InfraRed
Capital Partners



Unlocking lasting value

Sustainability Report 2026

For the year to 31 December 2025

Welcome

About this report

This is the sixth consecutive sustainability report published by InfraRed Capital Partners Limited (InfraRed). It provides an update to our stakeholders on our sustainability approach, priorities and performance for both the investment portfolios we manage and our operations. The information presented in the report covers the 12-month period ending 31 December 2025 (reporting period), unless stated otherwise. Terms such as 'we', 'our' and 'the firm' refer to InfraRed.

In developing this report, we have considered the needs of a range of stakeholders, primarily focusing on investors in mandates managed by InfraRed, as well as regulators.

This report includes certain entity-level disclosures identified using 'TCFD' and 'SDR' symbols, prepared in accordance with Chapters 2 and 5.6 of the Financial Conduct Authority's Environmental, Social and Governance Sourcebook (the ESG Sourcebook). Separate indices on page 43 set out where the relevant disclosures can be found within this report against the applicable requirements.

A summary of the methodology used to calculate quantitative metrics is included in the **Basis of Preparation** section of this report. Any information provided by third parties is believed to be reliable but has not necessarily been verified by InfraRed.

Throughout this report disclosures marked 'TCFD' are consistent with the recommendations of the Task Force on Climate-Related Financial Disclosures (FCA ESG 2), and disclosures marked 'SDR' address the Sustainability Disclosure Requirements (FCA ESG 5.6).

SDR TCFD

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Any case studies described in this report are not representative of all investments made by InfraRed or for a specific investment strategy and are shown solely for illustrative purposes. There can be no guarantee that similar investment opportunities will be available in the future or that the investment strategy will be able to exploit similar investment opportunities should they arise. Potential investors should read all offering documentation in full, when and to the extent that this becomes available.

A message from our CEO Jack Paris

Dear stakeholder,

2025 was another active year for InfraRed, as we continued to deploy capital with discipline and a long-term mindset to deliver lasting value for investors and society.

Sustainability is integral to how we invest and how we manage assets. Over the past year, we have refreshed our approach to strengthen the link between sustainability considerations and investment outcomes. It helps us be clear-eyed about investment **opportunities**, strengthen **operational performance**, build **resilience** over long time horizons and maintain the **confidence** of our stakeholders. The progress we set out in this report reflects that practical, value-led approach.

Seizing opportunities

During the year we continued to invest selectively in areas where long-term demand is supported by structural trends. Our value-add fund (Fund VI) completed three investments in digital and transport infrastructure. We signed two separately managed accounts for prominent institutional investors, aligned with long-term themes in digital connectivity and essential social infrastructure. Alongside these themes, we continue to see a strong pipeline linked to the energy transition and the circular economy. Since 2022, we have allocated over US$2.2bn to energy transition-related infrastructure, with a focus on operational renewables and decentralised energy.

Operational excellence

Our asset management capability is the foundation of how we protect value and deliver performance. Day to day, that means a relentless focus on operating performance and safe, reliable service delivery. This is underpinned by strong governance and high standards of business conduct, alongside targeted action on decarbonisation and environmental management. Over the past three years, more than 130 decarbonisation and energy efficiency measures have been implemented across 80 projects, delivering clear operational benefits.

Long-term resilience

Infrastructure is built for the long term, and the risk environment continues to evolve. Over the year we strengthened how we understand and manage physical climate risk, alongside wider shifts such as regulatory change, nature-related considerations and supply chain risks. This work supports more robust decision-making over the life of an investment.

Stakeholder confidence

The confidence of our stakeholders is essential to our long-term success. We work to build trusted relationships with clients, operators, service providers and communities, and we look for practical ways to go beyond the contract where it can make a real difference. Our Creating Better Futures programme continues to help catalyse and scale practical and impactful initiatives with our project partners that address local challenges and amplify the positive outcomes that our assets generate.

Throughout the report, we set out in more detail how our approach translates into action, supported by selected metrics and examples from across the portfolios.

Looking ahead, we will stay focused on the fundamentals: disciplined investing, active stewardship and high standards of execution. Just as importantly, we will continue to invest in our people and culture – so colleagues across InfraRed have the capability and support to deliver lasting value for investors and society.

Thank you for your continued trust and support.

Warm regards,

Giacomo Antonio Francesco Paris

Jack Paris
CEO
May 2026

> “Applying a sustainability lens helps us be clear-eyed about investment opportunities, strengthen operational performance, build resilience and maintain the confidence of our stakeholders.



SDR compliance statement: The disclosures in this report, including other disclosures cross-referenced in it, are prepared in a manner consistent with the applicable requirements of Chapters 2 and 5.6 of the FCA ESG Sourcebook.

InfraRed at a glance

About InfraRed

InfraRed is an international mid-market infrastructure asset manager. Over the past 25 years, InfraRed has established itself as a highly successful developer, particularly in early-stage projects, and an active steward of essential infrastructure.

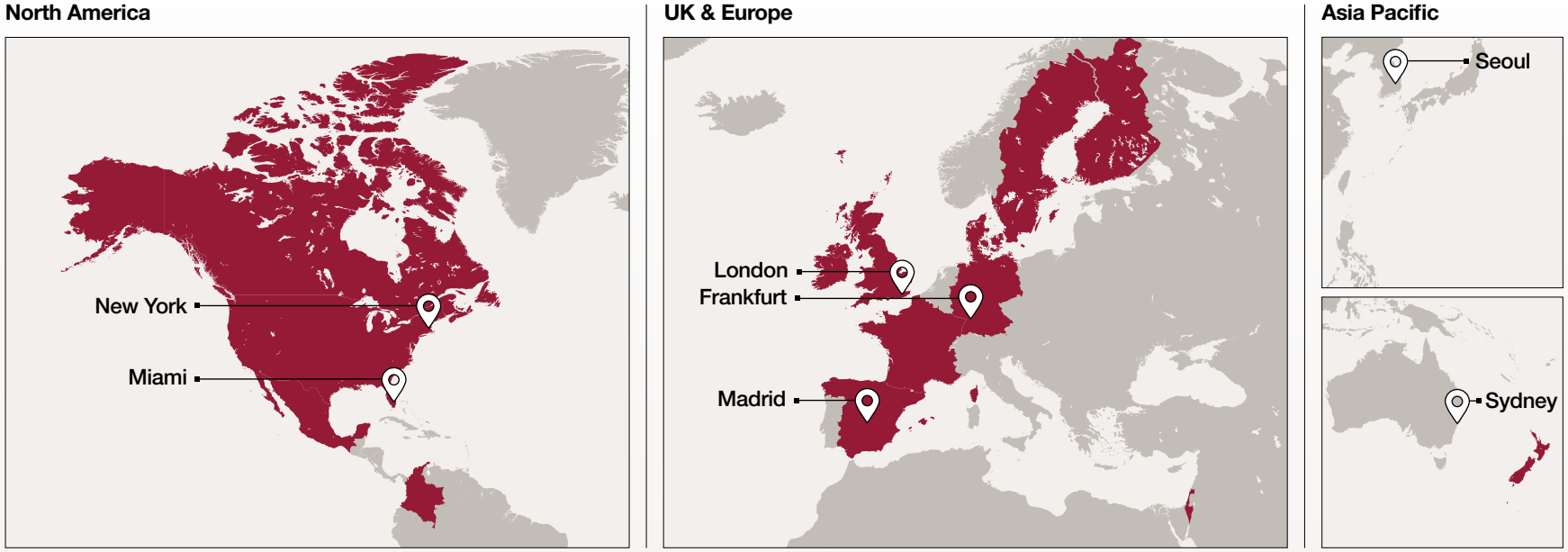
InfraRed manages US$13bn of equity capital[1] for investors around the globe in listed and private funds across core, core+ and value-add strategies. InfraRed combines a global reach, operating worldwide from offices in London, Miami, New York, Frankfurt, Madrid, Seoul and Sydney, with deep sector expertise from a team of over 160 people.

InfraRed is part of SLC Management, the institutional alternatives and traditional asset management business of Sun Life, and benefits from its scale and global platform. For more information, please visit **www.ircp.com**.

