

Creating Better Futures



foreword



Werner von Guionneau CEO

As we emerge from the pandemic, the world faces new challenges. The war in Ukraine has exacerbated food and energy shocks, causing a compounding impact on the cost-ofliving crisis experienced globally.

We cannot let these crises and the negative economic outlook dampen our net zero commitments - the cost of inaction will only be greater in the long-run. They can instead be a crucial catalyst for greater investment in accessible, affordable, and clean energy - creating better futures for all.

Our interim net zero targets

As world leaders convene at COP27 to reconfirm climate commitments, we too are stepping up by setting ambitious net zero targets under the Net Zero Asset Managers initiative:

- ▲ 50% of AUM will be invested in climate solutions by 2025
- ▲ 70% of AUM will be aligned (50%) or aligning (20%) to net zero by 2030
- ▲ 90% of emissions will be subject to engagement by 2030

While sustainability has always been deeply embedded in our business, interim targets represent a significant stride forward in our net zero journey. By 2025, half of our assets under management will be in climate solutions - these include technologies mitigating climate change and enabling the energy transition. By 2030 the majority of our portfolio companies will have set science-based decarbonisation pathways and will report on all GHG emissions. There will also be management systems in place, governing targets and implementation.

The science of climate change is clear there is an urgent need to accelerate the transition towards global net zero emissions. This is the resounding message from the latest report of the UN's Intergovernmental Panel on Climate Change (IPCC)

This report contains a summary of InfraRed's net zero progress to date, further detail on our targets, as well as planned actions we will be taking throughout the next year. We also highlight some of the steps we are taking to address the challenges of decarbonising our \$14bn diverse infrastructure

Leading a broader movement to net zero infrastructure

I am proud that InfraRed has shown leadership within the asset management and infrastructure industries in embarking on a journey to net zero. However, achieving global net zero emissions ultimately relies on shared ambition and working together: investors, public sector clients, service providers, suppliers, and individuals. This is why engagement forms a fundamental part of our net zero targets.

I trust you will enjoy reading this Net Zero Progress Report and how we are advancing our vision of Creating Better Futures. Going forward, we will publish our progress in our annual Sustainability Report.

We welcome any feedback that you may have and can be reached via sustainability@ircp.com.

Werner von Guionneau

November 2022

Our climate journey

InfraRed Capital Partners (InfraRed) is an investment manager which invests in essential infrastructure assets globally with offices in London, New York, Sydney, and Seoul

The assets we manage provide essential services such as healthcare, transportation, clean energy and communications, which deliver inherent social and environmental benefits to society. However, with 25 million people interacting with our assets on a daily basis, we have the opportunity to go beyond the reliable provision of infrastructure and pursue our vision of **Creating Better Futures**.

We recognise the urgent need for infrastructure to confront and reduce the risks of climate change. In 2021, our business became a signatory of the Net Zero Asset Managers (NZAM) initiative, a group of international asset managers working to achieve net zero greenhouse gas emissions by 2050 or sooner, as well as supporting investments aligned with net zero emissions.

\$14bn+

220+

183

Assets

Staff

This report outlines:

- ▲ The interim targets we have set as part of our net zero commitment
- ▲ Our twelve month focus to integrate net zero into our investment and management processes
- ▲ Examples of net zero progress to date and how we are working to overcome key challenges

Our commitment to climate action began over a decade ago

1997

▲ InfraRed began by providing social infrastructure for communities



2009

▲ First investment in renewable energy

2013

▲ TRIG², a dedicated renewables infrastructure fund, listed on the London Stock Exchange



2019

▲ Began engaging on climate change via bi-annual workshops ▲ Became a carbon neutral business³



2014

▲ Launched an annual ESG survey collecting and monitoring environmental KPIs

2020

- ▲ Introduced an Exclusion Policy
- ▲ Screened entire portfolio for climate change risks
- Became TCFD⁴ supporters

2021

- ▲ Pledged portfolio-wide net zero emissions by 2050
- ▲ Climate change risk assessment introduced as a pre-investment due diligence requirement

2022

- ▲ Estimated the 2019 emissions of portfolio companies, capturing scopes 1, 2 and 3
- ▲ Became a member of the IPA⁵ Net Zero Working Group
- Net zero targets approved by NZAM

2023

Implementation

▲ Updating investment processes and launching a formal net zero engagement strategy

1 Equity under management as at 30 June 2022 using GBP/USD = 1/1.32 2 The Renewables Infrastructure Group Limited (TRIG)

How we approach climate change

We look beyond the risks that climate change poses to our business, and take responsibility for the actual and potential adverse impacts of our business decisions on societies and the environment.



