the building and the community in which the building is located. It also brings this mindset to development sites, seeking recognised environmental certifications and finding opportunities to engage the community through the development process and beyond.

Strong governance regimes also lie at the heart of InfraRed's business strategy, something that is proven regularly as assets subject to significant works of construction are sold without due diligence challenges. InfraRed receives higher resale valuations for properties that have benefited from modernising works (be they delivered through capital works or operational best practice) that improve energy efficiency and where a track record of positive community engagement can be demonstrated - making it a key focus of our business plans and day to day operational mindset.

## Fundraising of property funds

PR 02	Mandatory	Public	Core Assessed	PRI 1,4,6
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**PR 02.1**

Indicate if your most recent fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.

Yes

**PR 02.2**

Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:

- Policy and commitment to responsible investment
- Approach to ESG issues in pre-investment processes
- Approach to ESG issues in post-investment processes

**PR 02.3**

Describe how your organisation refers to responsible investment for property funds in fund placement documents (PPMs or similar). [Optional]

The PPM for InfraRed's new European Real Estate fund notes the main structural trends observed by InfraRed, including environmental factors (energy efficiency and the re-organisation of transport) and profound social changes (e.g. demographic changes (urbanisation), the growth of online retail, etc.).

The investment process is detailed, including a description of how ESG matters and initiatives are required to be identified during the due diligence phase and incorporated into each Project's Business Plan.

These are reviewed by the Investment Committee as part of approving each acquisition.

An explanation is also provided of asset management in general, including the focus on ESG and the need for business plans to deliver on the fund's investment themes and those ESG initiatives identified and approved as part of a project's Business Plan.

The PPM for the new China fund, focused on mainland property investments, includes a description of how responsible investment is reviewed at different stages of the investment process. The ongoing need for compliance with local environmental laws, ordinances and regulations is also noted. In addition, investors are reminded of the unique political, social and corporate governance conditions in the People's Republic of China.

No

Not applicable as our organisation does not fundraise

### Pre-investment (selection)

**PR 04**

**Mandatory**

**Public**

**Gateway/Core Assessed**

**PRI 1**

**PR 04.1**

Indicate if your organisation typically incorporates ESG issues when selecting property investments.

Yes

**PR 04.2**

Provide a description of your organisation's approach to incorporating ESG issues in property investment selection.

As set out in PR 01.3, InfraRed believes that the adoption and monitoring of environmental, social and governance (ESG) policies as part of its investment and asset management processes is integral to its added value and core+ investment strategies.

In line with its ESG Policy, the European Real Estate Team integrates ESG analysis and delivery into their property investment processes to ensure that ESG targets are incorporated into Business Plan recommendations ahead of purchase and performance is monitored, measured and communicated during ownership. In addition, third party consultants appointed to assist in delivering Business Plan and ESG initiatives are usually engaged during business plan formation stage and obliged to follow InfraRed's ESG policies via terms within their appointment documents.

The processes and tools that accompany InfraRed's ESG Policy are designed to enable those involved in the acquisition of real estate assets (Deal Team) to incorporate ESG targets into Business Plan recommendations to be made to the Investment Committee ahead of purchase, balancing desirability from an environmental and/or social perspective against the impact implementation will have on investment performance.

InfraRed adopts a two stage process at acquisition:

- Stage 1 - an early-stage duty on the Deal Team to identify ESG red flags, i.e. to highlight obvious and material areas of concern (energy usage, building energy ratings, flood risk, etc). Red Flags do not mean we will not buy, rather that our Business Plan may proceed by incorporating strategies to remedy these issues. There is very low tolerance for any risks related to bribery / corruption or health& safety.
- Stage 2 - each Property Investment Paper, will summarise the ESG profile of the prospective investment and each Business Plan will usually include several ESG initiatives to be delivered over the hold period. This receives Investment Committee approval as part of the decision to purchase.

The China Real Estate Team has a detailed set of procedures and approval processes in relation to the making of new investments. These include ESG considerations as part of the initial opportunity assessment as well as the subsequent detailed due diligence process. Where appropriate, external technical consultants would be engaged to undertake a detailed assessment of the asset under the supervision of the Technical Director. The Sponsoring Investment Director (together with the Technical Director and ESG Champion) would analyse the results of the due diligence, including any environmental, resettlement, anti-bribery and health and safety issues identified during the due diligence process. Any issues identified would be set out in the investment approval paper and discussed and considered as part of the investment decision (applying the company's ESG Policy). Consideration of environment, social factors and good corporate governance will also form part of the transaction sign-off.

Decisions to enter into an investment are made by the relevant Investment Committee which comprise of members with relevant industry and sector experience. The Investment Committee requires that all investment proposals consider the approach to ESG. The Investment Committee is aware of the ESG Policy and its approval decisions are based on investments aligning with this policy.