US$13bn
equity under management (EUM)[1]

160+
staff[1]

Our international reach



240
infrastructure projects[1]

Energy Transition and Circular Economy	**114**
Communications and Digital	**11**
Social and Transport	**115**

Legend

- Investments
- Office locations

1 As at 31 December 2025. Source: InfraRed. EUM uses five-year average FX as at 31 December 2025 at GBP/USD of 1.2900; EUR/USD of 1.1125. EUM is USD 13.263bn.

Creating lasting value

Our investment philosophy

Through disciplined investment selection and active management of assets, InfraRed aims to perform through all market cycles and conditions to produce resilient, risk-adjusted returns[1] for our investors from essential infrastructure that is critical to the functioning of societies and economies.

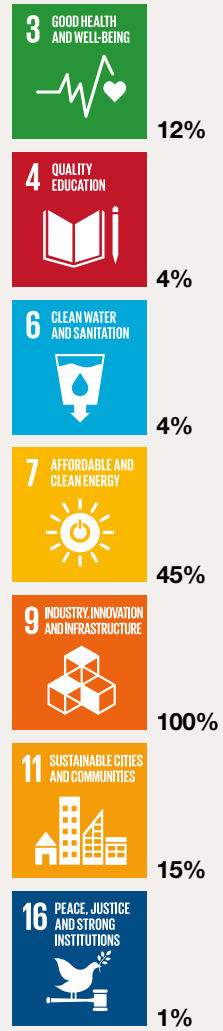
We believe successful investment in infrastructure is more than the physical assets involved – it can achieve positive outcomes for investors where it enables economic growth, connects communities, and enhances quality of life in ways that are often intrinsic and enduring.

InfraRed has a range of core, core+ and value-add strategies – all targeting essential, high-quality, mid-market infrastructure. Our investments span a wide variety of assets and equity structures, including Public Private Partnerships, operating companies and growth platforms that create and manage new infrastructure, generally targeting three themes: **Energy Transition and Circular Economy, Communications and Digital, and Social and Transport**.

1 Past performance is not a reliable indicator of future results.
2 Based on valuations as at 31 December 2025 or closest available date in each reporting period.
3 Based on information provided by portfolio companies as part of InfraRed's annual sustainability data collection campaign, representing 98.6% of EUM as at 31 December 2025. Such data is not independently verified.
4 Alignment with the UN Sustainable Development Goals (SDGs) is determined by InfraRed and reflects their core activities and role in enabling sustainable development outcomes. Such alignment is not an explicit investment objective. A project can align to more than one SDG.
5 Based on actual energy generated, in accordance with the IFI Approach to GHG Accounting for Renewable Energy.

We target three broad themes…	…investing responsibly in essential infrastructure…	…enabling resilient economies and well-functioning societies.
Energy Transition and Circular Economy	▸50% **of portfolio invested in (by value)[2]**	**In 2025[3]**
Megatrends Energy security, Electrification, Decarbonisation, Resource efficiency	▸ **95** solar and wind projects contributing to clean energy generation ▸ **3** end-user energy solution businesses ▸ **1** water utility business ▸ **14** energy system supporting infrastructure projects including **1,700+km** of distribution and transmission (T&D networks)	▸ **9.9TWh** of clean energy generated, sufficient to power **2.1mn** equivalent homes across **8** countries and avoid c.**3.6mn**[5] tCO_2e ▸ **44TWh** of electricity distributed, all from renewable sources ▸ **1.9GW** of renewable energy and battery storage capacity under development or construction ▸ **2,500+** jobs directly supported
Communications and Digital	▸16% **of portfolio invested in (by value)[2]**	**In 2025[3]**
Megatrends Connectivity, Digitalisation, Data computing	▸ **8** projects enabling reliable and resilient connectivity through **3,400+ towers** and **360,000+km** of fibre networks ▸ **3** data centre platforms with **52MW** of operational capacity supporting growing demand for computing	▸ **c.2.7mn** customers provided with connectivity through fibre, wireless telecom tower infrastructure ▸ **96** total telecom towers installed in the year ▸ **17%** of fibre networks in underserved areas ▸ **11MW** of data centre capacity in development or construction ▸ **3,000+** jobs directly supported
Social and Transport	▸34% **of portfolio invested in (by value)[2]**	**In 2025[3]**
Megatrends Shifting demographics, Urbanisation, Electrification, Decarbonisation	▸ **41** schools, universities and other facilities ▸ **17** defence, accommodation, judicial and law enforcement infrastructure projects ▸ **35** hospitals and clinics with **12,000+ beds** ▸ **22** road, rail and ferry assets across **2,500+km** of transport networks	▸ **100,000+** people pursued learning at our education projects ▸ **18+mn** people had access to healthcare at our facilities ▸ **0.6mn** people benefited from our accommodation facilities ▸ **15+mn** people were served by the courts, fire and police stations in our portfolios ▸ **400+mn** passenger journeys enabled through our transport projects ▸ **c.107,000** jobs directly supported

SDG alignment[4]



SDR TCFD

Our sustainability approach

In this chapter

Governance and oversight of sustainability	06
Our refreshed sustainability framework	08



SDR TCFD

Governance and oversight of sustainability

InfraRed is committed to high standards of corporate governance, including matters related to sustainability. We maintain a comprehensive set of policies and tailor our decision-making processes to the nature and scale of our business and investments. Within our firm-wide Risk Management Framework, we see sustainability-related risks typically manifest from two perspectives – investment risk and operational risk.

InfraRed's Board sets the strategic direction and considers all material factors, including those relating to sustainability. The Board reviews and approves InfraRed's **Sustainability Policy** and receives quarterly updates on sustainability matters from InfraRed's **Sustainability team**.

The dedicated **Sustainability team** provides subject matter expertise, sets goals, and implements programmes, working closely with the wider business to integrate sustainability considerations.

Throughout the investment lifecycle

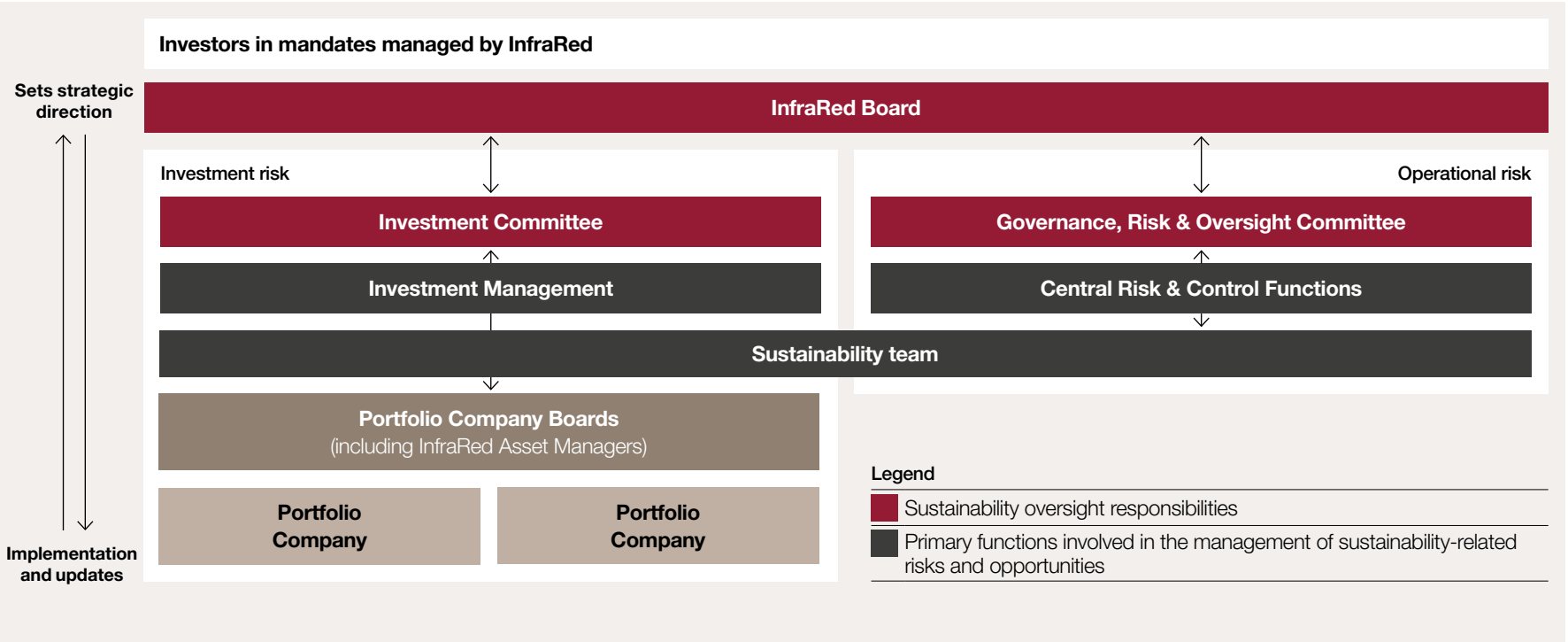
Each mandate's **Investment Committee (IC)** considers sustainability risks and opportunities, ensuring that applicable requirements have been followed, such as examining due diligence findings, considering how sustainability factors may affect investment returns and conducting quarterly portfolio reviews.