We address this concept of double materiality via three key levers:

1

Investing in climate solutions

We use our capital as a multiplier for achieving positive impacts across societies. With a significant global presence in renewable energy infrastructure, our investments are actively decarbonising energy for households, businesses and governments.

Our batteries and transmission lines are supporting renewable energy penetration onto grid systems, while our electric railways – connecting communities across the UK and the rest of Europe – avoiding thousands of tonnes of CO₂ each year.



Decarbonising our portfolio and business

The operation of our infrastructure comes with a carbon impact. In recognition of the opportunity to reduce this, we have pledged to decarbonise all portfolio emissions in line with net zero pathways. This means the continued monitoring and reduction of scopes 1, 2 and 3 emissions, setting science-based targets, and ensuring robust governance that oversees net zero strategies.

The successful decarbonisation of our portfolio lies in strong partnerships among public sector clients, service delivery providers, co-shareholders, and the supply chain.

We are also actively working to reduce the climate impact of InfraRed's core operations via selective procurement in energy contracts, catering, office supplies and staff business travel.



Building resilience to climate change impacts

Physical risks:

We have completed a climate change risk assessment for our portfolio to understand the physical risks of climate change and the corresponding measures required to adapt to changing weather patterns. A climate change risk assessment is a requirement for all new transactions, and any findings of material risk are incorporated into financial models and the post-investment management plan. InfraRed discloses climate risks via the TCFD framework in periodic fund reporting.

Transition risks:

The accelerated transition towards a less polluting, greener world means that some sectors we invest in may need to adapt aspects of their operations. We consider policy landscapes, technological advancements and market trends in decision-making to avoid carbon lock-in, ensuring our investments embrace the transition.

Liability risks:

We are aware that there are material costs associated with inaction – whether they are strategic costs or litigation costs owing to poor environmental management. We regularly monitor and engage our portfolio companies on policies and the effective implementation of such policies to ensure responsible management at an asset level.



Learn more about our climate risk assessments in InfraRed's sustainability report

³ InfraRed became a certified carbon neutral firm from 2019 in accordance with The CarbonNeutral Protocol. Further information is available $\underline{\text{here}}$

⁴ Taskforce for Climate-related Financial Disclosures (referring to InfraRed, HICL and TRIG)

⁵ Infrastructure and Projects Authority

Our interim net zero targets

InfraRed's chosen methodology is the Paris-aligned Investment Initiative's (PAII) Net Zero Investment Framework (NZIF) for Infrastructure¹

Our three types of net zero targets, outlined below, have been approved by the Net Zero Asset Managers initiative. We commit to reviewing these targets every five years at a minimum.

1. Portfolio coverage

Targe

▲ 70% of AUM² to be net zero, aligned or aligning by 2030

Baseline

▲ 8% of AUM *is aligned* to net zero

2. Engagement threshold

Target

■ 90% of emissions to be subject to direct or collective engagement and stewardship actions by 2030

Baseline

▲ 0% - this is not a metric we have formally tracked

3. Climate solutions

Target

▲ 50% of AUM to be allocated to climate solutions by 2025

Baseline

▲ 45% of AUM allocated to climate solutions

83% of assets currently under management are included in our net zero targets³

1. Portfolio coverage



Target

70% of AUM to be aligned or aligning to net zero by 2030

- ▲ 50% to be *aligned* to net zero
- ▲ 20% to be aligning to net zero



Baseline

8% of AUM is *aligned* to net zero as at 31/12/2021

Our portfolio coverage target requires a fundamental shift in how we invest in and manage our portfolio companies. This will in turn allow us to deliver on our 'fair share' of the 50% global reduction in CO2 required by 2030, as identified in the the Intergovernmental Panel on Climate Change (IPCC) special report on global warming of 1.5° C.