**PR 04.3**

Indicate which E, S and/or G issues are typically considered by your organisation in the property investment selection process, and list up to three examples per issue.

Environmental

Environmental example 1, select one

- Climate change adaptation
- Contamination
- Energy efficiency
- Energy supply, Flooding, GHG emissions
- Indoor environmental quality
- Natural hazards
- Resilience
- Transportation
- Water efficiency
- Waste management
- Water supply
- Other
- Other
- Flooding
- GHG emissions

Environmental example 1, description

InfraRed takes a very proactive approach to implementing planned preventative maintenance programmes across all asset classes. Invariably, this involves modernising / replacing old plant with new plant and fittings that are more energy efficient, as well as incorporating controls to further reduce energy consumption.

Environmental example 2, select one

- Climate change adaptation
- Contamination
- Energy efficiency
- Energy supply, Flooding, GHG emissions
- Indoor environmental quality
- Natural hazards
- Resilience
- Transportation
- Water efficiency
- Waste management
- Water supply
- Other
- Other
- Flooding
- GHG emissions

#### Environmental example 2, description

Refurbishing or developing offices in the UK and Europe in an environmentally efficient way and letting space on green leases to ensure the impact of capital works flows through to the ongoing operation of the building by occupiers. Completed the development of a 11.4k sqm office building in Paris, securing a BREEAM rating of Very Good and HQE Excellent. A second 14.3 sqm development was commenced in Paris in 2018 and targeting an HQE Excellent rating.

In China, our self-storage investment theme sees Solar panels installed on roofs of buildings converted for this use, thereby creating energy from renewable sources.

#### Environmental example 3, select one

- Climate change adaptation
- Contamination
- Energy efficiency
- Energy supply, Flooding, GHG emissions
- Indoor environmental quality
- Natural hazards
- Resilience
- Transportation
- Water efficiency
- Waste management
- Water supply
- Other
- Other
- Flooding
- GHG emissions

#### Environmental example 3, description

Throughout its shopping centre portfolio, InfraRed adopts a zero waste to landfill strategy. Waste is typically sent to a "MRF" (Materials Recovery Facility) which then separates waste in different streams (card, plastic, dry mixed, electrical, general etc) and everything that is recyclable is recycled.

Leftover waste is turned into RDF (Refuse Derived Fuel) which is incinerated in specialist plant and used to create power for local homes and businesses and, in doing so, replaces traditional fossil fuels that have been used for the same purpose (ie coal, oil and gas)

Food waste from the food courts typically gets dealt with separately and is sent for anaerobic digestion to be used for compost.

- Social



Social example 1, select one

- Building safety and materials
- Health, safety and wellbeing
- Socio-economic
- Accessibility
- Affordable Housing
- Occupier Satisfaction
- Other
- Other
- Other

Social example 1, description [OPTIONAL]

Community art projects:

Our Norwich shopping centre worked with Norwich Schools (one of our infrastructure projects): primary children painted hoardings depicting local scenes for a recently developed restaurant quarter – engaging the community and improving the environment for shoppers in a locally authentic way.

In Basildon and Norwich letting units at nil rent to local galleries with charitable status.

Social example 2, select one

- Building safety and materials
- Health, Safety and wellbeing
- Socio-economic
- Accessibility
- Affordable Housing
- Occupier Satisfaction
- Other
- Other
- Other

Social example 2, description [OPTIONAL]

Provided space free of charge for job fairs in four of our shopping centres, enabling local employers to recruit from their (and our) community. Events are well attended and popular with companies and candidates alike.

Moreover, our active management approach inevitably means we are investing capital to improve assets. This not only creates jobs during the construction phase, but benefits the wider socio-economic environment, as that investment typically leads to greater levels of occupancy and in turn, job creation by our occupiers.

#### Social example 3, select one

- Building safety and materials
- Health, Safety and wellbeing
- Socio-economic
- Accessibility
- Affordable Housing
- Occupier Satisfaction
- Other
- Other
- Other

#### Social example 3, description [OPTIONAL]

The Paris office portfolio has adopted a theme of creating café space where workers can collaborate outside of their own office environment. This has been developed further in the case of a larger 33k sqm office building, where the Building Manager is responsible for organising communal exercise classes for the building's office workers in free to use studio space and supplementing this with an App that connects workers to personal trainers in the area, who may then use the building's studio to train in.

- Governance

#### Governance example 1, select one

- Anti-bribery & corruption
- Board structure
- Conflicts of interest
- Governance structure
- Regulatory
- Shareholder structure & rights
- Supply chain governance
- Other
- Other
- Other

#### Governance example 1, description

Appointment documentation of key business partners - such as asset managers, property managers - include obligations upon service providers to comply with anti-bribery legislation relevant to the jurisdictions in which they are. All appointments between InfraRed and service providers incorporate standard anti-bribery wording. This is monitored throughout a project's life by asking key service providers to complete quarterly compliance returns, as well as at monthly asset/property management meetings. We maintain policies that prohibit bribery and we seek to avoid working with business partners and contractors involved in corrupt or unethical practices.