InfraRed's **Investment Management** teams (Fund Managers and Investments and Asset Management teams) oversee the management of sustainability risks and opportunities from screening through investment approval to ongoing asset management and eventual disposal/decommissioning. Investment-specific risks and opportunities are timely reported to each mandate's Investment Committee with appropriate mitigation approaches.

In our operations

The **Governance, Risk & Oversight Committee** oversees identification, assessment and control of sustainability-related risks and opportunities, ensuring integration within enterprise risk frameworks, controls, reporting and escalation to the Board.

Central Risk & Control Functions (Legal, Compliance, Operational Risk and Governance) provide the control framework for the management of operational risks related to sustainability.



SDR TCFD

Sustainability risk and opportunity management

Sustainability-related risks and opportunities are managed through InfraRed's Risk Management Framework, which covers both investment risk and operational risk.

The framework is designed to identify, assess, manage and monitor both current and emerging sustainability-related factors across the investment lifecycle and the firm's operations, and is underpinned by the principles of the three lines of defence model: Operational Management, Risk and Compliance functions and Independent Assurance.

In addition to mitigating downside risk, the firm considers how sustainability-related factors may influence long-term demand, asset resilience and value creation. Sustainability considerations are, therefore, embedded within decision-making processes to support both effective risk management and the identification of investment opportunities aligned with client mandates.

Discussion of material sustainability-related risks, their potential impacts on performance and the mitigating actions in place are integrated throughout this report.

Sustainability-related investment risks and opportunities

Sustainability risks are a subset of investment risks, where environmental, social or governance factors have the potential to materially affect asset performance, cashflows, valuations, or InfraRed's ability to meet client mandates and regulatory obligations. Such risks may arise where material sustainability factors are not appropriately identified, assessed or managed at origination or through ongoing asset management. These factors may include exposure to physical or transition climate risks, regulatory or policy change, social or community impacts, technological change, or governance and conduct considerations, and may result in adverse financial, operational, compliance or reputational outcomes, including increased costs, reduced asset resilience or performance, regulatory penalties, or loss of social licence to operate, ultimately impairing investment returns and stakeholder confidence.

Conversely, sustainability-related opportunities may arise where assets are, or can become, well positioned to benefit from long-term structural trends, technological advances, regulatory developments or evolving user and societal needs. When sustainability considerations are proactively and effectively managed, they can enhance asset resilience, operational efficiency, long-term demand visibility and stakeholder relationships, supporting stable, risk-adjusted returns. Sustainability considerations are, therefore, embedded within InfraRed's investment decision-making, due diligence, asset management and portfolio monitoring processes, supported by internal policies, controls and guidance set out in the Investment Manual and the Sustainability Policy. Key elements of this integrated approach are discussed further in this section.

Operational sustainability risks

Operational sustainability risks arise from the firm's own activities and include risks associated with regulatory compliance, business conduct, people, systems and third-party relationships. These risks may manifest through failure to comply with applicable laws and regulations, including sustainability-related disclosure and conduct requirements, or through weaknesses in internal processes, supply chain practices or governance arrangements.

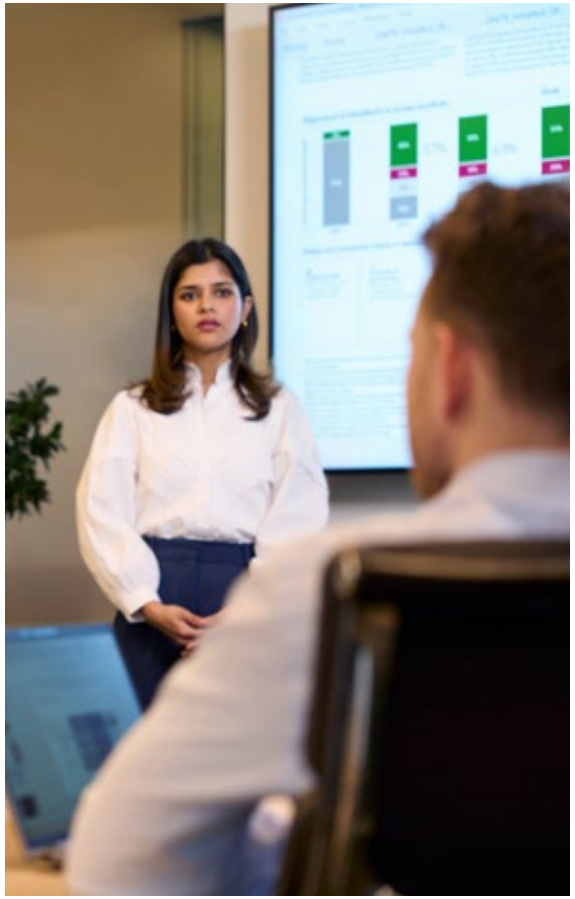
The firm undertakes regular reviews of its global policies, Code of Conduct, employee handbooks and third-party risk management framework to ensure they remain effective in identifying and managing sustainability-related risks across operations, staff and supply chains.

Sustainability reviews are conducted for new and renewed critical and material suppliers to identify and manage potential risk exposure, including climate-related risks, modern slavery and regulatory compliance. InfraRed's approach to modern slavery and human trafficking is set out in its **Modern Slavery Statement**, available on the firm's website.

The Sustainability team reviews key sustainability-related processes and controls on a quarterly basis and reports, where appropriate, to the Operational Risk team and the Board's Governance, Risk and Oversight Committee.

Training and capacity building

Recognising the evolving nature of sustainability-related risks, InfraRed is committed to ongoing training and capacity building. This includes on-the-job collaboration between sustainability, investment and asset management teams; tailored internal training and inductions; internal manuals and guidance; periodic briefings and updates; and the use of external resources and digital tools, where appropriate, to enhance the quality and robustness of analysis and decision-making.



SDR TCFD

Our refreshed sustainability framework

A considered evolution to improve prioritisation, execution and long-term investment outcomes.

A Q&A with Ivo Dimov, Head of Sustainability



Q What were the most important sustainability enhancements during the period?

A We focused on strengthening how sustainability supports investment decision-making in practice. This included refreshing our sustainability framework to sharpen prioritisation, improve consistency across portfolios and strengthen the connection between sustainability considerations and investment outcomes focused on four drivers: seizing opportunities, operational excellence, stakeholder confidence and long-term resilience.

The updated framework does not change the fundamentals of our approach. Instead, it refines how we evaluate material sustainability-related risks and opportunities, and how these are applied across origination, asset management and exit, while remaining decision-useful and grounded in the commercial and operational realities of infrastructure assets.

Q How is the refreshed framework being applied across the investment lifecycle?

A The framework provides a clearer structure for applying sustainability through three thematic lenses – Climate and nature; Wellbeing, livelihoods and inclusion; and Stewardship and integrity – while maintaining a strong focus on materiality at project level.

The emphasis is on execution. We have strengthened our use of data, analytics and digital tools to inform sustainability assessments and prioritise targeted, project-level actions. This includes clearer scoping of due diligence, more focused use of sustainability data to identify priority risks and opportunities, and enhanced project-level scorecards that support targeted engagement by our Asset Management teams.

Together, these tools help improve consistency and comparability across portfolios, while retaining flexibility by asset type, geography and maturity. The objective is not more reporting, but better insight – supporting focused action where it matters most. The following pages set out these tools and processes in more detail.

