



LEA 02	Discretionary	Gateway
<p><b>Reason for Interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking to &amp; comply investor ESG issues</li> <li><input checked="" type="checkbox"/> To enhance corporate practice for identifying the need to interact on ESG issues</li> <li><input type="checkbox"/> Other specify</li> </ul>	<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 to &amp; comply investor ESG issues</li> <li><input checked="" type="checkbox"/> To enhance corporate practice for identifying the need to interact on ESG issues</li> <li><input type="checkbox"/> Other specify</li> </ul> <p><b>Type of engagement</b></p> <p>Individual/ internal staff engagements</p> <p>Collaborative engagements</p> <p>Service provider engagements</p>

# RI TRANSPARENCY REPORT

## 2020

# 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 reporting period specified above. 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.

## 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.

## Usage restrictions

Public Transparency Reports are the intellectual property of PRI. Under no circumstances, can this report or any of its contents be sold to third parties.

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%	

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 over 200 professionals we manage c. US\$12bn of equity capital in multiple private and listed funds, primarily for institutional investors across the globe.

To date, InfraRed has launched 19 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 7 of these Funds.

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).

200

OO 02.4 Additional information. [Optional]

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

OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 04.1 Indicate the year end date for your reporting year.

30/12/2019

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

Total AUM  
 12,400,000,000 USD  
 12400000000 USD

OO 04.4 Indicate the assets which are subject to an execution and/or advisory approach. Provide this figure based on the end of your reporting year.

Assets under execution and/or advisory only services  
 562,000,000 USD

**OO 04.5** Additional information. [Optional]

InfraRed managed two advisory mandates in 2019, both in Real Estate.

**OO 05** Mandatory to Report, Voluntary to Disclose Gateway General

**OO 05.1** Provide an approximate percentage breakdown of your AUM at the end of your reporting year using the following asset classes and investment strategies:

	Internally managed (%)	Externally managed (%)
Listed equity	0	0
Fixed income	0	0
Private equity	0	0
Property	20.4	0
Infrastructure	79.6	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** Mandatory Descriptive General

**OO 06.1** Select how you would like to disclose your asset class mix.

- as percentage breakdown
- as broad ranges

**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.

**OO 09** Mandatory Peering General

**OO 09.1** Indicate the breakdown of your organisation's AUM by market.



**OO 11** Mandatory Gateway General

**OO 11.1** Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

Property
<input checked="" type="checkbox"/> We address ESG incorporation. <input type="checkbox"/> We do not do ESG incorporation.
Infrastructure
<input checked="" type="checkbox"/> We address ESG incorporation. <input type="checkbox"/> We do not do ESG incorporation.

OO 12	Mandatory	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
<input checked="" type="checkbox"/> Organisational Overview <input checked="" type="checkbox"/> Strategy and Governance
RI implementation directly or via service providers
Direct - Other asset classes with dedicated modules
<input checked="" type="checkbox"/> Property <input checked="" type="checkbox"/> Infrastructure
Closing module
<input checked="" type="checkbox"/> Closing module

OO PR 01	Mandatory to Report, Voluntary to Disclose	Descriptive	General
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*Private*

OO PR 02	Mandatory to Report, Voluntary to Disclose	Gateway	General
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*Private*

OO PR 03	Mandatory to Report, Voluntary to Disclose	Descriptive	General
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*Private*

OO INF 01	Mandatory to Report, Voluntary to Disclose	Descriptive	General
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*Private*

OO INF 02	Mandatory to Report, Voluntary to Disclose	Gateway/Peering	General
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*Private*

OO INF 03	Mandatory to Report, Voluntary to Disclose	Descriptive	General
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*Private*

OO Checks			Checks
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If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.

**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.

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="checkbox"/> Applicable policies cover all AUM <input type="checkbox"/> Applicable policies cover a majority of AUM <input type="checkbox"/> 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.

In 2019, InfraRed revised its vision and investment strategy to “Investing in Real Assets with Real Purpose to create a Sustainable Future” 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. Both our Business Lines also revisited their respective visions, both available on InfraRed’s public website.

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 and infrastructure funds, as outlined in the next indicator SG 02.

InfraRed’s policy relates 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’ 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 conducted by InfraRed on all of its projects.

As explained previously, the RI-ESG Policy is being revisited and a new improved Sustainability Policy will be launched in Q2 2020. This will involve meaningful improvements in the definition and operational of InfraRed’s investment policy.

As part of its overall commitment on Sustainability, in 2019 InfraRed commenced an initiative to work with a third-party consultant specialised in Sustainability to further enhance the current processes and ensure that InfraRed remains at the forefront of sustainability matters when it comes to our investments and internal corporate practices. This initiative includes a review of all InfraRed sustainability processes throughout the lifetime of an investment opportunity. One of the workstreams will be to assist InfraRed develop a sustainability reporting framework which will set out Key Performance Indicators to report against at a firm, fund and asset level. Other workstreams include updating InfraRed’s Sustainability policy, the introduction of a firm-wide Exclusion list and incorporating sustainability objectives into all staff’s annual performance reviews which directly impacts their overall remuneration.

