

Section 172 Statement

In accordance with the Companies Act 2006 InfraRed Capital Partners Limited is required to prepare a statement in its strategic report which describes how the directors have had regard to the matters set out in section 172(1)(a) to (f) when performing their duties as a director under section 172 of the Companies Act 2006 (commonly known as a “section 172 statement”). The section 172 statement must be made available on a website.

The success of InfraRed is based upon the performance of the funds it manages. We aim to achieve compelling risk-adjusted returns for investors by investing in infrastructure that is critical to the functioning of economies and societies. Many of the investments made by InfraRed capitalise on and seek to further amplify the intrinsic socio-economic benefits generated by the underlying infrastructure assets underpinned by megatrends such as shifting demographics, urbanisation, decarbonisation, energy security, digitalisation. This includes enhancing digital connectivity, enabling the transition to lower-carbon, energy and resource resilient economy, facilitating the provision of essential social services such as healthcare, education and law enforcement and the movement of people and transport of goods. Ensuring that all our stakeholders’ needs are appropriately considered is, therefore, key to the success of InfraRed.

2024 was another active and progressive year for InfraRed, with transactions that exceeded USD 1.5bn and the closing of our latest value-add fund, with capital commitments just under USD 1bn. At the heart of this activity was the same long-term investment mindset to deliver lasting value for investors and societies that we have employed for the past 25 years.

InfraRed adopts an integrated, holistic approach to sustainability in fund management with a view to enhancing risk-adjusted returns for investors. We believe our approach enhances our ability to Build resilience, capture new opportunities and strengthen relationships with key stakeholders. InfraRed signed up to the Principles for Responsible Investment (PRI) in 2011 and has since developed and implemented a comprehensive investment and management framework that ensures material sustainability risks and opportunities are integrated into every stage of the investment lifecycle. 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. Our approach focuses on the following four thematic priority areas that we believe are most pertinent to our business and the portfolios we manage: Climate, Environment, Communities and People.

In 2024, we continued to seize attractive investment opportunities, including those presented by the transition towards a lower-carbon, energy-resilient economy. We also implemented a range of initiatives to better understand and manage risks across our portfolios with a view to building long-term resilience. We focused on addressing risks related to intensifying climate hazards, growing regulatory uncertainty, nature degradation and biodiversity loss, and labour practices in the supply chain.

In 2024, we continued to look for opportunities to strengthen relationships with and address challenges faced by the many stakeholders benefiting or involved in the delivery of essential services by the 240+ infrastructure assets we manage globally. We have seen great success in scaling up initiatives such as ‘Community Fridges’, ‘Re-circulate’ and ‘Purple Book’.

The InfraRed Creating Better Futures Awards recognise and celebrate initiatives that align with and positively contribute to our four sustainability thematic priorities. These annual awards are open to all our portfolio businesses and supply chain partners and have been designed to create a forum through which best practice can be recognised and shared. 60 nominations were received for the 2024 awards edition.

InfraRed continued to invest in its people through a focus on attracting, developing and retaining talent and fostering an inclusive culture.

InfraRed has also invested in its operations, via IT development and a finance transformation project to implement new systems and upskill roles which will enable scalability of the business in the future.

InfraRed is committed to achieving its strategic objectives by upholding high standards of business conduct in all of its activities. Annual reviews of Global Policies, Code of Conduct, Employee Handbooks and Third-Party Risk Management Policy ensure they remain effective for assessing and addressing risks related to staff and supply chains.

InfraRed publishes on its website a sustainability report annually detailing progress on its sustainability goals and programme as well as its climate-related financial disclosures in line with the TCFD recommendations.