Q Where does long-term resilience sit within the framework, and why has it become such a focus?

A Long-term resilience is a core consideration for infrastructure investing, recognising that assets are exposed to structural change over long time horizons, and performance depends on their capacity to continue operating, and remain viable under evolving conditions.

Decarbonisation remains a key part of this picture, shaping strategies, investment pipelines and engagement priorities across the portfolio. At the same time, physical climate risk has become a particularly tangible manifestation of longer-term challenges for us and our investors, as it can directly affect operability, costs, service continuity and insurability.

Our focus is, therefore, on understanding asset-level vulnerability, the effectiveness of existing mitigants and the ability of assets to withstand, adapt to, and recover from, disruption over time. Nature-related considerations are integrated into this work, recognising that ecosystem condition – for example water availability or natural flood buffering – can materially influence both the severity and duration of climate-related impacts.

Q Looking ahead, what's next?

A The next phase is about deepening application. Infrastructure assets are increasingly exposed to external shocks, including geopolitical developments, policy and regulatory change, supply chain disruption and wider market volatility, which can affect costs, availability of inputs, operating conditions and delivery timelines.

There are also practical constraints. Data quality remains uneven in some areas, and many projects operate within contractual or regulatory frameworks that limit the pace of intervention. Progress, therefore, depends on enabling factors such as strong governance, clear information rights and close collaboration with public sector clients, operators and service providers. Industry collaboration plays an important role in addressing more systemic challenges – it helps shape emerging best practice, and support the development of pragmatic, investable approaches.

Looking ahead, we will continue to refine our tools and strengthen project-level insight with the objective of supporting decisions that protect long-term value in a changing risk environment.

Five-star PRI ratings[1]

★★★★★ **Policy, Governance and Strategy module**

★★★★★ **Direct – Infrastructure module**

★★★★★ **Confidence Building Measures module**

1 Past performance does not guarantee future results. Rating was issued in November 2024 by the PRI and is based on analysis covering the 2023 calendar year. The PRI methodology is available at www.unpri.org/reporting-and-pathways/reporting-2025. Compensation, inclusive of membership fees, has been provided for InfraRed's participation.

SDR TCFD

Designed to unlock long-term value and resilience across the investment lifecycle

InfraRed's refreshed sustainability framework sets out how we identify and manage material sustainability-related risks and opportunities across the investment lifecycle. It is structured around three thematic lenses and is designed to support disciplined decision-making, strengthen asset resilience and unlock long-term value. The framework connects sustainability priorities with practical investment and asset management processes, ensuring consistent application across portfolios and mandates.

A Through 3 lenses, we prioritise the topics that influence long-term value, risk and resilience...

Climate and nature



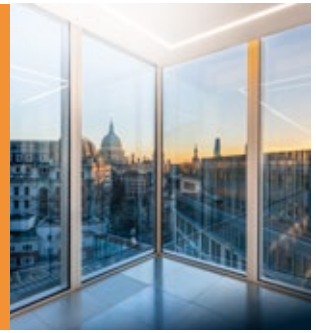
▸ Read more on page 14.

Wellbeing, livelihoods and inclusion



▸ Read more on page 31.

Stewardship and integrity



▸ Read more on page 38.

B …in applying our comprehensive sustainability investment and management framework…

Pre-investment

Screening
- Adhere to Exclusion Policy and mandate-specific restrictions
- Confirm alignment with applicable sustainability commitments

Due diligence (DD)
- Check target entity and counterparties for controversies and compliance
- Assess material sustainability risks and opportunities, with climate risk analysis as standard
- Incorporate DD findings into valuation and value enhancement plans

Approval
- Present DD findings in IC papers
- Ensure appropriate governance and information rights

Post-investment

Management
- Exercise oversight and active management of sustainability
- Implement sustainability action plan
- Facilitate capacity building and sharing of best practices
- Engage with stakeholders on key sustainability themes

Monitoring
- Collect annual sustainability data to track performance and support reporting
- Escalate material sustainability issues through quarterly portfolio reviews, as relevant

End of investment life
- Check sustainability and conduct practices of potential acquirers
- Be transparent about the asset sustainability profile
- Apply recognised industry practices ahead of hand back or decommissioning

C … aiming to deliver compelling risk-adjusted investment returns.

1. Seizing opportunities

Capitalising on opportunities underpinned by structural trends – including decarbonisation, energy security, digitalisation and connectivity, demographic shifts, and circular resource models.

Unlocking lasting value

2. Stakeholder confidence

3. Long-term resilience

Building capabilities to withstand, adapt to, and recover from, longer-term disruptions – climate change, nature degradation, technological shifts, and evolving societal needs – while unlocking opportunities for innovation and growth.

4. Operational excellence

Delivering infrastructure assets in a smart, safe, and sustainable way to optimise performance, reliability, and efficiency throughout the investment lifecycle.

Actively and responsibly managing the environmental and social aspects of infrastructure assets to reduce risks, amplify positive outcomes, and secure licence to operate.

SDR TCFD

A sharper focus on what matters most

InfraRed's sustainability approach is grounded in the principle of materiality. We prioritise sustainability-related topics that are most likely to influence long-term value, risk and resilience across infrastructure investments.

To apply this consistently across sectors, geographies and operating models, sustainability is assessed through three thematic lenses: **Climate and nature; Wellbeing, livelihoods and inclusion; and Stewardship and integrity.** Together, these lenses provide a structured and decision-useful framework for focusing analysis on issues that matter most for investment outcomes.

Updating our materiality mapping

Identifying the most relevant sustainability-related topics for each investment is central to InfraRed's approach at both origination and during ownership. This is supported by a proprietary materiality mapping, updated at the end of 2025 to reflect evolving risk profiles, regulatory expectations and industry best practice.

The update drew on a review of relevant regulations and standards, investor dialogue, peer benchmarking, and internal and external stakeholder input, and was validated by an external specialist consultancy.

The refreshed mapping provides a consistent structure for sustainability analysis across the investment lifecycle and underpins the tools and processes described on this page.

In determining materiality, the approach considers:

- sector characteristics and operating models;
- geographic exposure;
- project stage and lifecycle; and
- the scale and nature of workforce, customers and communities involved.

Material sustainability topics

The materiality mapping is structured around 14 sustainability-related topics, outlined below.

Of these, five topics (marked with*) are considered material for all infrastructure investments and are, therefore, incorporated as standard into pre-investment assessment and ongoing management.

Topics considered in determining materiality

Climate and nature

- Climate change adaptation and ecosystem resilience
- Decarbonisation and energy efficiency*
- Circularity and waste management
- Sustainable water management
- Pollution prevention and control
- Conservation of natural habitats and biodiversity

Wellbeing, livelihoods and inclusion

- Health and safety*
- Community wellbeing and development
- Customer engagement and welfare
- Talent management and inclusion

Stewardship and integrity

- Responsible business conduct and transparency*
- Corporate governance and risk management*
- Digital trust and security
- Responsible supply chains*

From prioritisation to execution[1]

The refreshed materiality approach is being embedded across InfraRed's investment lifecycle through a set of practical tools and processes designed to support:

- focused due diligence and risk assessment;
- clearer prioritisation of sustainability actions at project company level;
- improved comparability and insight across portfolios;
- stronger linkage between sustainability considerations and InfraRed's four value drivers.

The enhancements outlined below will support InfraRed's aim of applying sustainability in a way that is practical, proportionate and closely aligned with value protection and creation.

Pre-investment

Material sustainability topics are identified and assessed as part of due diligence, informed by the materiality mapping and sector-specific guidance. This approach aims to focus the analysis on the risks and opportunities most relevant to asset performance, resilience and long-term value, and can support clearer integration into valuation, risk mitigation and value-enhancement planning over time.

Key enhancements in practice

- Apply the materiality mapping to scope due diligence, focusing analysis on the most relevant sustainability-related risks and opportunities.
- For potential investment opportunities, include analysis on material topics within Investment Committee (IC) papers, highlighting maturity and improvement potential to support clear, consistent and decision-useful consideration.

1 The aspects described on this page may not have formed part of InfraRed's approach in the past. InfraRed's Sustainability Policy is subject to ongoing review and may change over time.

