

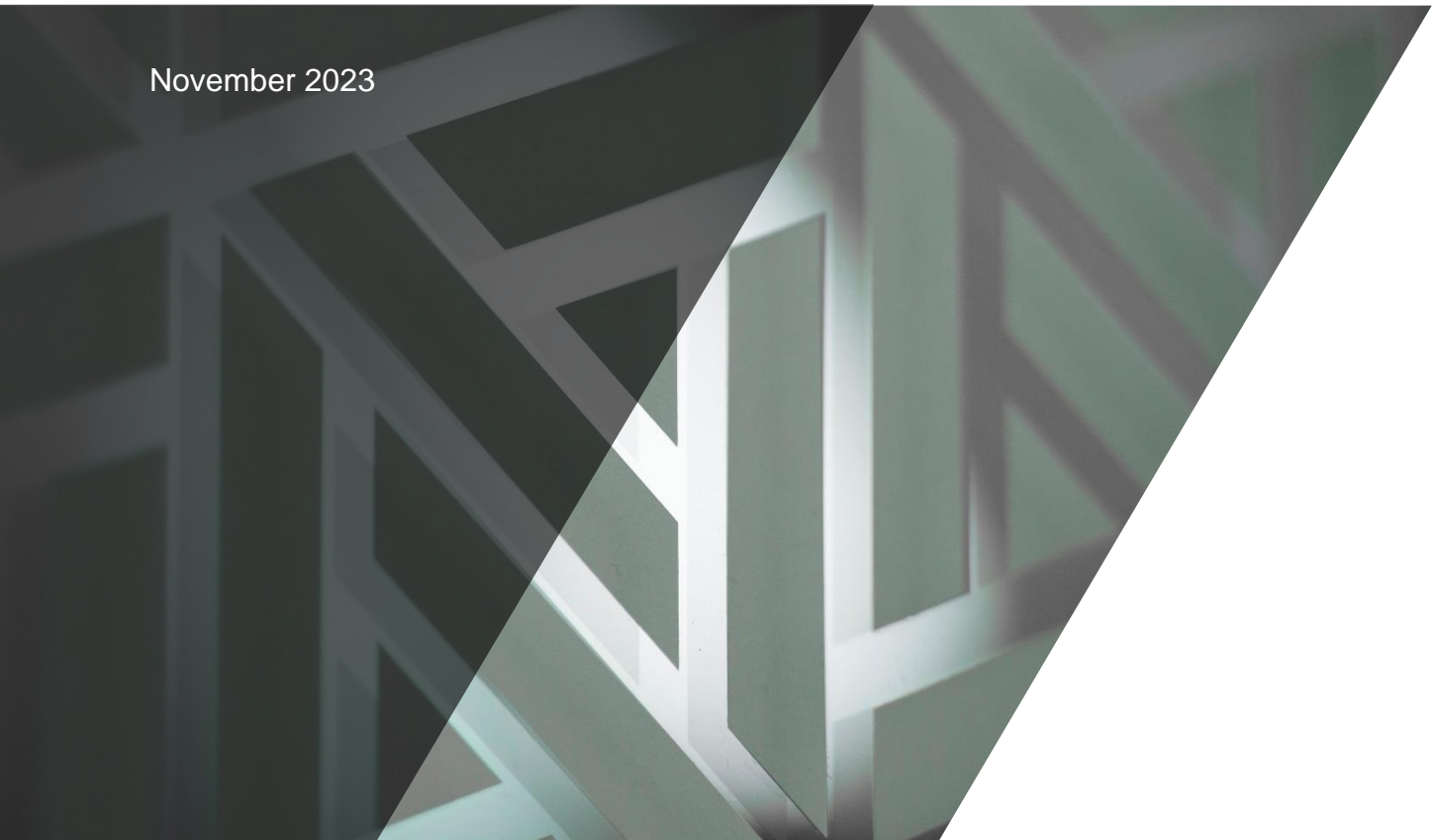
Creating Real Value.



Stewardship Policy

InfraRed Capital Partners Limited (“InfraRed”)

November 2023



Introduction

Background

InfraRed Capital Partners Limited (“InfraRed”) is a signatory to several industry-wide stewardship initiatives including the Principles for Responsible Investment (‘PRI’).

Under the Financial Conduct Authority (“FCA”) Rule COBS 2.2.3R, InfraRed is required to make a public disclosure in relation to the nature of its commitment to the UK Stewardship Code 2020 (the “Code”) of the UK Financial Reporting Council (“FRC”). The Code aims to enhance the quality of engagement between institutional investors and companies to help create long-term and sustainable value for clients and beneficiaries. It provides a set of 12 principles and guidance for how institutional investors should perform their duties as well as reporting expectations for investors.

Although this Policy is aligned to the 12 principles of the Code, InfraRed is not yet a signatory to the Code. This largely reflects the fact InfraRed has not been an investor in UK-listed companies – the focus of the Code until 2020. As InfraRed does not make investments in shares listed on a regulated market, it has decided not to develop and publish an engagement policy covering such instruments.