No

SG 01 CC	Mandatory to Report, Voluntary to Disclose	Descriptive	General
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Private

SG 02	Mandatory	Core Assessed	PRI 6
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**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
<input checked="" type="checkbox"/> URL <a href="https://www.ircp.com/sites/default/files/2019-02/ESG%20Policy%202017.pdf">https://www.ircp.com/sites/default/files/2019-02/ESG%20Policy%202017.pdf</a>
<input type="checkbox"/> Attachment (will be made public)

Formalised guidelines on environmental factors

Formalised guidelines on social factors

Formalised guidelines on corporate governance factors

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://www.ircp.com/sites/default/files/2019-10/UK%20Stewardship%20Code%20Disclosure%20Statement.pdf">https://www.ircp.com/sites/default/files/2019-10/UK%20Stewardship%20Code%20Disclosure%20Statement.pdf</a>
<input type="checkbox"/> 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
<input checked="" type="checkbox"/> URL <a href="https://www.ircp.com/sites/default/files/2019-02/ESG%20Policy%202017.pdf">https://www.ircp.com/sites/default/files/2019-02/ESG%20Policy%202017.pdf</a>
<input type="checkbox"/> 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
<input checked="" type="checkbox"/> URL <a href="https://www.ircp.com/sites/default/files/2019-10/Conflicts%20of%20Interest%20Disclosure%20Statement.pdf">https://www.ircp.com/sites/default/files/2019-10/Conflicts%20of%20Interest%20Disclosure%20Statement.pdf</a>
<input type="checkbox"/> Attachment

ESG incorporation approaches

Active ownership approaches

Reporting

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://www.hicl.com/investor-relations/reports-publications">https://www.hicl.com/investor-relations/reports-publications</a>
<input type="checkbox"/> Attachment

We do not publicly disclose any investment policy components

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

We publish our PRI Assessment Report to enable our stakeholders to review our responses and assess 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 primarily details its investment strategy for those funds 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 approach to responsible investment is summarised on its website, including its Sustainability Report: <https://www.trig-ltd.com/responsible-investment>

SG 03	Mandatory	Core Assessed	General			
SG 03.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.					
	<input checked="" type="checkbox"/> Yes					
SG 03.2	Describe your policy on managing potential conflicts of interest in the investment process.					
	<p>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.</p> <p>InfraRed's Conflicts of Interest Policy sets out how it seeks to:</p> <ul style="list-style-type: none"> <li>- Identify circumstances which may give rise to conflicts of interest entailing a material risk of damage to investor interests</li> <li>- Establish appropriate mechanisms and systems to manage those conflicts</li> <li>- Maintain systems designed to prevent actual damage to investor interests through any identified conflicts</li> </ul> <p>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:</p> <ul style="list-style-type: none"> <li>- Conflicts register</li> <li>- Chinese walls</li> <li>- Confidential information</li> <li>- Personal Account Dealing</li> <li>- Gifts and corporate entertainment</li> <li>- Inducements</li> <li>- Separate supervision and segregation of function</li> <li>- Disclosure and declining to act</li> </ul> <p>InfraRed's Conflicts of Interest Policy is publicly available and can be found at the following address:</p> <p><a href="https://www.ircp.com/sites/default/files/2019-10/Conflicts%20of%20Interest%20Disclosure%20Statement.pdf">https://www.ircp.com/sites/default/files/2019-10/Conflicts%20of%20Interest%20Disclosure%20Statement.pdf</a></p>					
	<input type="checkbox"/> No					
SG 03.3	Additional information. [Optional]					
	InfraRed's Real Estate business in China, run as a joint venture, has its own conflicts policy.					
SG 04	Voluntary	Descriptive	General			
	Private					
SG 05	Mandatory	Gateway/Core Assessed	General			
SG 05.1	Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.					
	<input checked="" type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc basis <input type="checkbox"/> It is not set/reviewed					
SG 05.2	Additional information. [Optional]					
	<p>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.</p> <p>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.</p> <p>In addition, as explained in SG 01.4, InfraRed launched in 2019 a review of its responsible investment processes, reporting and policies with the aim to improve and use best in class approaches in Sustainability. A selected group of individuals from various business lines are working on this change, with one dedicated InfraRed employee whom has been appointed as InfraRed's Acting Sustainability Manager, having overall responsibility for overseeing the review and implementing the improvements identified.</p>					
SG 06	Voluntary	Descriptive	General			
	Private					
SG 07	Mandatory	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.					
	<table border="1"> <thead> <tr> <th>Roles</th> </tr> </thead> <tbody> <tr> <td><input checked="" type="checkbox"/> Board members or trustees</td> </tr> <tr> <td><input checked="" type="checkbox"/> Oversight/accountability for responsible investment</td> </tr> </tbody> </table>			Roles	<input checked="" type="checkbox"/> Board members or trustees	<input checked="" type="checkbox"/> Oversight/accountability for responsible investment
Roles						
<input checked="" type="checkbox"/> Board members or trustees						
<input checked="" type="checkbox"/> 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

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment

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 Investor Relations 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; and
- Monitor developments in the market and our competitors.

In 2019, a number of staff also had specific ESG related objectives written into their formal annual performance appraisal process. As part of the Sustainability initiatives launched in 2019, all staff will be required to include a Sustainability objective in their annual performance objectives for 2020. This will then feature in the annual performance appraisal process in 2020 which links directly to overall remuneration.

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.

As part of the Sustainability initiatives launched in 2019, InfraRed will look into adding a Sustainability objective into all of its employees' objectives. This will then feature in the annual performance appraisal process starting in 2020.

SG 07.3	Indicate the number of dedicated responsible investment staff your organisation has.
	1

SG 07.4	Additional information. [Optional]
	InfraRed is looking to hire a dedicated long-term resource who will be responsible for evolving InfraRed's sustainability strategy and implementing the sustainability strategy in accordance with the revised Sustainability Policy. In the meantime, in 2019 InfraRed appointed one of its current employees as the Acting Sustainability Manager who has been carrying out this role with the support of the business. The Acting Sustainability Manager reports to the CEO in the first instance.