Ongoing management and monitoring

During the holding period, material topics are monitored through InfraRed's annual sustainability data collection and scorecard, which assesses how effectively sustainability-related risks and opportunities are identified, governed and managed in practice.

In 2025, the approach was enhanced to enable more targeted engagement and clearer tracking of progress over time.

Key enhancements in practice

- **A materiality-led sustainability survey**, refocused on priority topics to improve relevance.
- **A maturity-based assessment framework** to evaluate how effectively material sustainability-related risks and opportunities are governed and managed.
- **Enhanced project-level scorecards**, providing:
  - an overall maturity assessment of sustainability oversight and integration;
  - insights aligned to each thematic lens and underlying material topics; and
  - topic-level strengths and areas to build on.



- **Stronger linkage to active stewardship**, enabling prioritised engagement, targeted action plans and follow-up where gaps are identified.
- **Clearer guidance for asset management teams** outlining industry good practice approaches to addressing identified improvement areas.

Applying our thematic lenses

SDR TCFD

Our thematic lenses provide a consistent structure for applying sustainability priorities in practice and assessing performance across the portfolios managed by InfraRed.

The pages that follow are organised by each lens – Climate and nature; Wellbeing, livelihoods and inclusion; and Stewardship and integrity – and set out our approach to the most relevant topics, alongside how they influence key drivers of risk and value, supported by selected metrics, insights and illustrative case studies.

Together, they provide a practical view of how sustainability considerations are integrated across the portfolio and how progress is monitored over time. Where relevant, we also outline how these topics are managed within InfraRed's own operations.



SDR TCFD

Highlights across our investment portfolios

Our refreshed thematic lenses provide a clear framework for translating sustainability priorities into objectives and measurable performance. We have also refined the core metrics we use to monitor and report on progress and understand how sustainability considerations support long-term value, risk and resilience across the investment portfolios we manage.

Key metric[1]	2024	2025	InfraRed's objective
Climate and nature			
▸ % of in-scope portfolio (by value) allocated to energy transition-related or enabling infrastructure (climate solutions)[2]	60%	**55%**	▸ 50% by 2025
▸ % of in-scope portfolio (by value) satisfying the Net Zero Investment Framework (NZIF) criteria[3] for aligning, aligned or net zero	63%	**66%**	▸ 70% by 2030
▸ % of in-scope portfolio attributable emissions subject to direct or collective engagement on decarbonisation	82%	**82%**	▸ 90% by 2030
▸ Portfolio Weighted Average Carbon Intensity (tCO_2e / £mn revenue)	610	**512**	
▸ Portfolio Carbon Footprint (tCO_2e / £mn invested)	42	**46**	
▸ % of portfolio (by value) that has implemented environmental management plans covering relevant risks and impacts[4]	n/a	**85%**	
▸ % of portfolio (by value) that has implemented robust resilience measures to address relevant physical climate and ecosystem risks[5]	n/a	**75%**	
Wellbeing, livelihoods and inclusion			
▸ % of portfolio (by value) that have a robust approach to Health & Safety on site[6, 7]	n/a	**87%**	
▸ Portfolio Lost-Time Accident Frequency Rate (LTAFR) per 100,000 hours worked on site[8]	n/a	**0.08**	
▸ % of portfolio (by value) that support pertinent community initiatives	78%	**73%**	
▸ % of portfolio (by value) with direct employees that have a mature approach to Talent Management and Inclusion[6, 9]	n/a	**61%**	
Stewardship and integrity			
▸ % of portfolio (by value) with portfolio company Board or Senior Management oversight of sustainability	n/a	**82%**	
▸ % of portfolio (by value) that have a mature approach to Responsible Business Conduct & Transparency[6, 7]	n/a	**67%**	
▸ % of portfolio (by value) that have a mature approach to Corporate Governance related to risk management and sustainability-related matters[6, 7]	n/a	**71%**	
▸ % of portfolio (by value) that have sustainability principles incorporated into procurement practices for material spend	n/a	**84%**	
▸ % of portfolio (by value) that have implemented a proportionate human rights approach (policy, training or risk assessment)	57%	**87%**	

1 Based on information provided by portfolio companies as part of InfraRed's annual sustainability data collection campaign, representing 98.6% of total portfolio as at 31 December 2025. Valuations and revenues as at 31 December or closest available date in each reporting period. Such data is not independently verified.

2 Climate solutions are defined as renewable energy, battery storage and other supporting infrastructure for the energy transition. This definition was informed by the EU Taxonomy. We note that changes in the EU Taxonomy may lead to reclassification, and our baseline may need to be revised to reflect such changes.

3 90% of portfolio by value, as at 31 December 2025, is considered in scope of this metric, compared to 90% as at 31 December 2024. This excludes two funds that are currently being divested.

4 Covering 80% of total portfolio as at 31 December 2025, where waste, water or biodiversity has been identified as material for the assets.

5 Based on Physical Climate Resilience Rating of 3 or 4, methodology overview outlined on page 20 of this report.

6 Based on InfraRed's proprietary maturity assessment framework. We define robust or mature as any of the two highest levels: 'Advanced' and 'Leading'.

7 Data covers 88% of total portfolio by value as at 31 December 2025.

8 Data covers 95% of total portfolio by value as at 31 December 2025.

9 Data covers 32% of total portfolio by value as at 31 December 2025, where portfolio companies have at least 10 employees.

Recognising excellence: Creating Better Futures Awards

InfraRed established the **Creating Better Futures (CBF)** Awards in **2022** to recognise and promote best practice across its portfolio, reinforcing how infrastructure can deliver positive social and environmental outcomes alongside long-term investment performance. What began with Public Private Partnership (PPP)/Private Finance Initiative (PFI) projects has expanded across the wider portfolio, reflecting the relevance of these themes across asset types and geographies.

In four years, the CBF Awards have become a portfolio-wide driver of measurable social and environmental impact. Submissions totalled **210 initiatives** from **83 project companies** across **10 countries** and nine infrastructure sectors, reaching 9m+ people, mobilising c. £50m of grassroots investment, and tackling **25+ root-level challenges** – from mental health and biodiversity to poverty, food insecurity, digital exclusion, loneliness, domestic abuse support, veterans' welfare, patient experience, refugee support, air quality, road safety and chalk stream protection.[1]

Since the awards began, the judging panel has recognised 51 initiatives as Gold Standard, signalling portfolio-wide expectations and ambition. These examples highlight effective, scalable practices with real-world impact and support knowledge sharing and further adoption. Outlined on this page, they show how portfolio companies are strengthening stakeholder relationships, responding to local needs and contributing to resilient, well run infrastructure under the shared theme of Creating Better Futures.

▸ **Creating Better Futures Awards Page.**

Source: Submissions to the CBF awards, valid as at February 2026.

Gold Standard initiatives since inception

2026

Since 2023...

▸ **210**
initiatives

▸ **83**
project companies

▸ **10**
countries



Allenby & Connaught: Decarbonising army catering

Cadiz Solar: Empowering local entrepreneurs

CentraleSupelec: Optimising energy performance with AI

Deutsche GigaNetz: Climate-focused PoP modernisation

Fife Schools 2: Driving social impact through education & humanitarian action

Northwood MoD: Creating meaningful employment

RMG Roads: Bolstering road-safety through SkillZone

Medway LIFT: Coffee, chat & connect initiative

TT2: Partnering with St John Ambulance for community & earth

Peterborough Hospital: Legend on a bench

Affinity Water: WaterSave Tariff for affordability & efficiency

West Middlesex Hospital: Fundraising Walking West BBQ

2025

- Altitude Infrastructure: Solar PV deployment
- Birmingham & Solihull LIFT: Sustainable food production
- Blankenburg Tunnels: White asphalt to improve energy efficiency
- Fife Schools 2: Transforming play for all abilities
- Four Borrows Solar: Biodiversity enhancement in action
- Lewisham Schools: Jab not stab
- MPA Training Facility: On-site food composting
- Perimetral de Oriente de Cundinamarca: Municipal waterbank to address water shortages
- Queen Alexandra Hospital: Virtual reality headsets for paediatric patients RSME: Technology-driven food donation
- Salford & Wigan 2: Book vending machine
- Salford & Wigan 2: Supporting Salford City Football Club
- TT2: Neurodiversity employment initiative