Furthermore, under the Shareholder Rights Disclosure II and replicated under FCA Rule COBS 2.2B, InfraRed is required to develop and disclose its engagement policy with respect to listed shares or otherwise explain why it does not do this. This document sets out InfraRed’s approach to stewardship, its position with regards to the Code and its approach with respect to the engagement policy for listed shares.

Scope of the Policy

InfraRed offers global infrastructure investment management to institutional and retail investors. InfraRed acts as an investment manager which principally invests in the privately held equity and/or subordinated debt issued in respect of infrastructure assets.

The present stewardship statement applies to all our assets under management, across all geographies and asset classes, to ensure we maximise overall value to both our investors and our clients.

InfraRed statement

We align with the definition of stewardship as provided by the FRC, whereby stewardship is the responsible allocation, management, and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society. The present document should be read in conjunction with InfraRed’s Sustainability Policy which sets out our commitment to adopting a sustainability-led approach to our investments and our corporate functions.

We believe that the company’s objectives and overall governance allow us to comply with this approach: our investment approach is long-term, as is the ongoing assessment of our stewardship activities.

Ownership and update

Responsibility for the accuracy of this document’s content lies with the Board of InfraRed. It is however, the requirement of all InfraRed’s staff to comply with this Policy. The Policy will be reviewed at least annually or after any significant change in processes or business practices and updated as required. Any amendments to the Policy, or if the Policy is overruled, must first be approved by the Board of InfraRed.

For further details on any of the above information, please contact Head of Sustainability at sustainability@ircp.com.

Stewardship Principles

1. Purpose and strategy

InfraRed Capital Partners (“InfraRed”) is an international infrastructure investment manager, investing in real assets which contribute positively to society and support the transition to a net zero future.

InfraRed operates worldwide from offices in London, New York, Sydney and Seoul. With around 190 professionals, it manages US\$14bn+ of equity capital in multiple private and listed funds, primarily for institutional investors across the globe.

At InfraRed we strongly believe that a long-term, sustainability-led mindset is essential to delivering lasting success. We appreciate the position that we are in to leverage our scale and passion as a multiplier for achieving positive outcomes for all our stakeholders.

InfraRed has developed a targeted approach to sustainability focused on four key strategic priorities – Climate, Environment, Communities and People. These are the areas where we believe our investments and core business can generate the greatest sustainability outcomes. By aligning our stewardship activities with these priorities, we aim to realise long-term positive impacts, allowing us to achieve our vision of Creating Better Futures.

For further information please refer to InfraRed’s Sustainability Policy.

2. Governance, resources and incentives

InfraRed’s global policies provides the company’s governance structure and a risk and compliance framework that enable oversight and accountability for effective stewardship in the organisation. It details the responsibilities of core roles and governance committees.

Whilst InfraRed has dedicated resources focused on progressing our sustainability and impact strategies, it is the responsibility of all InfraRed staff to ensure that InfraRed’s objectives are upheld in their respective day-to-day roles.

In addition, InfraRed’s Senior Management Team have individual sustainability objectives that are specific to their responsibilities. This means that InfraRed’s sustainability objectives are considered as part of the Senior Team’s overall annual performance, which then informs their discretionary remuneration.

InfraRed’s Asset Management team are responsible for leading stewardship activities at the project-level. The Fund Managers and Investment Committee member’s oversee the relevant project and fund stewardship priorities with the Asset Management team via quarterly review investment committee meetings.

Where appropriate, members of the wider InfraRed business support portfolio-wide stewardship activities related to risk management, regulatory requirements, compliance, credit, governance or ESG initiatives such as net zero.

3. Conflicts of Interest

We recognise the importance of managing potential conflicts of interest. InfraRed has a detailed group-wide “Conflicts of Interest” Policy in place which is available on our website, stipulating that InfraRed has a duty to act in the best interests of its investors. Should a conflict arise, InfraRed’s senior management will take appropriate steps to ensure fair treatment of all of investors, including disclosure of the conflict to affected investors.

4. Promoting well-functioning markets

Collaboration with like-minded investors within formal or informal forums is part of the engagement considered by this Policy. We believe that this will allow us to achieve common goals, particularly regarding mitigating systemic risks. For this reason, InfraRed participates in relevant industry bodies, such as the Global Infrastructure Investor Association, to support the continued improvement of the functioning of the infrastructure investment industry. InfraRed may also participate in consultation papers and other initiatives where the subject matter is relevant to our investment activities.

Where InfraRed participates in industry or policy consultations, or exerts our political influence in another form, any views expressed by the company must first be approved by either the relevant Fund Investment Committee or the Board of InfraRed to ensure these views align with InfraRed's approach to sustainable investment and commitment to the 6 Principles of the PRI.