The expectation is that the proportion of assets under management covered by the target will grow over time until all assets are included, ultimately reaching 100% aligned or net zero by 2040.

12-month focus

Over the coming year, we will develop an implementation framework to integrate the NZIF criteria into pre-investment requirements. The intention is also to develop an engagement strategy, explained on page 10, to systematically convert assets currently under management to net zero alignment.

As an example, TRIG has committed to setting science-based targets with the Science Based Target initiative (SBTi) by the end of 2023. This will be a fundamental step to achieving our 50% *aligned* target.

BASED

What is a portfolio coverage target?

Operational assets

A portfolio coverage target, defined by the NZIF for Infrastructure, is the percentage of assets under management that will be *net zero*, *aligned* or *aligning* by a given year. To be considered *aligning*, an asset must have short⁴ and medium⁵ term targets that are underpinned by science based pathways for its sector; it must disclose all material scope emissions (including scope 3) and evidence the governance of net zero plans.

The requirements of *aligned* have a greater focus on implementation. The asset must have forecast emissions performance against targets set as well as have a decarbonisation strategy to support the reduction projection. To be considered *net zero*, actual emissions must match or outperform the science-based decarbonisation pathway.

Category	Requirement	Net zero	Aligned	Aligning
Performance & Target	Current and forecast scope 1, 2 and material scope 3 emissions performance level (relative to target or to a net zero benchmark/pathway, or asset's science based target, over time)	Asset with emissions intensity required by a net zero pathway and whose ongoing operational model will maintain this performance	x	Either X OR All of the below marked criteria
Ambition	Long-term goal for the asset to be net zero emissions by 2050 or sooner		х	x
Disclosure	Disclosure of scope 1 and 2 emissions, and disclosure of material scope 3 emissions within a reasonable timeframe and in line with regulatory requirements where applicable or the PCAF ⁶ standard		х	Х
Targets	Short and medium term targets for scope 1,2 and material scope 3 emissions in line with science based net zero pathway ⁷ . These may be absolute or intensity based.		x	Х
Decarbonisation Strategy	Development and implementation of credible decarbonisation strategy for scope 1, 2, and material scope 3 emissions		x	
Governance	Governance/management responsibility for targets/ decarbonisation plan		Х	Х

Greenfield assets

4 3-5 years

5 10-15 years

Category	Requirement	Aligning
Design	The asset will be or is being constructed in a way that is designed such that it can be aligned to a net zero pathway, including consideration of whole lifecycle emissions to minimise embodied emissions and avoid carbon lock-in	X
Disclosure	The emissions associated with the construction phase are disclosed	
Ambition	There is an ambition for the asset to be net zero by 2050 or sooner	х
Minimise	There is a decarbonisation or management strategy to minimise emissions in the construction phase	х
Governance	Governance/management responsibilities are in place to minimise emissions in the construction phase	

If in construction or development, assets can only be considered as aligning. Once operational, the asset then becomes subject to the criteria for operational assets, as outlined above.

The NZIF framework recognises the challenges of (1) limited control / influence on suppliers and contracts and (2) achieving net zero in infrastructure necessarily relies on the decarbonisation of wider sectors such as steel and cement.

These criteria therefore focus heavily on supply chain engagement and design for a net zero future.

6 Partnership for Carbon Accounting Financials (PCAF)

7 Where available, a sectoral decarbonisation approach (TPI/SBTi) or 'carbon budget' approach should be used. Minimum for other assets is a global or regional average pathway

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¹ Framework developed by the Institutional Investor Group on Climate Change (IIGCC)

² Assets under management

³ Funds where assets are currently being sold or transferred in line with the original fund strategy have been excluded from the commitment. While we will continue to monitor to ensure that they are managed responsibly up to the point of exit, we cannot impose binding obligations on these assets or on their future owners

Net zero in action

Our portfolio companies have seen encouraging progress to date, setting ambitious net zero targets underpinned by robust decarbonisation strategies



High Speed 1 operates the high speed railway linking London with the Channel Tunnel. It also operates the stations along the route: St Pancras International, Stratford International, Ebbsfleet International and Ashford International.

High Speed 1, the "Green Gateway to Europe" provides the most sustainable option for travel from the UK to France, Belgium and The Netherlands.