2024

- Affinity Water: Bidwell Water Savers
- Central Middlesex Hospital: Knowledge sharing Lunch & Learn
- Concesion Ruta al Mar Antioquia Bolivar: Connectivity communities
- Deutsche GigaNetz: Modernising PoPs for climate efficiency
- LiveOak Fiber: Volunteering for impact
- London St. Pancras Highspeed: Mobile segregation unit
- Peterborough Hospital: Woodland Walk
- Pinderfields and Pontefract Hospitals: Enhancing biodiversity
- Redbridge & Waltham Forest LIFT: Loxford Community Café
- RSME: Sports camp for local children
- Suffolk windfarm: Apprentice to trailblazing technician
- TT2: Transport Support Scheme
- West Middlesex Hospital: Tablet donations

2023

- A63 Road: Music festival Aire de Fête
- Blackburn Hospital: Launching a charity shop
- Beatrice Offshore Wind Farm: Puffin monitoring
- Lewisham Schools: Energy efficiency measures
- London St. Pancras Highspeed: Peatland restoration project
- Manchester School: Senior citizens Christmas engagement
- North Middlesex Hospital: Food boxes for healthcare workers
- Northwest Parkway: Toll relief for Marshall Fire victims
- Northwood MoD: Worms, wildflowers and bees
- Oldham Library: Summer reading challenge
- Queen Alexandra Hospital: Purple book guide improving services
- RSME: Gundolph pond conservation
- TT2: Open road tolling

SDR TCFD

Climate and nature

What we focus on[1]

- Capitalising on attractive investment opportunities related to the transition to a lower-carbon, energy-resilient and resource-efficient economy.
- Driving operational performance through decarbonisation, efficient resource use and responsible environmental management.
- Building long-term resilience to climate and nature-related risks to protect asset value.

1 Each aspiration is pursued to the extent relevant to each mandate and underlying investments as well as our own business operations.

In this chapter

Section	Page	Topics covered	Where it applies: Investment portfolios	Where it applies: Our operations
Climate and ecosystem resilience	15	Climate change adaptation and ecosystem resilience	▲	
Energy transition and security	22	Decarbonisation and energy efficiency	▲	▲
Environmental management and resource efficiency	29	Circularity and waste management	▲	
		Sustainable water management	▲	
		Pollution prevention and control	▲	
		Conservation of natural habitats and biodiversity	▲	

SDR TCFD

Climate and ecosystem resilience

Thoughtful consideration of climate- and nature-related risks and opportunities is integral to InfraRed's investment decision-making.

By capitalising on opportunities arising from the energy transition and circular economy, and managing the potential financial impacts of climate- and nature-related risks, we seek to strengthen the long-term resilience of our business and the portfolios we manage, while delivering attractive risk-adjusted returns for investors.[1]

Climate change and nature loss are increasingly interconnected drivers of risk and opportunity for infrastructure assets. Physical climate impacts can be exacerbated by degradation of natural systems, while transition dynamics, policy developments and energy security considerations continue to reshape the investment landscape. Conversely, well-managed infrastructure can contribute to climate mitigation and adaptation, resource efficiency and ecosystem health.

InfraRed assesses climate- and nature-related risks and opportunities using a TCFD-aligned approach, which incorporates relevant elements of the TNFD[2] framework, and considering both physical and transition factors alongside local circumstances and wider macro-economic and geopolitical developments. This includes periodic portfolio-level analysis, such as scenario-based climate risk and resilience assessments informed by the latest climate science, and reviews of nature-related risks, dependencies and impacts. These assessments are supported by quantitative analysis where appropriate and complemented by qualitative judgement and sector expertise, drawing on sector- and geography-specific perspectives from Investment Management teams.

Use of climate scenarios

The most recent portfolio-level assessment was conducted as at 31 December 2025, utilising three climate scenarios published by the Intergovernmental Panel on Climate Change (IPCC), with short-term impacts (0–5 years) reflecting current trends and mid-to-long-term impacts (5–15+ years) assessed under more divergent scenarios.

Climate scenarios

A scenario is defined as a realistic description of how the Earth's physical atmospheric system may evolve over time, based on a given set of assumptions about key drivers of greenhouse gas (GHG) emissions and concentrations, and land use. Scenarios are collectively referred to as Representative Concentration Pathways (RCP).

Low emissions
'Paris-aligned' (SSP1 – RCP2.6)

A high degree of civic-social commitment to adaptation and mitigation leads to emissions growth levelling out by 2050 and declining after. This is InfraRed's chosen Paris-aligned scenario, resulting in a global temperature increase of 1.3–2.4°C in 2100 compared to a 1986–2005 baseline average.

Moderate emissions
'Business as usual' (SSP2 – RCP4.5)

A moderate degree of civic-social commitment to adaptation and mitigation with some continued fossil fuel emissions – most closely representing current global climate policy trends. This scenario projects global warming of 2.1–3.5°C in 2100 compared to a 1986–2005 baseline average.

High emissions
'Hothouse World' (SSP5-8.5 – RCP8.5)

Social and economic development is based on an intensified exploitation of fossil fuel resources. This scenario projects continued greenhouse gas emissions growth through 2100, and a likely global warming of 3.3–5.7°C in 2100 compared to a 1986–2005 baseline average.

Nature-related overlay

Nature-related risks, dependencies and impacts are assessed alongside climate risks, reflecting the close interdependence between climate, ecosystems and infrastructure assets. InfraRed undertakes high-level, portfolio-wide screening using sector-based tools aligned with emerging TNFD guidance to support prioritisation, recognising that nature-related risks are often highly location- and asset-specific.

Further detail on climate scenarios, nature-related tools, assumptions and key findings is set out in the following section.

Considerations for InfraRed

Based on the analysis undertaken, InfraRed considers its business model and investment strategy to be generally resilient to climate- and nature-related risks, supported by a diversified platform, disciplined investment approach and a focus on essential infrastructure with stable and visible cashflows.

These dynamics also continue to shape InfraRed's opportunity set. Energy Transition and Circular Economy infrastructure remains a core strategic theme, reflecting sustained demand for low-carbon power, system security and reliability, and infrastructure supporting adaptation and resource efficiency. Key manager-level climate- and nature-related considerations include:

- capital raising and product positioning, reflecting evolving investor preferences, regulatory expectations and sustained demand for transition- and resilience-aligned strategies;
- capital deployment, including the pace, sequencing and scale of investment as transition dynamics, supply chain constraints, permitting requirements and market conditions evolve;
- fee stability and earnings, influenced by assets under management, deployment timing and long-term portfolio performance;
- reputation and stakeholder confidence, shaped by the credibility of InfraRed's approach, quality, consistency and transparency of disclosures; and
- regulatory and reporting requirements, including increasing expectations around governance, risk management and decision-useful disclosures.

1 Past performance is not a reliable indicator of future results.
2 Taskforce on Nature-related Financial Disclosures.

SDR TCFD

Overall assessment of portfolio resilience

Based on the analysis undertaken, **InfraRed believes that the portfolios it manages are generally resilient to climate- and nature-related risks over their investment horizon, including under more adverse climate scenarios.** While certain risks may be material at individual asset level, their potential financial impact at portfolio level is moderated by diversification across sectors and geographies, long-term visibility and/or protection of revenue structures, and asset-level protections such as insurance and technical design standards, and active asset-level risk management.

At the same time, **climate and nature dynamics present structural investment opportunities for infrastructure portfolios,** particularly where assets support the energy transition, system reliability, climate adaptation and resource efficiency. The assessment below, therefore, summarises the climate- and nature-related risks and opportunities identified, with impact ratings reflecting the residual potential impact at portfolio level, after taking into account these mitigating and enabling factors.

Outcomes may nevertheless vary by sector, geography, asset characteristics and the external policy and market environment. Asset-level manifestations illustrate how risks and opportunities may arise in practice, while portfolio-level implications reflect aggregate effects across diversified portfolios.