Governance example 2, select one

- Anti-bribery & corruption
- Board structure
- Conflicts of interest
- Governance structure
- Regulatory
- Shareholder structure & rights
- Supply chain governance
- Other
- Other
- Other

Governance example 2, description

Each project is subject to a quarterly compliance review, covering matters such as fire, insurance, construction, asbestos, etc. This is challenged at a quarterly compliance meeting by the real estate management team and outcomes reported to Investment Committee.

Governance example 3, select one

- Anti-bribery & corruption
- Board structure
- Conflicts of interest
- Governance structure
- Regulatory
- Shareholder structure & rights
- Supply chain governance
- Other
- Other
- Other

Governance example 3, description

We adopt "best in class" appointment regimes for the appointment of building contractors and professional consultants. As well as ensuring that construction does not become an issue when assets are sold (as the suite of documents are of institutional grade), a robust approach here sets an expectation among our service providers that we expect works to be carried out in a way that minimises the impact on occupiers (where works are being carried out in a live environment) and a high degree of attention is paid to health and safety before and during works.

No

PR 06	Mandatory	Public	Core Assessed	PRI 1
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**PR 06.1**

Indicate if ESG issues impacted your property investment selection process during the reporting year.

- ESG issues helped identify risks and/or opportunities for value creation
- ESG issues led to the abandonment of potential investments
- ESG issues impacted the investment in terms of price offered and/or paid
- ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ESG issues were considered but did not have an impact on the investment selection process
- Other, specify
- Not applicable, our organisation did not select any investments in the reporting year
- We do not track this potential impact

**PR 06.2**

Indicate how ESG issues impacted your property investment deal structuring processes during the reporting year.

- ESG issues impacted the investment in terms of price offered and/or paid
- ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ESG issues were considered but did not have an impact on the deal structuring process
- Other, specify
  - A responsible approach to taxation is a core part of investment deal structuring
- Not applicable, our organisation did not select any investments in the reporting year
- We do not track this potential impact

**PR 06.3**

Additional information.

Risks are identified at early stage through Red Flag checklist, focussing on energy consumption, EPC ratings (or similar) and environmental (flooding and in the case of development sites, contamination).

This helps focus due diligence activities and the evolution of value-add initiatives: for example, the scope of activities to include improving a property's energy rating, to reduce impact of use on environment and increase achievable rent/value.

Identified ESG issues do impact price offered, as Business Plans need to reflect cost of improving energy efficiency and of mitigating environmental risks identified during the due diligence process.

During one acquisition in 2018, which involved the development of new industrial buildings, we "shaped" the SPA to ensure enabling works (including decontamination of the site) were completed as a pre-condition of the SPA being completed.

## Post-investment (monitoring and active ownership)

### Overview

PR 08

Mandatory

Public

Gateway

PRI 2

**PR 08.1**

Indicate if your organisation, and/or property managers, considers ESG issues in post-investment activities relating to your property assets.

Yes

**PR 08.2**

Indicate whether your organisation, and/or property managers, considers ESG issues in the following post-investment activities relating to your property assets.

- We consider ESG issues in property monitoring and management
- We consider ESG issues in property developments and major renovations.
- We consider ESG issues in property occupier engagements
- We consider ESG issues in community engagements related to our properties
- We consider ESG issues in other post-investment activities, specify

Requirement for third party providers to comply with InfraRed's ESG policy in the conduct of their activities.

**PR 08.3**

Describe how your organisation, and/or property managers, considers ESG issues in post-investment activities related to your property assets.

Property / asset management reports typically cover ESG activities undertaken on a month by month basis.

In the case of retail properties in particular, community engagement initiatives are ever more important to create successful environments for our retailers and a visceral connection between our assets and the communities they serve. Such initiatives are monitored on a monthly basis, with twice yearly Centre Manager meetings to ensure knowledge is shared and a culture of continual improvement created around the team's ESG thinking and execution. This has led to a wide range of initiatives being delivered in 2018 that tie into InfraRed's sustainability themes, as well as driving the agenda through the supply chain.

With regard to new developments and major refurbishments, we typically seek recognised environmental certifications, as outlined in this submission. We also require advisers to provide environmental impact statements to accompany refurbishment proposals, so the impact on E&S can be considered in the approval process.

Moreover, InfraRed asset managers actively engage and encourage service providers to deliver initiatives around the ESG agenda.

ESG initiatives identified during the selection process are recorded in InfraRed's property management database - initiative, capital spend and timing for delivery - and reports have been developed to monitor progress against Business Plan.

In addition, Managing Agents are required to record utility consumption, waste to landfill / recycling and EPCs within InfraRed's property management database, whilst precedent leases prevent occupiers from undertaking works that will negatively impact the energy performance characteristics of their premises.