SG 07 CC	Mandatory to Report, Voluntary to Disclose	Descriptive	General
	Private		

SG 08	Voluntary	Additional Assessed	General
	Private		

SG 09	Mandatory	Core Assessed	PRI 4,5
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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.
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Principles for Responsible Investment

	Your organisation's role in the initiative during the reporting period (see definitions)
	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 and continued to contribute to discussions in the committee and the promotion of Sustainability and Responsible Investment in the industry.

- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- AVCA: Sustainability Committee
- France Invest – La Commission ESG
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Climate Action 100+
- Code for Responsible Investment in SA (CRISA)
- 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
- HKVCA: ESG Committee
- 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 Financial Action in the 21st Century
- 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
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

Women in Infrastructure Forum by the PEI

Your organisation's role in the initiative during the reporting year (see definitions)
Advanced
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
<p>InfraRed has been an advocate of the forum for the past few years and is one of the leading sponsors for the past few years. We helped with content development and one of InfraRed's director is on the board of the annual conference. Last year, one of its directors also participated in the event as a speaker. The agenda is available in the below link. InfraRed will continue to be a leading sponsor for the 2020 edition and will now have 4 speakers.</p> <p><a href="https://www.peievents.com/en/event/women-infrastructure-forum/2019-agenda/">https://www.peievents.com/en/event/women-infrastructure-forum/2019-agenda/</a></p>

- Other collaborative organisation/initiative, specify

Global Infrastructure Investor Association ("GIIA")

Your organisation's role in the initiative during the reporting year (see definitions)
Moderate
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
<p>Active member of GIIA shaping its agenda for the year.</p> <p>Reviewing and editing its submissions to government, including to the National Infrastructure Commission's Study on Economic Regulation and Her Majesty Treasurer's Infrastructure Finance Review in the UK.</p>

- Other collaborative organisation/initiative, specify

The Infrastructure Forum ("TIF")

Your organisation's role in the initiative during the reporting year (see definitions)
Moderate
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
<p>Member of TIF's Advisory Committee shaping its agenda for the year.</p> <p>Reviewing and editing its submissions to government, including HMT's Infrastructure Finance Review.</p>

SG 10	Mandatory	Core Assessed	PRI 4
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SG 10.1	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.
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- 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.
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- 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
InfraRed provided individual ESG working sessions for its MSPs in Infrastructure to review their 2018 ESG performance and help them improve in 2019. In the Real Estate business, there are six-monthly meetings with shopping centre managers that include a focus on responsible management.

Frequency of contribution
<input type="radio"/> 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 Managed Service Providers, has clarified InfraRed's standards and helped "raise the bar". These SPV managers work across the infrastructure industry. The document continued to be updated and improved in 2019 and will undergo a thorough review in 2020 to ensure it promotes industry best practices.

Frequency of contribution
<ul style="list-style-type: none"> <li><input type="radio"/> Quarterly or more frequently</li> <li><input type="radio"/> Biannually</li> <li><input type="radio"/> Annually</li> <li><input checked="" type="radio"/> Less frequently than annually</li> <li><input type="radio"/> Ad hoc</li> <li><input type="radio"/> Other</li> </ul>

- Spoke publicly at events and conferences to promote responsible investment

Description
InfraRed hosts an annual Investor Event which includes a focus on responsible investment. In its 2019 event, InfraRed provided a presentation dedicated to Sustainable investments as part of the agenda.

Frequency of contribution
<ul style="list-style-type: none"> <li><input type="radio"/> Quarterly or more frequently</li> <li><input type="radio"/> Biannually</li> <li><input checked="" type="radio"/> Annually</li> <li><input type="radio"/> Less frequently than annually</li> <li><input type="radio"/> Ad hoc</li> <li><input type="radio"/> Other</li> </ul>

- Wrote and published in-house research papers on responsible investment

Description
TRIG, InfraRed's listed renewable energy fund, issued its first ever Sustainability and Responsible Investment report. The document provides a description of the Fund's approach to sustainability investment, understanding, and positive impact to societies through numerous ESG initiatives. InfraRed is working towards producing its own Sustainability Report which will report on the sustainability performance of our portfolio and our internal corporate operations. The intention is that this report will be published in 2021. With regards to its document "ESG Best Practice Guidance for SPV Managers", as detailed in previous answers, InfraRed continues to promote, update and improve the guide. It is currently undergoing a thorough review in order to provide an update in the coming year.

Frequency of contribution
<ul style="list-style-type: none"> <li><input type="radio"/> Quarterly or more frequently</li> <li><input type="radio"/> Biannually</li> <li><input checked="" type="radio"/> Annually</li> <li><input type="radio"/> Less frequently than annually</li> <li><input type="radio"/> Ad hoc</li> <li><input type="radio"/> Other</li> </ul>

- 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
<ul style="list-style-type: none"> <li><input checked="" type="radio"/> Quarterly or more frequently</li> <li><input type="radio"/> Biannually</li> <li><input type="radio"/> Annually</li> <li><input type="radio"/> Less frequently than annually</li> </ul>

- 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]

After its successful half day workshops, InfraRed organised individual working sessions with many of its infrastructure Managed Service Provider teams to review 2018 ESG results from the InfraRed annual survey and understand how Responsible Investment practices could be improved for 2019. More frequent collaboration takes place in respect of Real Estate assets with the greatest ESG 'footprint', e.g. shopping centres.

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.