Climate– and nature-related opportunities

		Potential portfolio impact		
		Short-term	Mid-to-long-term	
Asset-level manifestation	**Description**	**BAU**	**Hothouse World**	**Paris-aligned**
Structural shift toward low-carbon power and supporting infrastructure (generation, storage, networks and flexibility)				
Contracted/regulated revenues; pricing upside where assets provide flexibility, grid support or capacity services.	Strong pipeline and deployment opportunities in scalable, policy-supported sectors; potential for enhanced portfolio performance, track record and valuation in transition-aligned assets.	M–H	M–H	H
Rising demand for reliable power (including electrification, data compute and digitalisation)				
Higher utilisation and stronger economics for assets providing reliability (storage, flexible generation, networks, grid services).	Increased strategic value and demand visibility for reliability-enabling assets; supports resilient cashflows and longer-term growth optionality as power demand rises.	M	M–H	H
Circular economy / resource efficiency (materials, waste, water and energy)				
Investment opportunities in circular economy-related infrastructure, including waste and recycling assets, resource recovery, water and wastewater treatment, and efficiency-enabling platforms; operational value creation through lower input costs; and improved resource productivity.	Expanded opportunity set in scalable, policy-supported circular economy infrastructure; potential for enhanced portfolio performance and resilience where assets benefit from structural demand for resource efficiency; and reduced exposure to constrained inputs.	M	M–H	M–H
Increased emphasis on adaptation investment to maintain service continuity				
Reduced downtime and lifecycle costs; potential insurance and availability benefits where resilience upgrades are implemented.	Protects and, where relevant, enhances value by reducing cashflow volatility and downside risk in exposed assets; supports more stable long-term performance.	L–M	H	M
Managing dependencies on natural systems and supporting ecosystem resilience (where relevant)				
Improved operability where nature dependencies (e.g. water availability) are actively managed; reduced disruption in sensitive locations.	Supports resilience and continuity of service in sensitive geographies; reduces potential for disruption and stakeholder friction over time (where material).	L	M	M

Legend

L	Limited	L–M	Limited to moderate	M	Moderate	M–H	Moderate to heightened	H	Heightened

SDR TCFD

Climate – and nature-related risks

Asset-level manifestation	Description	Potential portfolio impact		
		Short-term	Mid-to-long-term	
		BAU	Hothouse World	Paris-aligned
Physical climate impacts (acute and chronic)				
Location-specific damage and disruption from e.g. flooding, heat, cold, storms and drought; higher maintenance, capex and insurance costs; service downtime.	Cashflow volatility and valuation pressure concentrated in more exposed sectors and geographies; higher long-term capex and insurance assumptions under adverse scenarios.	L–M	M	L–M
Compounding physical impacts from nature degradation				
Reduced natural buffering capacity (e.g. water stress, land degradation, ecosystem loss) leading to longer recovery times, reduced operability and higher lifecycle costs.	Increased tail risk and performance divergence in geographies where nature dependencies are material; amplification of physical climate impacts over time.	L	M	L–M
Transition: policy, regulatory and legal change				
Capex requirements, permitting constraints or operating restrictions to meet evolving climate and environmental standards.	Compliance costs and potential valuation impacts where assumptions on policy, carbon pricing or regulation change; impacts vary by jurisdiction and sector.	L–M	L–M	M
Transition: market and technology change				
Changes in demand, utilisation or competitiveness; risk of technology obsolescence for mis-positioned assets.	Potential value pressure for assets not aligned with market or technology shifts, offset by opportunities for portfolios with exposure to transition-aligned sectors.	L	L–M	M
Supply chain disruption, energy security and geopolitics				
Input cost inflation, equipment delays and availability constraints; higher energy costs or service continuity risks in stressed markets.	Impacts on construction timelines, capex assumptions and deployment pacing; increased volatility in portfolio planning and valuation assumptions.	M	M–H	M
Nature-related dependencies and impacts (where relevant)				
Operational constraints, permitting delays or stakeholder pressure linked to water, land or ecosystem sensitivities.	Performance divergence by geography and sector where nature dependencies are material; potential reputational and regulatory scrutiny in sensitive locations.	L	M	L–M

Legend

L Limited | L–M Limited to moderate | M Moderate | M–H Moderate to heightened | H Heightened

How to read the potential impact

Impact ratings are indicative and reflect potential portfolio-level implications under the climate scenarios outlined. Asset-level impacts may be higher or lower depending on sector, geography and mitigations. Nature-related impacts are reflected qualitatively and are informed by sector-based screening.

L **Limited** – No material impact expected at portfolio-level under the scenario. Impacts, if any, are isolated, short-lived or immaterial in aggregate and are not expected to affect overall portfolio performance or strategy.

M **Moderate** – Noticeable portfolio-level impact possible under the scenario, including effects on valuation, cashflow volatility, capital expenditure or deployment assumptions. Impacts are expected to be manageable and largely offset by diversification and mitigating factors.

H **Heightened** – More pronounced portfolio-level implications expected under the scenario, reflecting strong directional effects (positive or negative) that could influence portfolio performance, valuation or strategic positioning, notwithstanding diversification and mitigants.

SDR TCFD

Identifying and assessing physical climate- and nature-related risks

InfraRed periodically undertakes climate risk assessments across the portfolios it manages to better understand exposure and vulnerability to physical climate risks. Physical climate risks are defined as risks associated with the physical impacts of climate change, including both acute, event-driven hazards. such as storms, flooding and wildfires – and chronic, longer-term changes, such as rising temperatures, shifting precipitation patterns and sea-level rise.

Nature-related dependencies and ecosystem degradation can amplify physical climate risks for infrastructure assets, for example through water stress, land degradation, reduced natural flood buffering and wider ecosystem impacts. To complement physical climate risk assessments, InfraRed applies a portfolio-level nature dependency overlay to help identify where nature-related considerations may be most relevant and to support prioritisation for deeper asset-level review.

Where feasible, the assessment also considers the implementation of measures that may enhance long-term resilience, taking into account the economic life and characteristics of each asset. This approach is aligned with the recommendations of the TCFD and draws on the Climate Resilience Investment Framework (CRIF) developed by the Institutional Investors Group on Climate Change (IIGCC) in 2025. The physical climate risk assessment applies a structured, location-specific methodology to evaluate potential physical climate perils across the portfolio. The approach combines standardised peril exposure modelling (provided by a third-party) with an internally developed vulnerability framework to derive a consistent view of inherent physical climate risk at the asset level.

1. Peril modelling at asset locations

For each asset held as at 31 December 2025, InfraRed selected representative point locations (each with single coordinates). These coordinates were analysed using a third-party high-resolution climate risk tool to assess exposure to a defined suite of nine physical climate perils (acute, event-driven occurrences), represented by 13 underlying metrics that also serve as indicators of longer-term chronic climate patterns.

Modelling was conducted at five-year intervals under the three climate scenarios set out on page 15, producing a location-specific exposure score for each peril over time. The assessed perils and associated metrics include:

1	Cold (extreme cold days)
2	Drought (multi-month precipitation deficits / total water stress)
3	Flood – coastal (storm surge, tides, sea level rise), fluvial (riverine depth at a given annual probability) and pluvial (intense rainfall driven surface flooding)
4	Hail (frequency of large hail storm)
5	Heat (extreme heat days; annual cooling requirement; wet bulb globe exceedance)
6	Extreme precipitation (annual probability of intense daily rainfall)
7	Wildfire (annual probability of large events)
8	Wind (annual probability of extreme wind speeds)
9	Subsidence (annual probability of shrink–swell soil movement causing structural stress)

2. Vulnerability assessment

InfraRed evaluated each project's vulnerability, defined as its susceptibility to harm from a heightened level of peril exposure. Vulnerability is assessed across three dimensions:

1. **Critical Components**
   Sensitivity of key physical or operational elements
2. **Layout and Physical Context**
   Site configuration and topography
3. **Access and External Dependencies**
   Off-site infrastructure such as roads, utilities, and communications networks

This assessment draws on information from portfolio companies, proprietary research, asset type characteristics, and operational knowledge. Where relevant, vulnerability review is also informed by high-level nature-related dependencies (e.g. water availability and ecosystem services) that may affect asset operability or compound recovery and disruption risk.

3. Determining Inherent Physical Climate Risk

For each project and each peril, Inherent Physical Risk is calculated as:

$$\text{Inherent Physical Risk} = \text{Peril Exposure} \times \text{Asset Vulnerability}$$

This produces a consistent, comparable indication of potential future physical climate risk before taking account of mitigation measures already in place. The results help identify assets where risk may be more significant, inform prioritisation of further analysis, and support the development of targeted resilience measures. The analysis and findings are communicated to portfolio companies, with a view to ensuring that, where appropriate, these risks are incorporated into portfolio company risk registers and mitigation strategies are developed. The findings of the inherent physical risk analysis are summarised below.