Once an investment has been made, ESG matters (including environmental compliance, health and safety matters, service provider performance and anti-bribery compliance) are continually monitored. Any issues identified are notified to the Investment Committee as soon as possible, and in any event, set out in the quarterly report produced by the relevant Asset Manager for each investment. These issues are discussed and considered at the Quarterly Portfolio Review with the relevant Investment Committee. Where shortcomings are identified, immediate actions are taken to rectify the position.

ESG is the first item on the agenda at each board meeting of the relevant General Partner. Discussions include corporate governance, compliance, adherence to anti-bribery and health and safety policies and any issues relating to ESG.

No

## Property monitoring and management

<b>PR 09.1</b>	Indicate the proportion of property assets for which your organisation, and/or property managers, set and monitored ESG targets (KPIs or similar) during the reporting year.
----------------	--

- >90% of property assets
- 51-90% of property assets
- 10-50% of property assets
- <10% of property assets

(in terms of number of property assets)

<b>PR 09.2</b>	Indicate which ESG targets your organisation and/or property managers typically set and monitor
----------------	---

Environmental

Target/KPI	Progress Achieved
Introduce LED lighting at all asset classes Refurbish office buildings to recognised "green" standard Pro-active approach to complying with MEES legislation	Culture established of replacing light fittings with LED - in both front and back of house locations. It has become routine practice in Business Plans. London, Paris and German office themes have delivered refurbishments to local / international green standards as a fundamental part of Business Plans. Strategy implemented for existing assets to identify works required to take non-compliant units (in 2018) to EPC rating of E or higher.

Social

Target/KPI	Progress Achieved
Inclusion Health and Wellbeing Community Engagement	All six shopping Centres within InfraRed's portfolio achieved Disability Confident status – a scheme run by the Department of Work and Pensions. A range of H & W initiatives were delivered all projects. Ping pong parlours opened in shopping centres, cycle/shower facilities added in offices among other things. Sports sponsorship from one Chinese asset. Significant Community engagement activities across the retail portfolio, as part of InfraRed's Operational Excellence theme in this space.

Governance

Target/KPI	Progress Achieved
<p>Independent audit of managing agent approach to Health &amp; Safety</p> <p>Standardised appointment documentation for building contractors and construction professionals</p> <p>Quarterly reporting to Investment Committee to review progress of ESG initiative implementation and legislative compliance.</p>	<p>InfraRed commissioned an independent audit of managing agent practice around H &amp; S, to drive further consistency across the European portfolio. No material concerns were raised.</p> <p>Consistent process established for construction projects, reflecting fit for purpose in each geographic jurisdiction.</p> <p>ESG and legislative compliance is a standing agenda item at Investment Committee quarterly review meetings.</p>

We do not set and/or monitor against targets

<b>PR 09.3</b>	Additional information. [Optional]
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The ESG policy was formally established in 2013, to formally record ESG performance and this has been adopted on all transactions from 2013.

## Property developments and major renovations

<b>PR 11</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>PR 11.1</b>	Indicate the proportion of active property developments and major renovations where ESG issues have been considered.
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- >90% of active developments and major renovations
- 51-90% of active developments and major renovations
- 10-50% of active developments and major renovations
- <10% of active developments and major renovations
- N/A, no developments and major renovations of property assets are active

(by number of active property developments and refurbishments)

<b>PR 11.2</b>	Indicate if the following ESG considerations are typically implemented and monitored in your property developments and major renovations.
----------------	---

- Environmental site selection requirements
- Environmental site development requirements
- Sustainable construction materials
- Water efficiency requirements
- Energy efficiency requirements
- Energy generation from on-site renewable sources
- Waste management plans at sites
- Health and safety management systems at sites
- Health and wellbeing of residents
- Construction contractors comply with sustainability guidelines
- Resilient building design and orientation
- Other, specify

<b>PR 11.3</b>	Additional information. [Optional]
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French office theme is focussed on creating "green" buildings and letting space on green leases to ensure premises are used in an environmentally effective way. Underwrite seek to achieve minimum of HQE Excellent and BREEAM Good/Very Good.

Significant office development activity in Germany, where a range of energy efficient solutions are developed, from locally sourced materials, use of natural ventilation, chilled beam ventilation.

Refurbishment orientated projects, as opposed to ground up development, focus on using low energy components, such as LED lights, controls on M&E to minimise energy consumption during periods of low use, etc

Where possible, initiatives aimed at improving the health and wellbeing of office workers and nearby residents are incorporated. In the case of new developments, this typically occurs where InfraRed is placemaking. For example a public realm plan has been agreed with the local authority in respect of a 100,000 sqm office park to be built on c.7 hectares of former industrial land in Düsseldorf-Ratingen. Upon delivery, this will provide a pedestrianized thoroughfare, bicycle paths and significantly improved landscape specification. The regeneration plan for this former industrial site includes significant soil decontamination work.