InfraRed launched in 2019 its new vision, "Investing in Real Assets with Real Purpose to create a Sustainable Future", putting Sustainability at the core of its beliefs. Following this launch, InfraRed initiated works with a third-party consultant specialised in Sustainability to improve its processes, policies and reporting in relation to Sustainability. InfraRed therefore started working with some of its business partners, such as investors, to understand where and how Sustainability and ESG matters could be improved. In addition, as described previously, one of InfraRed's listed fund specialised in renewable energy, TRIG, launched and published its first ever Sustainability Report.

SG 11	Voluntary	Additional Assessed	PRI 4,5,6
Private			

SG 12	Mandatory	Core Assessed	PRI 4
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**SG 12.1** Indicate whether your organisation uses investment consultants.

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

SG 13	Mandatory	Descriptive	PRI 1
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**SG 13.1** Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

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

**Describe**  
InfraRed continues to update and expand the scenario analysis exercises it began in 2019 to identify risks and opportunities relevant to the relevant investment funds and their projects. Based on TCFD recommendations, this approach will continue to inform investment decision making and asset management.

- No, our organisation does not currently carry out scenario analysis and/or modelling

**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

**SG 13.3** Additional information. [OPTIONAL]

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.

SG 13 CC	Mandatory to Report, Voluntary to Disclose	Descriptive	General
Private			

SG 14	Mandatory to Report, Voluntary to Disclose	Additional Assessed	PRI 1
Private			

**SG 15.1** Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

Yes

**SG 15.2** Indicate the percentage of your total AUM invested in environmental and social themed areas.

58%

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

**Area**

Energy efficiency / Clean technology

**Asset class invested**

Property

Infrastructure

5 Percentage of AUM (+/-5%) per asset class invested in the area

**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

36 Percentage of AUM (+/-5%) per asset class invested in the area

**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

11 Percentage of AUM (+/-5%) per asset class invested in the area

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

7 Percentage of AUM (+/-5%) per asset class invested in the area

**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

19 Percentage of AUM (+/-5%) per asset class invested in the area

**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

3 Percentage of AUM (+/-5%) per asset class invested in the area

**Brief description and measures of investment**

Includes interests in water operating companies and 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

SG 18	Voluntary	Descriptive	General
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Private

SG 19	Mandatory	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.

**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

Disclosure to public and URL	Disclosure to clients/beneficiaries
<p><b>Disclosure to public and URL</b></p> <p><input type="checkbox"/> ESG information on how you select property investments  <input checked="" type="checkbox"/> ESG information on how you monitor and manage property investments  <input checked="" type="checkbox"/> Information on your property investments' ESG performance  <input checked="" type="checkbox"/> Other</p> <p><b>Specify</b></p> <p>ESG highlights 2019 - 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  <input checked="" type="checkbox"/> ESG information on how you monitor and manage property investments  <input checked="" type="checkbox"/> Information on your property investments' ESG performance  <input type="checkbox"/> Other</p>
Annually	Quarterly or more frequently
<a href="https://www.ircp.com/sites/default/files/2019-12/ESG_Highlights_2019_Infrared.pdf">https://www.ircp.com/sites/default/files/2019-12/ESG_Highlights_2019_Infrared.pdf</a>	

**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

Yes

No

**Disclosure to public and URL**

ESG information on how you select infrastructure investments

ESG information on how you monitor and manage infrastructure investments

Information on your infrastructure investments' ESG performance

Biannually

<https://www.hicl.com/about-us/responsible-investment>  
<https://www.trig-ltd.com/responsible-investment>

**SG 19.2**

**Additional information [Optional]**

To clarify, a large majority of infrastructure projects (by number and by value) are held by the listed funds HICL and TRIG, to which InfraRed acts as Investment Manager/Adviser. 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.

**SG Checks**

**Checks**

If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.



PR 01	Mandatory	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/sites/default/files/2019-02/ESG%20Policy%202017.pdf>

Attach Document

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]

Sustainability lies at the heart of InfraRed's culture and investment philosophy. We acknowledge that the assets we invest in are embedded in communities and the environment, which means that the consequences of the investment decisions we make can have a meaningful positive or negative impact on society and the world around us. Sustainable investment decisions can therefore create value and / or mitigate risks for a wide range of stakeholders, including our investors, our communities and our business.

In 2018, InfraRed redefined its vision to "Investing in real assets with real purpose to create a sustainable future", with the Real Estate business line defining its vision as "Creating spaces to inspire people's lives". As part of this evolution, InfraRed developed a new sustainability strategy in 2019, that enables the businesses vision to be delivered and brings its culture together through two internationally recognised frameworks, The Principles of Responsible Investment and the UN Sustainable Development Goals.

Our sustainability strategy has been developed through workshops engaging employees and investors, to ensure that we have business wide commitment to its delivery and its implementation not only focusses on activities InfraRed undertakes through its investment and asset management strategies, but also by leveraging the activities of its business partners, so as to maximise our collective impact:

**European Real Estate and the China Funds:**

InfraRed believes that the adoption and monitoring of environmental, social and governance (ESG) policies (aligned to its sustainability strategy) 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. Below is a summary of the ESG implementation:

**InfraRed adopts a two-stage process at acquisition:**

Stage 1 – Pre-Acquisition Checklist: To identify 'red flag' issues in respect of due diligence matters, including ESG considerations, as described in question 2.1

Stage 2 - In developing the Project Business Plan, the deal team are required to identify a number of ESG initiatives that are to be delivered through the hold period and that these targets are specifically reviewed and approved by the Investment Committee when they sign off the acquisition.

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.