Under the SBTi, High Speed 1 has committed to a 46% reduction in scope 1 and 2 emissions by 2030 from a 2019 baseline. Initiatives driving reduction include renewable energy and the employment of regenerative braking.

HS1 is also enhancing its sustainability credentials by:

- ▲ Proactively working with logistics and freight operators to support the development of a positive business case to drive a modal shift from air to high-speed rail
- ▲ Reaching a recycling rate of 90% for waste by 2024 from 54% in 2022/23

"It's clear that making the right transport choice has a huge role to play in global carbon emissions - and high-speed rail plays a vital role in offering low-emission transport for the future. Train travel is already 80-90% more carbon friendly than air travel, but we are still continuing to reduce our impacts on climate change at High Speed 1."

Diane Crowther CEO, High Speed 1

Click here for further details on High Speed One's net zero strategy



▲ Utilising nature based solutions through work on sustainable farming practices, river restoration, habitat improvement and seagrass innovation to deliver carbon

As it increases its focus on scope 3 emissions, Affinity Water is making carbon reduction an explicit aspect of procurement for its entire supply chain. It is also actively working with customers and communities to help them save water and the associated emissions. See page 27 of InfraRed's 2022 Sustainability Report to read about the UK's largest ever water saving initiative led by Affinity Water.

"Tackling climate change and reaching net zero is one of the biggest challenges the world faces. Our Chertsey and Walton sites are showing our commitment to achieving net zero. Both sites are now live and producing clean and sustainable energy for us to use."

Steve Plumb, Director of Asset Strategy and Capital Delivery



Click here for further details on Affinity Water's net zero strategy

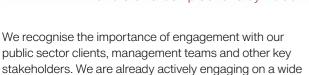
2. Engagement threshold

Stakeholder engagement is a central element of how we will deliver on our net zero commitment



Target

90% of financed emissions in material sectors¹ are subject to direct or collective engagement and stewardship actions by 2030



We do this:

▲ **Directly**, through Board meetings and 1-1 meetings with clients, engaging on net zero initiatives and decarbonisation feasibility/strategy studies

range of climate change aspects, such as data collection,

GHG reduction initiatives and climate resilience measures.

▲ Indirectly, through industry working groups, workshops, and presentations with our portfolio company management teams. We also issue guidance documents on, for example, interpreting climate risk assessments and sourcing data for emissions calculations

Whilst we can evidence the number of channels through which we currently engage with our portfolio companies and clients on a regular and ad-hoc basis, we have not formally tracked engagement as a metric to date, hence, we have set our baseline as 0%.



Baseline

0% as at 31/12/2021

This was not a metric formally tracked

12-month focus

A major focus over the coming year will be to formalise an engagement strategy. This will help us to systematically influence net zero strategies, disclosure and governance at the asset-level. It will also enable us to monitor and report on our own engagement progress against our targets.

The core objectives of the strategy will be to:

- ▲ Proactively engage with portfolio companies to expand GHG emissions data collection and strengthen disclosure, particularly on scope 3 emissions
- ▲ Adapt engagement approach based on the materiality of emissions and levels of operational control
- Develop a structured process to track and report on engagement levels, and periodically report on this progress

ESG survey updates to track engagement

Since 2014, we have captured ESG metrics via our annual ESG survey. Released to all projects directly managed by InfraRed, the survey is updated annually to enhance the monitoring and reporting of each portfolio company's sustainability performance. This year, questions were updated to reflect the requirements of the NZIF framework. We will use the survey outputs to understand net zero progress and to identify where additional support may be needed.

Examples of new questions include:

- ▲ Does the project have a net zero decarbonisation strategy / science-based targets?
- ▲ What are the key blockers to implementing net zero initiatives?

1 We have assumed all infrastructure assets are in material sectors. A target of 90% of financed emissions in material sectors therefore equates to 90% of all portfolio emissions.

3. Climate solutions target

We believe we can significantly reduce GHG gas emissions through investing in climate solutions



Target

50% of AUM allocated in climate solutions by 2025



Baseline

45% as at 31/12/2021

We define investments in climate solutions as renewable energy, battery storage and other supporting infrastructure for the energy transition.² It is important to recognise that it is our business plan to substantially grow our assets under management between now and 2025.