At a 25,000 sqm office in Munich, not only was the building fully refurbished, but InfraRed re-landscaped a large courtyard, which is open to the public.

<b>Occupier engagement</b>				
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<b>PR 12</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>PR 12.1</b>	Indicate the proportion of property occupiers your organisation, and/or your property managers, engaged with on ESG issues during the reporting year.
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- >90% of occupiers
- 50-90% of occupiers
- 10-50% of occupiers
- <10% of occupiers

(in terms of number of occupiers)



**PR 12.2**

Indicate if the following practises and areas are typically part of your, and/or your property managers', occupier engagements.

- Distribute a sustainability guide to occupiers
- Organise occupier events focused on increasing sustainability awareness
- Deliver training on energy and water efficiency
- Deliver training on waste minimisation
- Provide feedback on energy and water consumption and/or waste generation
- Provide feedback on waste generation
- Carry out occupier satisfaction surveys
- Health and wellbeing of residents
- Offer green leases
- Other, specify

**PR 12.3**

Additional information. [Optional]

ESG policy was implemented in 2013 on all new acquisitions across the different funds, and in China the ESG Policy was incorporated into the tenant handbooks.

Tenant satisfaction surveys have been carried out across all UK shopping centre assets. Several shopping centres have seen qualitative research carried out with consumers, in order to understand their satisfaction and to help inform how assets might be operated to have greater resonance with the local community. This work is underpinned by quantitative research.

There is engagement with tenants across asset classes in relation to energy consumption and waste generation, with a focus on minimising energy consumption and waste to landfill.

# InfraRed Capital Partners Limited

## Reported Information

Public version

Direct - Infrastructure

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Overview

INF 02	Mandatory	Public	Core Assessed	PRI 1-6
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**INF 02.1** Indicate if your organisation has a responsible investment policy for infrastructure.

Yes

**INF 02.2** Provide a URL if your policy is publicly available.

<https://www.ircp.com/files/Downloads/ESG%20Policy%202017.pdf>

No

**INF 02.3** Additional information. [Optional]

The two listed infrastructure funds for which InfraRed acts as investment manager, HICL and TRIG, each have separate ESG policies, consistent with the regulatory and investor requirement for standalone policy platforms. However, these ESG policies have been developed in conjunction with InfraRed, and complement its top-level policy. The TRIG principles are not available online; HICL's policy can be read at <https://www.hicl.com/about-us/responsible-investment>

Individual projects will also have their own RI-ESG policies, not publicly available.

## Fundraising of infrastructure funds

INF 03	Mandatory	Public	Core Assessed	PRI 1,4,6
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**INF 03.1** Indicate if your most recent fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.

Yes

**INF 03.2** Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:

- Policy and commitment to responsible investment
- Approach to ESG issues in pre-investment processes
- Approach to ESG issues in post-investment processes

**INF 03.3** Describe how your organisation refers to responsible investment for infrastructure funds in fund placement documents (PPMs or similar). [Optional]

Responsible investment themes were central to the design of InfraRed's latest private infrastructure fund, which reached final close in Q4 2018.

Two of the three key investment themes for this new fund are renewable/low carbon energy generation and energy supporting infrastructure (e.g. battery storage). The Fund's Private Placement Memorandum notes in detail the climate change agenda and the need for substantial investment to address these issues.

Another key investment theme for the new fund is transportation, economic and social infrastructure, addressing the macro issues of population growth, increased urbanisation and transport needs, noting the estimated "infrastructure gaps" in the fund's target jurisdictions.

The PPM also details the structured investment process, noting the controls in place for ESG review and the wider role of due diligence.

- No
- Not applicable as our organisation does not fundraise

**Pre-Investment (Selection)**

INF 05	Mandatory	Public	Gateway	PRI 1
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INF 05.1	Indicate if your organisation typically incorporates ESG issues when selecting infrastructure investments.
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- Yes

INF 05.2	Describe your organisation's approach to incorporating ESG issues in infrastructure investment selection.
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InfraRed's broad investment approach to ESG matters during the pre-investment process has been described in the response to indicator INF 01.1 of this Module.

To summarise, ESG matters are fundamental to all InfraRed investment decisions across sectors, geographic locations and the scale of the investment. InfraRed manages several different funds with different investment parameters and strategies, including two that are publicly listed; the InfraRed ESG strategy and philosophy is a common requirement across all of them without any differentiation. Many of InfraRed's institutional investors have their own ESG requirements. InfraRed's overarching ESG philosophy has been developed to ensure that it exceeds these requirements.

As noted in the response to indicator INF 04.2 above, Side Letters can be used to record the requirements of individual investors in private funds, e.g. for investment in certain sectors to be considered an Excused Investment, with the option given not to participate. In practice, this is not normally a risk given the investment focus of the funds in question. Investment process controls ensure each new opportunity is screened against applicable investor requirements.