PR 02	Mandatory	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 urban logistics fund launched in 2019 (as well as the draft PPM for InfraRed's proposed next generation value-add 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

PR 03	Voluntary	Additional Assessed	PRI 4
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Private

PR 04	Mandatory	Gateway/Core Assessed	PRI 1
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**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 developed a new sustainability strategy in 2019, with activities shaped around relevant UN Sustainable Development Goals. ESG initiatives are aligning to these goals, as InfraRed continues to believe 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 2019, InfraRed undertook work to enhance its ESG approach, in particular through the development of sector guidance notes, to ensure increased sharing of knowledge around ESG matters impacting value, and the development of consistent KPIs across its Real Estate and Infrastructure business lines, to be reported on to all key stakeholders. These will be implemented in 2020 and during 2019, in line with its current ESG Policy, the European Real Estate Team continued to integrate 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

Energy efficiency

**Environmental example 1, description**

InfraRed will assess the energy performance of an asset during the property investment selection process and identify areas where improvements can be made. It will then take a proactive approach to implementing planned preventative maintenance programmes across all asset classes throughout the hold period. 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.

Energy efficiency

**Environmental example 2, description**

Environmental considerations underpin the property investment selection and due diligence process to ensure that we identify assets where InfraRed can transform existing or develop new real estate products in an environmentally efficient and sustainable way. Recent examples include the acquisition of an environmentally obsolete building in London (EPC Rating: F) and refurbishment of a 17k sqft office building in London securing a BREEAM rating of Very Good; and the construction of a 14,300 sqm new build office scheme in France delivering Grade A office space achieving energy efficiency ratings of HQE "Excellent" and BREEAM "Good", primarily through enhancing the building's use of energy and water from sustainable sources, as well as the optimisation of interior air quality. In China, we incorporate energy saving air conditioning and lighting systems as well as water recycling system into our office refurbishment projects, thereby consuming less natural resources and reducing wastes. For our loan investment relating to a residential development project, environmental due diligence was conducted on external noise, odour, water and dust pollutions in respect of the development site, to ensure that the residential properties are environmentally suitable to the end-users.

Contamination

**Environmental example 3, description**

InfraRed will proactively deal with any contamination that is disclosed throughout the Pre-Investment selection process by challenging the remediation plan and assessing the long-term consequences for occupiers and future owners. A recent example of this was the acquisition of a senior living development opportunity in France where contamination was found through the due diligence process. InfraRed adopted a proactive approach to this issue to ensure that the contamination was remediated and/or contained effectively to allow the full area of the site to be used for buildings or landscaping. We also took a proactive approach to a German development opportunity which comprised the demolition of 4 obsolete and energy inefficient commercial buildings and the construction of a 23,000 sqm new-build office scheme in the

Sendlingen suburb of Munich. The demolition included the remediation of residual ground contamination which was completely successfully and in line with Business Plan.

Social

Health, safety and wellbeing

**Social example 1, description [OPTIONAL]**

Social principles of health, safety and wellbeing are considered by InfraRed throughout the investment selection process especially when the opportunity involves hands-on operating partners. We will partner with 'best in class' operators across the sectors who will proactively drive these principles on the ground and through delivery of Business Plan initiatives. An example of this throughout 2019 was InfraRed's work with its shopping centre managing agent to transform vacant space within our shopping centres to provide new community services including a pop-up one stop shop for advice and support on mental health and wellness issues (Liverpool), honesty libraries where people can swap, drop and donate books (Bury, Norwich) and meeting points for the elderly (Norwich).

Socio-economic

**Social example 2, description [OPTIONAL]**

Similarly InfraRed w continue to hold a number of very successful job fairs across our shopping centre portfolio where local and national employers are invited to recruit people directly from the local area. These are very well attended annual events which are 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.

Health, Safety and wellbeing

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

The French office portfolio has adopted a theme within their refurbishments/developments to create a differentiated product which offers additional services centred around social interaction, health and wellbeing. This includes café space where workers can collaborate outside of their own office environment, fitness spaces and changing rooms with showers. 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

Anti-bribery & corruption

**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 structure

**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.

Supply chain governance

**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 05	Voluntary	Additional Assessed	PRI 1,3
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Private

PR 06	Mandatory	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 2019, of a parcel of land for a senior living opportunity in France, contamination was found during the due diligence process. The Business Plan was "enhanced" to include a significant remediation/containment programme to enable the whole site to be used effectively for the development and this was reflected in the pricing structure.

**PR 08** Mandatory 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 2019 that tie into InfraRed's sustainability themes, as well as driving the agenda through the supply chain.

Please see: [https://www.ircp.com/sites/default/files/2019-12/ESG\\_Highlights\\_2019\\_Infrared.pdf](https://www.ircp.com/sites/default/files/2019-12/ESG_Highlights_2019_Infrared.pdf)

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 investment 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

**PR 09** Mandatory Core Assessed PRI 2,3

**PR 09.1** 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

**PR 09.2** Indicate which ESG targets your organisation and/or property managers typically set and monitor

Environmental

Target/KPI	Progress Achieved
<p>Introduce LED lighting at all asset classes</p> <p>Refurbish office buildings to recognised "green" standard</p> <p>Zero waste to Landfill</p>	<p>Culture established of replacing light fittings with LED - in both front and back of house locations. It has become routine practice in Business Plans.</p> <p>London, Paris and German office themes have delivered refurbishments to local / international green standards as a fundamental part of Business Plans.</p> <p>InfraRed adopts a zero waste to landfill strategy in its shopping centres. Waste is typically sent to Materials Recovery Facility or Refuse Derived Fuel.</p>