Therefore, this 50% target represents a commitment to scale materially our capital allocation toward the transition.



12-month focus

The energy transition will continue to form a key part of ours funds' investment strategies, as we grow our share of renewable energy, grid infrastructure and electric railways. However, looking beyond these sectors, our origination and execution team have been assessing newer opportunities in climate solutions such as:

- ▲ Low carbon heat, such as heat networks
- ▲ Low carbon fuels such as hydrogen and biofuels
- ▲ Low carbon transport such as electric vehicle charging infrastructure

We are excited by the ever increasing investment opportunities in climate solutions and, as we also expand our presence in these sectors, we look forward to tracking the impact that these investments generate for our wider stakeholders.



InfraRed has an <u>Exclusion Policy</u> which applies to all new transactions considered for investment to ensure our investment decisions fully align with our net zero ambitions

2 Climate solutions classifications are informed by the EU Taxonomy. We note that evolvements in the Taxonomy may lead to certain projects being reclassified, and our baseline may need to be revised to reflect such changes.

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Key enablers of achieving net zero

Effective collaboration with our clients, supply chain and industry will be key to meeting our targets

Data availability and accuracy

Data is at the core of net zero decision-making. Ensuring that it is complete and accurate is crucial to the success of our net zero targets. The industry at large faces common difficulties in sourcing reliable benchmark data for infrastructure projects, particularly for scope 3 emissions.

This is a key obstacle to accurately track our performance against our ambitions. However, we are working collaboratively
The integration of this framework into our operations requires with industry partners and portfolio companies to assist in understanding the drivers of emissions, and to systematically measure and report on these.

Collaboration with public sector clients

The majority of InfraRed's portfolio companies are in Public Finance Initiative (PFI) / Public Private Partnership (PPP) projects. We, via our portfolio companies, are responsible for developing and maintaining the infrastructure asset, for example, a hospital or school, so that our client can provide the essential services within it, e.g., treating patients and teaching students.

Rather than the operation, the portfolio company is typically responsible for the maintenance and lifecycle services of equipment providing heating, cooling and lighting. The provision of these services must be performed in accordance with rigid terms and fixed-price legal contracts, many of which were executed over 20 years ago. This makes it difficult to overcome the complexities of net zero.

Contract structures lead to a lack of operational control irrespective of the equity ownership which is why client engagement forms a central component of our approach to net zero.

Net Zero Investment Framework for Infrastructure

For net zero target setting, we have adopted the NZIF methodology designed specifically for Infrastructure. As the guidance was released in June 2022, we are still working to practically apply the aligned and aligning criteria to our diverse portfolio of over 220 core and renewable infrastructure

updates to our pre-investment processes as well as to our annual ESG survey. This will enhance the management of our portfolio with respect to net zero.

We look forward to the finalisation of this methodology and will continue to share knowledge with our peers to establish frameworks reflecting NZIF requirements.



Our net zero targets have been set using the IIGCC's NZIF methodology

Working with our stakeholders to overcome challenges

InfraRed's Bi-annual ESG Forum

As reported in our 2022 Sustainability Report, InfraRed hosts a bi-annual ESG forum, where we present to our portfolio company management teams on key sustainability themes and priorities.

In October 2022, the InfraRed Net Zero Working Group presented to portfolio company management teams on the importance of accurate data collection and shared examples of initiatives to reduce scope 1, 2 and 3 emissions.

IPA Net Zero Working Group

In addition to engaging directly with our clients, InfraRed is also active in industry wide collaboration.

In March 2022, InfraRed joined the Infrastructure Projects and Authority (IPA) Net Zero Working group, a government-led initiative focused on public-private collaboration to create and share net zero solutions. We are an active member of the group, working to address the challenges associated with PFI/PPP projects in the UK.



The group has made encouraging progress on a streamlined GHG emission data collection process and on sharing examples of effective GHG reduction initiatives. This public and private sector group is also collaborating to address the capital allocation element of implementing decarbonisation solutions.