InfraRed's approach is now well established but also flexible. As standards increase and new areas take shape (e.g. in relation to climate change and the UN Sustainable Development Goals), InfraRed's investment process controls can be expanded to ensure the each Deal Teams gives adequate consideration to ESG issues and that the relevant Investment Committee can subject it to review and scrutiny.

- No

INF 07	Mandatory	Public	Core Assessed	PRI 1,3
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INF 07.1	Indicate which E, S and/or G issues are typically considered by your organisation in the investment selection process and list up to three typical examples per issue.
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**ESG issues**

- Environmental

List up to three typical examples of environmental issues
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Pollution risk, emissions

BREAAM performance or local equivalent  
 Effective sustainable material usage in construction

Social

List up to three typical examples of social issues

Acceptable employment standards in all areas of the project  
 Acceptable levels of Health & Safety performance  
 Community relationships and interaction

Governance

List up to three typical examples of governance issues

Effectiveness of Project Board  
 Anti-bribery and corruption policies in place, the anti-bribery track record, and any red flags  
 Senior management and board track record re: corporate governance and responsible stewardship

**INF 07.2** Additional information. [Optional]

With regards to the 'Governance' issue of preventing bribery and corruption, InfraRed's global policy on regulatory risk requires enhanced due diligence to be carried out in relation to any Politically Exposed Persons, including national authorities awarding infrastructure projects.

In addition, InfraRed applies "enhanced due diligence" in respect of counterparties in any country rated "high risk", i.e. ranked at 50 or below in the Transparency International Corruption Perception Index or on the FATF list of high-risk and non-cooperative jurisdictions.

**Selection, appointment and monitoring of third-party infrastructure operators**

<b>INF 10</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 4</b>
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**INF 10.1** Indicate if your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party operators.

Yes

**INF 10.2**

Indicate your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party operators.

- Selection process of third-party operators incorporates ESG issues
  - For all third-party operators
  - For a majority of third-party operators
  - For a minority of third-party operators
- Contractual requirements when appointing third-party operators includes ESG issues
  - For all third-party operators
  - For a majority of third-party operators
  - For a minority of third-party operators
- Monitoring of third-party operators covers ESG responsibilities and implementation
  - For all third-party operators
  - For a majority of third-party operators
  - For a minority of third-party operators

**INF 10.3**

Provide a brief description of your organisation's selection, appointment and monitoring of third-party operators. [Optional]

**Selection and appointment**

The InfraRed investment approach for new projects investing as a primary or "greenfield" investor at the project's inception is to ensure that it is working with other primary investors who have comparable in-house Responsible Investment, ESG and other policy standards to its own. This helps ensure expectations are aligned when the later work takes place of putting in place a Managed Service Provider (i.e. the third party operator).

InfraRed has a track record of selecting and appointing suitable Managed Service Providers, each of whom will be required to meet the InfraRed benchmark standard for ESG and other policies.

InfraRed now works with a reduced number of Managed Service Providers, having decided on its preferred contractors on the basis of strong track records, including ESG performance. InfraRed's model contract imposes our ESG standards, including duties for reporting.

**Monitoring**

InfraRed introduced in 2017 a new online platform through which each company's management team (whether a third party Management Service Provider or direct/seconded team) must respond to a detailed annual questionnaire on its governance of ESG performance. Previously, the annual exercise was conducted through questionnaires circulated by email. This allows InfraRed to benchmark providers and direct attention to areas requiring it most. Whilst the 2017 review year saw a decrease in response rate from the previous paper based process the 2018 review year return rate has shown considerable improvement with the return back above 90%.

**INF 10.4**

Describe how your third-party operators contribute to the management of ESG issues for your infrastructure investments. [Optional]

The majority of InfraRed's investments are in project financed special purpose companies (SPC) where the operational activities of the SPC are subcontracted to a third party Managed Service Provider. There are a small number of investments where a directly employed management team or a seconded management team is in place. An InfraRed Asset Manager will be appointed to the Board of the SPC to ensure adequate oversight, and will carry out site visits at least annually and often more regularly.

The third party operators are vital to the management of ESG issues as in the vast majority of cases it is they that have to fulfil these requirements supported by the SPC, if appropriate, with additional funding and/or resources. They are also responsible in the first instance for the contracting of key works and responsibilities, e.g. to a construction contractor or facilities management provider. ESG risk can lie at this level of operations, and the Managed Service Provider is effectively InfraRed's link to ESG matters at that level.

Managed service providers have contractual reporting requirements, including immediate escalation of material ESG issues, reporting on ESG initiatives, and annual completion of a detailed questionnaire for the project.