Social

Target/KPI	Progress Achieved
<p>Inclusion</p> <p>Health and Wellbeing</p> <p>Community Engagement</p>	<p>All five shopping centres within InfraRed's portfolio achieved Disability Confident employer or leader status for a second year by Department of Work and Pensions.</p> <p>A range of H&amp;W initiatives were delivered in projects. Free activities in shopping centres (eg. ping pong) or fitness centres, collaboration areas in offices.</p> <p>Activities inb 2019 included school visits for simulated digger driving for children, university tours of development sites (construction courses), school competitions (naming development sites).</p>

Governance

Target/KPI	Progress Achieved
<p>Continual enhancement and improvement of ESG knowledge/skills throughout the organisation</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>Training and development provided to staff by way of continued professional development. This includes regular 'talk and learn' sessions with external advisors and other trainings.</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

**PR 09.3** Additional information. [Optional]

The ESG policy was formally established in 2013, to formally record ESG performance and this has been adopted on all transactions from 2013. The policy is currently being revised and a new improved one will be issued in 2020.

PR 10	Voluntary	Descriptive	PRI 2
Private			

PR 11	Mandatory	Core Assessed	PRI 2
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**PR 11.1** Indicate the proportion of active property developments and major renovations where ESG issues have been considered.

- >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

**PR 11.2** 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

**PR 11.3** Additional information. [Optional]

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. Underwrites seek to achieve minimum of HQE Excellent and BREEAM Good/Very Good which is being delivered through the refurbishment programmes.

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 workers and residents are incorporated. In the case of new developments, this typically occurs where InfraRed is placemaking. For example, InfraRed is compiling a planning application to transform an existing shopping centre in the UK into a new vibrant mixed-use scheme to include delivery of c.3000 new residential units (including affordable), retail, leisure and employment uses. A large focus of the planning application is the improvement of the public realm areas within the town centre to provide new parks, child play areas and enhanced landscaping and pedestrianised thoroughfare. These initiatives are underpinned by the principles of health and wellbeing and will be transformational for the local community.

PR 12	Mandatory	Core Assessed	PRI 2
PR 12.1	Indicate the proportion of property occupiers your organisation, and/or your property managers, engaged with on ESG issues during the reporting year.		
	<input checked="" type="checkbox"/> >90% of occupiers <input type="checkbox"/> 50-90% of occupiers <input type="checkbox"/> 10-50% of occupiers <input type="checkbox"/> <10% of occupiers		
PR 12.2	Indicate if the following practises and areas are typically part of your, and/or your property managers', occupier engagements.		
	<input type="checkbox"/> Distribute a sustainability guide to occupiers <input type="checkbox"/> Organise occupier events focused on increasing sustainability awareness <input checked="" type="checkbox"/> Deliver training on energy and water efficiency <input checked="" type="checkbox"/> Deliver training on waste minimisation <input checked="" type="checkbox"/> Provide feedback on energy and water consumption and/or waste generation <input checked="" type="checkbox"/> Provide feedback on waste generation <input checked="" type="checkbox"/> Carry out occupier satisfaction surveys <input checked="" type="checkbox"/> Health and wellbeing of residents <input checked="" type="checkbox"/> Offer green leases <input type="checkbox"/> Other, specify		
PR 12.3	Additional information. [Optional]		
	<p>ESG policy was implemented in 2013 on all new acquisitions across the different funds. In China the ESG Policy was incorporated into the tenant handbooks.</p> <p>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.</p> <p>There is proactive 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. This is done through direct dialogue with tenant and the regular provision of information. This ensures that the tenants understand the purpose of the activities and the importance of segregation of waste streams to ensure optimum recycling. In addition to this, the marketing strategies have encompassed a focus on sustainability which has increased both tenant and public engagement with these themes – a recent example of this has been a marketing initiative to compost ground coffee at our shopping centre in Basildon.</p>		
PR 13	Voluntary	Additional Assessed	PRI 2
	Private		
PR 14	Voluntary	Additional Assessed	PRI 2
	Private		
PR 15	Voluntary	Additional Assessed	PRI 1,2
	Private		
PR 16	Voluntary	Descriptive	PRI 1,3
	Private		

INF 01	Voluntary	Descriptive	PRI 1-6
Private			
INF 02	Mandatory	Core Assessed	PRI 1-6
INF 02.1	Indicate if your organisation has a responsible investment policy for infrastructure.		
<input checked="" type="checkbox"/> Yes			
INF 02.2	Provide a URL if your policy is publicly available.		
<a href="https://www.ircp.com/sites/default/files/2019-02/ESG%20Policy%202017.pdf">https://www.ircp.com/sites/default/files/2019-02/ESG%20Policy%202017.pdf</a>			
<input type="checkbox"/> No			
INF 02.3	Additional information. [Optional]		
<p>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. Further information regarding each Fund Responsible Investment approach can be found in the below links:</p> <p>TRIG: <a href="https://www.trig-ltd.com/responsible-investment">https://www.trig-ltd.com/responsible-investment</a>  HICL: <a href="https://www.hicl.com/about-us/responsible-investment">https://www.hicl.com/about-us/responsible-investment</a></p> <p>Individual projects will also have their own RI-ESG policies, not publicly available. These policies are modelled from InfraRed policy to ensure alignment.</p>			
INF 03	Mandatory	Core Assessed	PRI 1,4,6
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.		
<input checked="" type="checkbox"/> Yes			
INF 03.2	Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:		
<input checked="" type="checkbox"/> Policy and commitment to responsible investment <input checked="" type="checkbox"/> Approach to ESG issues in pre-investment processes <input checked="" type="checkbox"/> 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]		
<p>The nature of InfraRed two listed Fund strategies, HICL and TRIG, mean that they are intrinsically linked to responsible investment due to their investments in social infrastructure and renewable energies.</p> <p>InfraRed started the process of launching a new private fund in 2019. One of the two key investment themes for this new fund is renewable/low carbon energy generation and energy supporting infrastructure (e.g. battery storage). The Fund's Private Placement Memorandum will note in detail the climate change agenda and the need for substantial investment to address these issues.</p> <p>The other 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.</p> <p>The PPM also details the structured investment process, noting the controls in place for ESG review and the wider role of due diligence. In addition, for the first time a dedicated ESG paper will be provided alongside the PPM, detailing our procedures and goals. Details will also be provided on how the fund aims to invest responsibly in infrastructure, in line with certain United Nations' Sustainable Development Goals, including for example SDG 3 on "Good Health and Well-Being" or SDG 7 on "Affordable and Clean Energy".</p>			
<input type="checkbox"/> No <input type="checkbox"/> Not applicable as our organisation does not fundraise			
INF 04	Voluntary	Additional Assessed	PRI 4
Private			
INF 05	Mandatory	Gateway	PRI 1
INF 05.1	Indicate if your organisation typically incorporates ESG issues when selecting infrastructure investments.		
<input checked="" type="checkbox"/> Yes			
INF 05.2	Describe your organisation's approach to incorporating ESG issues in infrastructure investment selection.		
<p>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.</p> <p>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 these funds 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.</p> <p>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.</p> <p>InfraRed's approach is based on well-established principles and continuous improvement. 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 are being expanded and improved to</p>			