05 Beyond climate

As we increase our focus on Climate, we must not lose focus of our other priorities: Environment, Communities and People. We see our four priorities as highly related strategies and we are working hard to advance all of them



People

A focus on responsible supply chains

When procuring materials associated with supply chain risks, such as batteries and solar panels, we seek to work with suppliers that demonstrate strong ESG standards. As part of the investment and procurement processes, we look for:

- ▲ Demonstrable and pragmatic action plans, focused on material ESG risks in the supply chain
- ▲ Public commitments to sustainability, including human rights and climate change
- ▲ Evidence of monitoring performance with metrics
- ▲ Evidence of third-party review and disclosure of progress
- ▲ A code of conduct and/or human rights policy for the portfolio companies main contractors
- ▲ The provenance of materials and locations of manufacturing plants
- ▲ Case studies and examples



Communities

Identifying initiatives and quantifying impact

Globally, over 25 million people use or interact with the infrastructure assets we manage. We see this as an exceptional opportunity to make a positive social contribution – to enhance the experience of our clients, end users and wider stakeholders. This is why *Communities* is a cornerstone of our sustainability strategy.

We have a dedicated senior resource, Sarah Gledhill, who is responsible for managing our portfolio impact strategy. Sarah works closely with InfraRed's clients, supply chain and people to deliver meaningful impact initiatives and programmes for our communities.

As part of our pre-investment process, there is a requirement to understand the needs of communities in which the project is located and to allocate a budget for impact initiatives. These initiatives are then tracked annually via our ESG survey.



Environment

Curbing resource consumption

We have taken strides in reducing the consumption of natural resources, such as water and waste, explored on pages 26 and 27 of our 2022 Sustainability Report. We continue to support the implementation of innovative solutions to drive real efficiencies and reductions in resource use.

Reducing our biodiversity impact

Pursuing one priority should not come at the expense of another such as the environment. For example, all of TRIG's UK solar sites underwent ecological assessments to identify opportunities to promote biodiversity.

These site assessments have informed an action plan, including the installation of bird and bat boxes, supporting bee colonies and the planting of local wild flowers and trees.

TRIG's biodiversity objectives and initiatives are found on pages 22 and 23 of its 2022 <u>Sustainability</u> Report.



Cooking forward



Kate McKeon Director, Head of Sustainability

Delivering our net zero ambitions

While the direction of travel for infrastructure is clear, the path to achieve net zero is less certain. We embarked on our journey over a year ago, at a time when only a handful of companies had set net zero targets and an infrastructure specific net zero framework did not even exist.

Since then, we have spent considerable time assessing the potential routes to delivering net zero emissions. This comes with numerous challenges – operational control issues, stakeholder alignment, funding allocation, and technology developments – and we may not have all the solutions today.

By setting interim targets, however, we are making a clear statement that we are accelerating the integration of net zero into our investment strategies and the stewardship of our assets under management.

For example, net zero continues to shape our funds' investment strategies, as new decarbonisation opportunities such as green hydrogen and carbon capture technologies emerge.

Pursuing net zero will simultaneously help us avoid the long-term costs associated with a lock-in of carbon-intensive, non-resilient infrastructure.

Establishing the fundamentals

Our initial focus will be on laying the groundwork of our net zero framework. This will include implementing preinvestment net zero checklists, improving data collection and measurement, applying a systematic approach to stakeholder engagement, and defining net zero pathways for each sector we invest in. We will then work with our portfolio companies to complete decarbonisation studies so that they can establish their own science-based targets in accordance with sector pathways.

It will take time to fully embed these aspects across our portfolio, however, we recognise that the actions we take between now and 2030 are pivotal to achieving our overall net zero ambition by 2050.

This report and our interim targets are an important first step, but we know that we will have to review our targets periodically – to alter our course or to push ambition further. We encourage your feedback to help us improve and we look forward to collaborating with you in our journey to net zero emissions.