No

## Post-investment (monitoring and active ownership)

### Overview

INF 11	Mandatory	Public	Gateway	PRI 2
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INF 11.1	Indicate whether your organisation and/or operators consider ESG issues in post-investment activities relating to your infrastructure assets.
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Yes

INF 11.2	Indicate how your organisation, and/or operators, considers ESG issues in the following post-investment activities relating to your infrastructure assets.
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- We consider ESG issues in the monitoring and operation of infrastructure
- We consider ESG issues in infrastructure maintenance
- We consider ESG issues in stakeholder engagements related to our infrastructure
- We consider ESG issues in other post-investment activities, specify

Monitoring and managing ESG issues on a cross-portfolio basis; applying lessons learnt to all relevant infrastructure assets

INF 11.3	Describe how your organisation, and/or operators, considers ESG issues in post-investment activities related to your infrastructure investments. [Optional]
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As described in INF 10.3 and 10.4, typically a specialist Managed Service Provider is appointed to provide the day to day management oversight of the SPC's activities and contractual obligations and to implement the SPC Board's policies and aspirations. Where there is no separate appointment a team employed directly by the SPC is in place. The Managed Service Provider or team provides a link between all the project's stakeholders seeking to align all parties' ESG aspirations as part of their duties. Stakeholders include the SPC's Clients, Users, Funders/Lenders, Service Providers, Insurers and the local community in which the project is located.

At least one InfraRed Asset Manager is appointed director for each project investment. The InfraRed Asset Manager attends regular Board meetings (typically monthly during construction and the early operational stage thereafter reducing to quarterly) where a full operational and financial report, including ESG and Health & Safety matters, is considered. The Management Service Provider is provided with direction and guidance on such matter by the Board, if appropriate. Periodic site visits are made, often in conjunction with the Board meeting, which are often conducted at the project for that purpose.

InfraRed has developed an online platform through which all Managed Service Providers of infrastructure investment SPCs complete an annual questionnaire in respect of ESG policies, performance and specific initiatives, seeking a broader oversight of the project's ESG profile over and above the regular Board reports from the management team. This portal allows the capture of additional documentary evidence of each SPC's performance against the 27 KPIs that have been established. The responses are then benchmarked by InfraRed and result in effective, actionable feedback from InfraRed to the Management team. This comprehensive review and analysis is undertaken by InfraRed's part-time consultant so as to provide an independent review of performance.

InfraRed also provides support through a "best practice guidance" reference document, developed in consultation with its asset management team members and Managed Service Providers, as well as a

template ESG policy statement for adoption by individual projects, subject to the approval of all co-shareholders.

InfraRed's primary access point to ensure that its Responsible Investment aspirations are met and that it is able to influence ESG matters is via the SPC Board meeting in the majority of its investments. The management team will be encouraged to identify community activity, or project based activity that benefits the wider community, that the SPC and its third party operators can support with either direct funding or pro bono support. Many of the third party operators are large corporations in their own right with active community initiatives at an individual project as well as wider regional/national initiatives which often benefit from the additional support of the SPC.

No

## Infrastructure Monitoring and Operations

INF 12	Mandatory	Public	Core Assessed	PRI 2
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<b>INF 12.1</b>	Indicate the proportion of infrastructure assets for which your organisation and/or operators included ESG performance in investment monitoring during the reporting year.
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- >90% of infrastructure assets
- 51-90% of infrastructure assets
- 10-50% of infrastructure assets
- <10% of infrastructure assets

(in terms of number of infrastructure assets)

<b>INF 12.2</b>	Indicate ESG issues for which your organisation, and/or operators, typically sets and monitors targets (KPIs or similar) and provide examples per issue.
-----------------	--

Environmental

List up to three example targets per issue
--

Social infrastructure investments typically have energy usage targets by comparison to the building volume. The energy usage strips out weather effects to isolate true performance.

Utility usage reduction initiatives are actively encouraged for all projects.

The general condition of the project facilities are monitored annually.

Social

List up to three example targets per issue
--

Sponsorship/community support initiatives are actively encouraged wherever possible. Activities are recorded and expenditure is tracked against a budget. An annual review is undertaken.

All Special Project Companies (SPCs) are required to have a Health & Safety policy and effective processes and procedures to ensure compliance.

All SPCs are required to have effective anti-discrimination policies in place for all contracted organisations within the projects. An annual review is undertaken.

Governance



List up to three example targets per issue

All Board meetings of the SPCs to be presented with and discuss the management team's Health & Safety report.

All Board meetings of the SPCs to be presented with and discuss the management team's ESG report.

An Infrared director is expected to undertake a H & S inspection of the asset annually and no less frequently than every 18 months.

We do not set and/or monitor against targets

**INF 12.3**

Additional information. [Optional]

InfraRed's portfolio of investments is concentrated in the Social Infrastructure sector. Typically such projects have KPIs established by the Client in the project agreement documentation for energy usage (gas and electricity) and in a proportion of investments for water usage. The energy KPIs almost always relate to the amount used for a given volume of building.

A full description of the monitoring activities undertaken via the SPC Boards is included in the response to INF 11.3.