ensure that Deal Teams give adequate consideration to ESG issues and that the relevant Investment Committee can subject it to review and scrutiny.

As explained previously, InfraRed is also in the process of improving its ESG approach and integration within its investment and reporting processes, as part of its continuous improvement process.

No

INF 06	Voluntary	Descriptive	PRI 1,4
Private			

INF 07	Mandatory	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.

- Environmental
  - Pollution risk, emissions
  - BREAAM performance or local equivalent
  - Effective sustainable material usage in construction
- Social
  - Acceptable employment standards in all areas of the project
  - Acceptable levels of Health & Safety performance
  - Community relationships and interaction
- Governance
  - 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. In relation to Health & Safety, we also require Asset managers to undertake regular site visits including consideration of Health & Safety matters and employ external consultant who visit each project at least annually to provide an objective and expert view of Health & Safety. Follow up actions recommended by the consultant are tracked and reported in Board packs. ESG activities are also tracked and reported in Board packs and audited via the annual Responsible Investment Survey.

INF 08	Voluntary	Additional Assessed	PRI 1,3
Private			

INF 09	Voluntary	Additional Assessed	PRI 1
Private			

INF 10	Mandatory	Core Assessed	PRI 4
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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 during the investment process, including the appointment of 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**

Following the launch in 2017 of a new online platform, company's management team (whether a third party Management Service Provider or direct/seconded team), are expected to respond to a detailed annual questionnaire on its governance of ESG performance. This allows InfraRed to benchmark providers and direct attention to areas requiring it most. The results for 2019 show a further improvement over 2018 with both a higher response rate and improved scores. The number of projects scoring 100% on all factors tripled in 2019 compared to 2018.

As highlighted in INF 01.01, InfraRed is also looking to introduce formal sustainability searches on key project counterparties including Management Service Providers.

**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. The Managed Service Providers 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

**INF 11** Mandatory Gateway PRI 2

**INF 11.1** Indicate whether your organisation and/or operators consider ESG issues in post-investment activities relating to your infrastructure assets.

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.

- 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]

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, it is because a team is employed directly by the SPC. 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, End-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 takes an active role in managing the project and 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 matters by the Board, as appropriate. Periodic site visits are made, often in conjunction with the Board meeting, which are often conducted at the project for that purpose.

InfraRed continues to use its successful online platform it has developed through which all Managed Service Providers of infrastructure investment SPCs complete an annual questionnaire in respect of their ESG performance. This includes status of ESG policies, delivery of specific initiatives and 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 an independent consultant appointed by InfraRed so as to provide an objective and independent review of performance. The portal also enables us to store key Governance documents for related to each project.

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 activities which support the community served by the project, 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

**INF 12** Mandatory Core Assessed PRI 2

INF 12.1	Indicate the proportion of infrastructure assets for which your organisation and/or operators included ESG performance in investment monitoring during the reporting year.
<input checked="" type="checkbox"/> >90% of infrastructure assets <input type="checkbox"/> 51-90% of infrastructure assets <input type="checkbox"/> 10-50% of infrastructure assets <input type="checkbox"/> <10% of infrastructure assets	

INF 12.2	Indicate ESG issues for which your organisation, and/or operators, typically sets and monitors targets (KPIs or similar) and provide examples per issue.
<input checked="" type="checkbox"/> Environmental <p>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.</p> <p>Utility usage reduction initiatives are actively encouraged for all projects.</p> <p>The general condition of the project facilities are monitored annually.</p> <input checked="" type="checkbox"/> Social <p>Sponsorship/community support initiatives are actively encouraged wherever possible. Activities are recorded and expenditure is tracked against a budget. An annual review is undertaken.</p> <p>All Special Project Companies (SPCs) are required to have a Health &amp; Safety policy and effective processes and procedures to ensure compliance.</p> <p>All SPCs are required to have effective anti-discrimination policies in place for all contracted organisations within the projects. An annual review is undertaken.</p> <input checked="" type="checkbox"/> Governance <p>All Board meetings of the SPCs to be presented with and discuss the management team's Health &amp; Safety report.</p> <p>All Board meetings of the SPCs to be presented with and discuss the management team's ESG report.</p> <p>An Infrared director is expected to undertake a H&amp;S inspection of the asset annually and no less frequently than every 18 months.</p> <input type="checkbox"/> We do not set and/or monitor against targets	