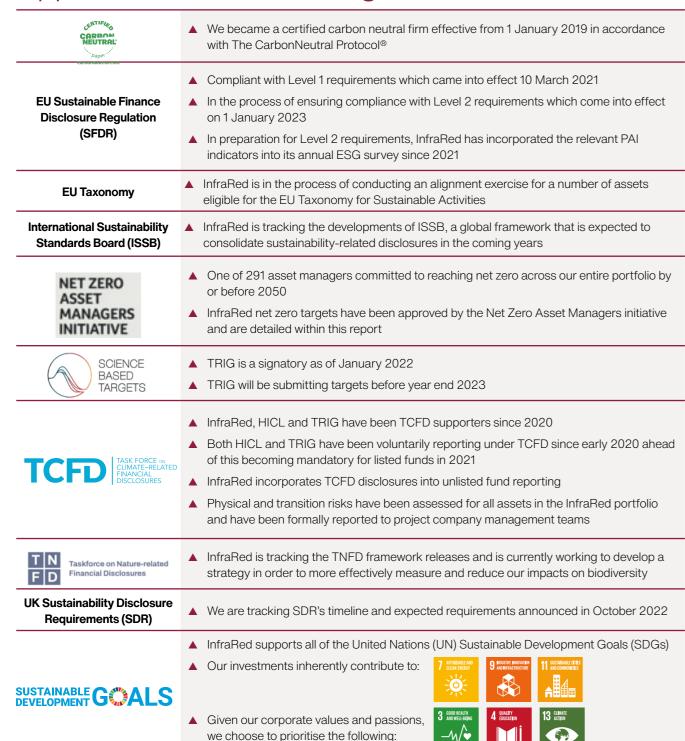
Kate McKeon

November 2022

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Appendix – framework alignment

PCAF



Partnership for Carbon Accounting Financials is a framework which enables financial institutions like

▲ InfraRed has been a signatory to PRI since 2011 and has reported under this framework

▲ InfraRed achieved five stars (the highest rating possible) for Investment & Stewardship

and Infrastructure in the latest PRI assessment (2020 assessment period)

A This marks the seventh consecutive assessment where InfraRed has achieved the

highest possible PRI rating for its infrastructure business

InfraRed to assess and disclose greenhouse gas emissions of loans and investments

Glossary and Key Terms

Carbon in-setting	Carbon in-setting refers to a company offsetting its emissions through a carbon offset project within its own value chain	
Carbon neutrality	An exercise of accounting for all emissions relating to an activity and offsetting these through carbon sequestration in equal amount, resulting in a technically carbon neutral impact	
Carbon lock-in	Carbon lock-in refers to situations where emissions-intensive assets continue to be used even when low-carbon and socially more beneficial assets are available	
CEO	Chief Executive Officer	
ESG	Environmental, Social and Governance	
EU	European Union	
EU Taxonomy	This is a classification system established by the EU to clarify which investments are environmentally sustainable	
EV	Electric Vehicle	
GHG	Greenhouse gas	
HICL	HICL Infrastructure PLC, a listed fund managed by InfraRed	
InfraRed	InfraRed Capital Partners Limited	
IPA	The Infrastructure and Projects Authority is the UK government's centre of expertise for infrastructure and major projects	
IPCC	Intergovernmental Panel on Climate Change is an intergovernmental body of the United Nations which provides objective and comprehensive scientific information on anthropogenic climate change	
KPIs	Key Performance Indicators	
Net zero	Net zero refers to negating the amount of GHG produced by activities, achieved by reducing emissions as far as financially and technologically possible, and subsequently implementing methods of absorbing carbon dioxide from the atmosphere	
NZAM	The Net Zero Asset Managers initiative is an international group of 291 asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050	
PFI	Private Finance Initiative – a term for PPPs used primarily in the UK	
PPP	Public Private Partnerships - a way of financing public sector projects through the private sector	
PRI	PRI is an independent body backed by the United Nations, which is focused on promoting responsible investment and ensuring that ESG factors are integrated into investment and ownership decisions	
Scope 1 emissions	Scope 1 emissions are direct GHG emissions that occur from sources that are controlled or owned by an organisation (e.g., emissions associated with fuel combustion in boilers, furnaces, vehicles)	
Scope 2 emissions	Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling	
Scope 3 emissions	Scope 3 emissions are all remaining indirect emissions resulting from an organisation's value chain activities (e.g., emissions of the supply chain)	
TCFD	Task Force on Climate-related Disclosures, an organisation formed by the Financial Stability Board to develop recommendations for climate-related disclosures	
TRIG	The Renewables Infrastructure Group Limited, a listed fund managed by InfraRed	
UK	United Kingdom	
UN	United Nations	

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