InfraRed's ESG broad approach is to treat all its assets, whatever the sector or geographic location, in an equal manner with similar expectations for outcomes. However it has to be recognised that some of the individual assets have contracted activities that are closer to the local community than others and that has a direct impact on the degree and scale of community interaction that a project can achieve. As an example of this comparison, a hospital project, where the SPC undertakes all maintenance, cleaning and catering, has a greater ability to connect with the local community both directly and indirectly through its Client than a road project based on an availability criteria; the road and its operation has a greater potential for environmental damage in some circumstances if maintenance standards are not continuously provided to a high standard and it is more difficult for such a project to connect with the local community.

<b>INF 13</b>	<b>Mandatory</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 2</b>
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**INF 13.1**

Indicate whether you track the proportion of your infrastructure investees that have an ESG/sustainability-related policy (or similar guidelines).

Yes

**INF 13.2**

Indicate the proportion of your infrastructure investees that have an ESG/sustainability-related policy (or similar guidelines).

- >90% of infrastructure investees
- 51-90% of infrastructure investees
- 10-50% of infrastructure investees
- >0% and <10% of infrastructure investees
- 0% of infrastructure investees

(in terms of number of infrastructure investees)

**INF 13.3**

Describe how your organisation, and/or your operators, contribute to the infrastructure investees' management of ESG issues. [Optional]

In INF 05 there is a description of the InfraRed processes and principles that ensure that the investees, other stakeholders and delivery partners are required to meet key Responsible Investment and ESG benchmarks before InfraRed will select them where it is a primary "greenfield" investment or invest in the asset if the transaction is in the secondary market. ESG matters are a key selection benchmark that must be considered if the investment is to proceed. Consequently InfraRed has partner organisations that share its objectives allowing effective collaborative working on such issues.

InfraRed has two major ways to engage with ESG matters on its assets. Firstly, the Management Service Provider appointed to manage the assets on a day to day basis will have ESG service delivery obligations in its appointment that will require it to engage with the operators, subcontractors and clients on a regular basis. They will be obliged to report to the SPC's Board on ESG issues as part of the routine management reports. Secondly the InfraRed individual Asset Manager, who will be a member of that SPC Board, will raise relevant ESG issues at the regular Board meetings including the provision of feedback from across the InfraRed portfolio sharing best practice and other useful information. InfraRed's policy is to have one of the Board of directors appointed to take specific ESG responsibility. On many projects there will be periodic liaison meetings between the SPCs Board and the Board of directors of the SPC's client and ESG issues are routinely raised at this level to assist the project teams in their daily management level ESG efforts.

InfraRed has produced a comprehensive guidance document "ESG Best Practice Guidance for SPV Managers (Infrastructure Projects)" that it developed in consultation with its Asset Management Team members and Management Service Providers, This includes examples of ESG initiatives and best practice together with an overview of responsibilities and InfraRed's objectives.

In 2016 InfraRed started organising annual half day workshops with many of its management service provider teams focused on improving their approach to Responsible Investment. In 2018 the focussed switched to more in depth and routine discussions with the leading management service provider teams to develop their specific performance in relation to the management of the projects that they managed, and this more focussed and regular approach has led to further improvements in the approach to Responsible Investment performance.

No

## Infrastructure Maintenance

<b>INF 15</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>INF 15.1</b>	Indicate the proportion of active infrastructure maintenance projects where ESG issues have been considered.
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- >90% of active maintenance projects
- 51-90% of active maintenance projects
- 10-50% of active maintenance projects
- <10% of active maintenance projects
- N/A, no maintenance projects of infrastructure assets are active

(in terms of number of active maintenance projects)

InfraRed's approach is to encourage a thorough, wide-ranging and rigorous ESG management plan from the project's inception under the direction of the InfraRed Investment Director. Issues considered to be of significant importance for pre-development projects include:

- site selection (where possible, in many projects the specific site has already been predetermined by the Client in order to satisfy their particular needs)
- energy performance (where UK based projects will be expected to achieve a BREEAM excellent performance and non-UK projects a local equivalent where available)
- construction and maintenance contractor selection (where a requirement will be a contractor with their own strong ESG and Health& Safety policies and proven track record)
- contractual requirements setting out best practice objectives

As already described in previous sections InfraRed has a strong ESG management approach to the on-going operational activities of all its investments whether these SPCs are ones where InfraRed was an original primary investor directly involved with the development stage or is a secondary investor purchasing the investment during or after the development stage. For the secondary investment projects ESG performance is a key investment decision where acceptable standards must be achieved for the investment to be made. InfraRed requires that an active ESG improvement approach is adopted on all maintenance phase assets particularly for energy and water usage and waste reduction and actively seeks the cooperation of all stakeholders to an asset who have a part to play in these activities. If appropriate InfraRed will invest in "spend to save" ESG opportunities as well as community interaction projects.