INF 12.3	Additional information. [Optional]
<p>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.</p> <p>A full description of the monitoring activities undertaken via the SPC Boards is included in the response to INF 11.3.</p> <p>InfraRed's ESG and Sustainability approach is to treat all its assets, whatever the sector or geographic location, in an equal manner with similar expectations for outcomes. However, it is recognised that some of the individual assets have contracted activities that directly affect the local community and hence will have a greater scale of impact on that community. As an example, 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. However, the road and its operation have a greater potential for environmental damage in some circumstances if maintenance standards are not continuously provided to a high standard and therefore the focus is on ensuring environmental factors are managed effectively.</p> <p>As part of the review InfraRed completed with its sustainability consultant, InfraRed is in the process of developing a sustainability reporting framework which will enable us to consistently report sustainability performance of our assets, portfolio and our internal corporate operations. This sustainability reporting framework will build off the existing annual ESG questionnaire referred to in INF 11.3 and is expected to be finalised and implemented in 2020. InfraRed expects to issue its first annual sustainability report in 2021.</p>	

INF 13	Mandatory	Additional Assessed	PRI 2
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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).
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Yes

INF 13.2	Indicate the proportion of your infrastructure investees that have an ESG/sustainability-related policy (or similar guidelines).
<input checked="" type="checkbox"/> >90% of infrastructure investees <input type="checkbox"/> 51-90% of infrastructure investees <input type="checkbox"/> 10-50% of infrastructure investees <input type="checkbox"/> >0% and <10% of infrastructure investees <input type="checkbox"/> 0% of infrastructure investees	

INF 13.3	Describe how your organisation, and/or your operators, contribute to the infrastructure investees' management of ESG issues. [Optional]
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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.

Previously, 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 2019, separate reviews were held with the leading MSPs to review their performance in the 2018 survey and to identify specific areas for improvements to be implemented in 2019.

No

INF 14	Voluntary	Descriptive	PRI 2,3
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Private

INF 15	Mandatory	Core Assessed	PRI 2
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INF 15.1	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

INF 15.2	Describe your approach to ESG considerations for infrastructure maintenance projects. [Optional]
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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.

INF 16	Voluntary	Additional Assessed	PRI 2
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Private

INF 17	Voluntary	Additional Assessed	PRI 1,2
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Private

INF 18	Voluntary	Descriptive	PRI 1-3
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Private

INF 19	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 6
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Private

CM1 01	Mandatory	Additional Assessed	General
CM1 01.1	Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:		
<input type="checkbox"/> Third party assurance over selected responses from this year's PRI Transparency Report <input type="checkbox"/> Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year <input type="checkbox"/> Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year) <input type="checkbox"/> Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year) <input checked="" type="checkbox"/> Internal verification of responses before submission to the PRI (e.g. by the CEO or the board) <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Whole PRI Transparency Report has been internally verified</li> <li><input type="checkbox"/> Selected data has been internally verified</li> </ul> <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above			
CM1 02	Mandatory	Descriptive	General
CM1 02.1	We undertook third party assurance on last year's PRI Transparency Report		
<input type="radio"/> Whole PRI Transparency Report was assured last year <input type="radio"/> Selected data was assured in last year's PRI Transparency Report <input checked="" type="radio"/> We did not assure last year's PRI Transparency report <input type="radio"/> None of the above, we were in our preparation year and did not report last year.			
CM1 03	Mandatory	Descriptive	General
CM1 03.1	We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:		
<input type="checkbox"/> We adhere to an RI certification or labelling scheme <input type="checkbox"/> We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report <input type="checkbox"/> ESG audit of holdings <input checked="" type="checkbox"/> Other, specify Annual questionnaire of contracted infrastructure project company managers (as explained in INF and PR modules); oversight by InfraRed appointed directors <input type="checkbox"/> None of the above			
CM1 04	Mandatory	Descriptive	General
CM1 04.1	Do you plan to conduct third party assurance of this year's PRI Transparency report?		
<input type="radio"/> Whole PRI Transparency Report will be assured <input type="radio"/> Selected data will be assured <input checked="" type="radio"/> We do not plan to assure this year's PRI Transparency report			
CM1 07	Mandatory	Descriptive	General
CM1 07.1	Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed		
<input checked="" type="checkbox"/> CEO or other Chief-Level staff <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Sign-off or review of responses <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Sign-off</li> <li><input checked="" type="checkbox"/> Review of responses</li> </ul> </li> <li><input type="checkbox"/> The Board</li> <li><input type="checkbox"/> Investment Committee</li> <li><input type="checkbox"/> Compliance Function</li> <li><input checked="" type="checkbox"/> RI/ESG Team</li> <li><input type="checkbox"/> Investment Teams</li> <li><input type="checkbox"/> Legal Department</li> <li><input checked="" type="checkbox"/> Other (specify)  specify  InfraRed Responsible Investment ESG Committee</li> </ul>			
CM1 07.2	Additional information [OPTIONAL]		
The Responsible Investment ESG Committee is composed of employees within various departments: Infrastructure, Real Estate, Executive Management and Investor Relations. Each member will look at their respective section, such as the Infrastructure section for members in Infrastructure, and also review the			

overall sections (OO and SG). This process ensures the most adequate members review and approve all sections. In addition, all sections have been reviewed by the newly appointed Acting Sustainability Manager mentioned in the report.