5. Review and assurance

To ensure the effectiveness and consistency of our stewardship activities, we have made operational this Stewardship Policy, alongside InfraRed's Sustainability Policy. InfraRed's Head of Sustainability is responsible for developing and implementing InfraRed's sustainability strategy and programme in accordance with the Sustainability Policy. InfraRed's Chief Executive is responsible for arranging periodic reviews of the Sustainability Policy to ensure it remains current and fit for purpose..

At a Fund level, we report annually on our Economic, Social and Governance ("ESG") performance and stewardship activities. The Fund Managers are responsible for reviewing ESG reporting to ensure that disclosures made are fair, balanced, and understandable.

6. Client and beneficiary needs

InfraRed's Sustainability Policy seeks to articulate how we discharge our responsibilities to create a positive impact beyond commercial objectives and recognises that our investment and management decisions impact our clients, the end-users of our assets and the communities in which those assets are located.

We recognise that delivering success over the long-term requires not only identifying clear market opportunities, but also investing in stakeholder relationships and aligning objectives. As part of our stewardship approach, we implement a clear line of sight from the corporate to the project level.

7. Stewardship, investment and ESG integration

Investing in infrastructure projects with strong environmental and social credentials has been central to InfraRed's investment strategy since the business was founded. Sustainability forms a fundamental component of the investment due diligence and approval process for all new investments made, irrespective of fund investment strategies or investment sectors.

InfraRed employs a comprehensive sustainability investment and management framework, based on a foundation of robust guiding principles, ensuring that sustainability is integrated into each stage of the investment process. The framework spans the pre-investment activities, through to the management of the portfolio and corresponding reporting activities undertaken until the end of the investment life. The key components of each stage are outlined in our Sustainability Policy.

8. Monitoring managers and service providers

Active management, stewardship and engagement initiatives are essential in fulfilling our duties as a responsible long-term asset manager. There are a number of means by which InfraRed ensures the sustainable management of portfolio companies, including an active approach to asset management. InfraRed's Asset Managers sit on the boards of portfolio companies and regularly raise ESG issues at board meetings. This includes discussing current performance, sustainability objectives and targets, as well as sharing best practices and lessons learnt from InfraRed's wider portfolio.

InfraRed's Asset Managers take an active approach to ensure that the InfraRed policy requirements, including policies governing sustainability, anti-bribery, cyber security, modern slavery, and health and safety are being implemented and maintained.

We also promote an open and collaborative environment to ensure that our service providers are aware of key ESG initiatives and best practices are shared across the portfolio. This is achieved by engaging with stakeholders through site visits, ad hoc and regular meetings, and bi-annual ESG summits. InfraRed has also developed several ESG, climate change impacts, net zero and portfolio impact guidance documents and tools which are shared with the portfolio companies.

9. Stakeholder Engagement

InfraRed seeks to actively engage with our clients, service provider's and our investors to coordinate approaches and align views to maximise the performance of our assets.

InfraRed has implemented several internal and external tools to enhance the quality and efficiency of engagement activities. An example of this is the stakeholder mapping tool developed by the infrastructure business to promote strategic engagement at the asset level. This tool identifies key project stakeholders, their relevant level of authority and interest and the strength of relationships between the various stakeholders. The results are then used to establish communication channels which can be used to resolve project-related issues prior to enforcing contractual measures. This online tool ensures a systematic approach to stakeholder engagement is implemented across all our assets. The tool is used both internally, and externally by our management service providers.

10. Collaboration

Our approach to industry engagement is focused on issues and initiatives which align with our key sustainability priorities. To this end, we maintain memberships with a variety of international and regional organisations which serve to reinforce our sustainability commitments and priorities. These include:

- ▲ Principles for Responsible Investment (PRI)
- ▲ Net Zero Asset Managers initiative (NZAM)
- ▲ Global Infrastructure Investment Association (GIIA)
- ▲ Association of Investment Companies (AIC)
- ▲ initiative Climat International (iCI)

11. Escalation and review

InfraRed requires its portfolio companies to have a business continuity plan in place which clearly documents the processes and communication protocol to be enacted in the event of a severe incident. This is monitored annually via the ESG survey. Business continuity plans vary depending on the nature of the company and the key stakeholders involved but, in all cases, the general manager or CEO alerted as soon as practically possible. The general manager or CEO then informs the portfolio company's board of directors which includes a member of the InfraRed Asset Management Team.

The Asset Manager subsequently escalates this issue with the Fund Manager and the Investment Committee. Where necessary, the InfraRed Senior Management Team and Sustainability Team are also engaged and a rectification plan is developed and implemented. When there is a material adverse event, in line with InfraRed's usual policy, this is communicated to investors as soon as possible following the event.

12. Exercising rights and responsibilities

InfraRed's representatives, in their capacity as directors of project companies, actively consider the interests of the companies' stakeholders when voting on any resolution that is proposed. Any decision will be made after due consideration of the facts and informed by investment considerations as well as consultation with internal and external stakeholders.