The analysis shows that peril-exposure levels across the three scenarios do not materially diverge until approximately 2060 or later. Therefore, given the remaining economic life of the assets in our portfolios, InfraRed has focused on the maximum peril exposure observed under any scenario over the 2025–2050 period.

Overall, the analysis indicates that heightened inherent risk (High and Highest level) is concentrated across six perils – drought (10%), cold (8%), flood (6%), heat (6%), wildfire (4%), and precipitation (2%) by portfolio value. For most perils, the majority of the portfolio (by value) falls within the lower two risk categories. Cold is a notable outlier, with 41% of the portfolio at Medium risk. Certain perils cannot be assessed at all locations, primarily due to inapplicability (e.g. drought or wildfire for offshore sites), affecting approximately 3–11% of portfolio value depending on the peril.

SDR TCFD

4. Resilience of the portfolios to heightened physical climate risks

To begin understanding the potential implications of physical climate risk on the portfolio, InfraRed undertook an initial high-level resilience review covering c.1,500 locations across all projects, primarily relying on information provided by portfolio companies and our operational knowledge of the assets.

We prioritised projects with heightened inherent risk – i.e. locations where (i) metric-level sensitivity thresholds are exceeded in any time between 2025 and 2050; and (ii) the inherent risk rating for at least one peril is classified as High or Highest between 2025 and 2050 under any of the three scenarios.

The objective of this analysis was to get an initial understanding as to whether existing mitigants – physical, operational, or financial – can appropriately reduce risk such that the post-mitigation (residual) risk is within an acceptably manageable range.



InfraRed applied a consistent framework centred on three categories of resilience measures:

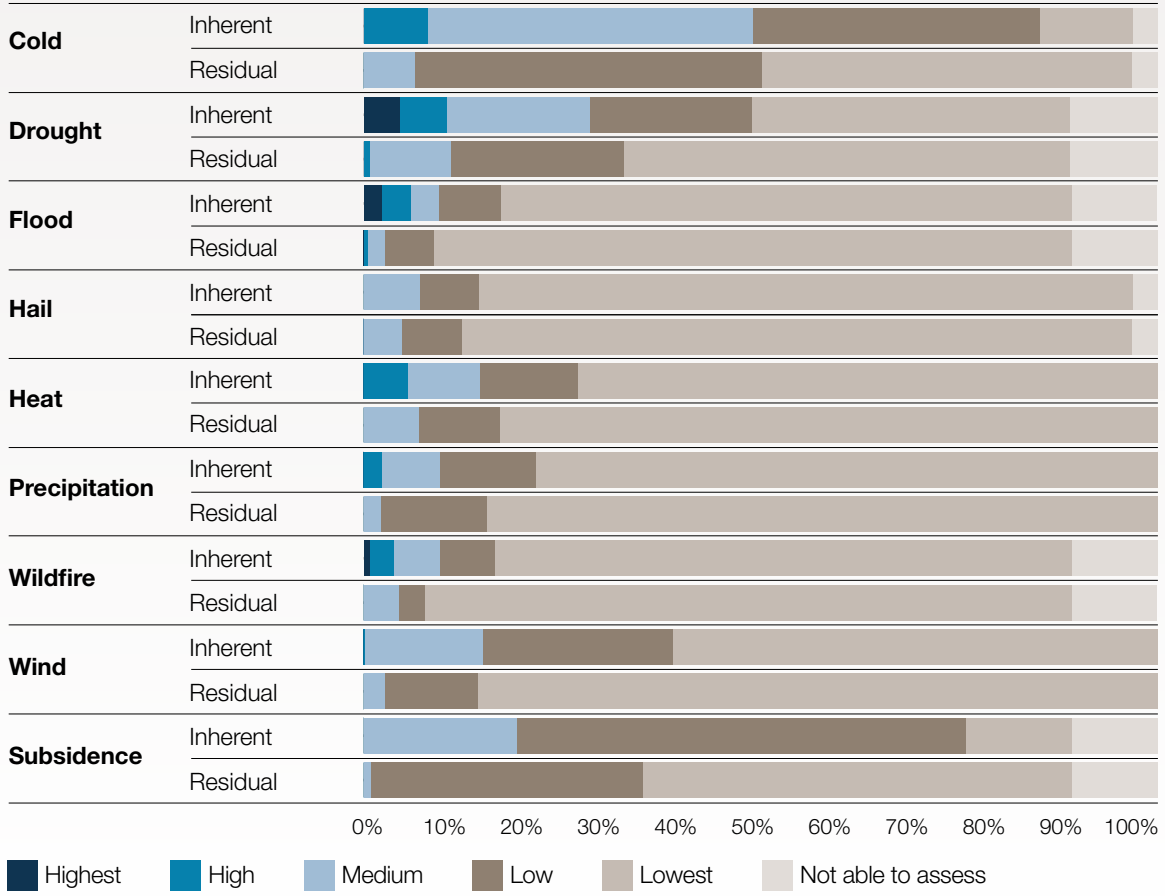
i. Engineering and nature-based enhancements: These measures include permanent physical or ecological interventions designed to reduce the likelihood or severity of asset damage from acute weather events. Examples include improved drainage, strengthened foundations, enhanced flood protection, wind-resistant or fire-resilient design elements, as well as nature-based features such as vegetative buffers, shelterbelts, and other natural barriers that help absorb or deflect climate-related impacts.

ii. Operational preparedness: Operational mitigants relate to awareness, monitoring, forecasting, and readiness procedures designed to reduce disruption ahead of, during, or after an extreme event. This includes protocols for severe weather alerts, site access and safety procedures, contingency planning for high wind or high temperature conditions, and well established business continuity arrangements. External adaptive capacity such as emergency services and infrastructure were also considered.

iii. Financial protection and insurance effectiveness: Insurance remains an important mitigant for low probability, high impact climate events, particularly where engineering measures are not technically or economically feasible. The review examined coverage levels, policy terms, renewal practices, and prevailing market conditions, and assessed the effectiveness of insurance in protecting against asset damage, business interruption, and revenue loss from acute climate events. Other financial protections such as contractual arrangements were also considered.

Distribution of inherent and residual risk across perils (value weighted)[1]

Maximum exposure in any scenario 2025–2050. Portfolio composition and valuations as at 31 December 2025 or closest available.

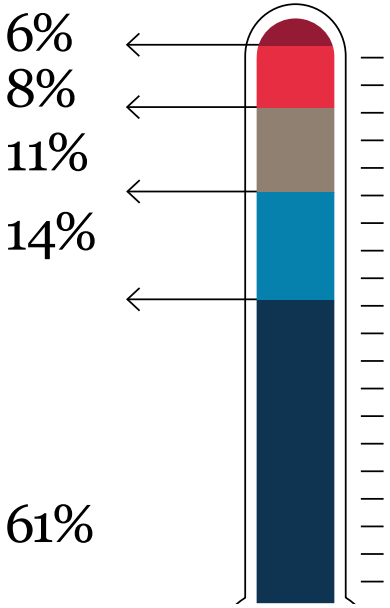


1 Inherent risk is based on third-party modelling overlayed with InfraRed's proprietary vulnerability assessment. Residual risk is based primarily on information provided by portfolio companies, as well as our operational knowledge of the assets.

SDR TCFD

Findings of the initial resilience review

Based on this initial analysis each project in the portfolio was assigned a proprietary Physical Climate Resilience Rating (0–4, 4 = high resilience), taking into account the extent of inherent risk per peril and the adopted resilience measures and their effectiveness, where information was available at the time of the review. The portfolio weighted average resilience rating (by value) was 3.2 and the same metric by peril ranged from 2.3 (cold) to 3.7 (precipitation).



4	High Resilience
3	Moderate Resilience
2	Developing Resilience
1	Low Resilience
0	Minimal or Unknown Resilience

82%

of portfolio (by value)[1] with formal oversight of climate-related risks at Board or Senior Management level (2024: 74%)

55%

of portfolio (by value)[1] have incorporated physical climate risks in project risk registers

3.2

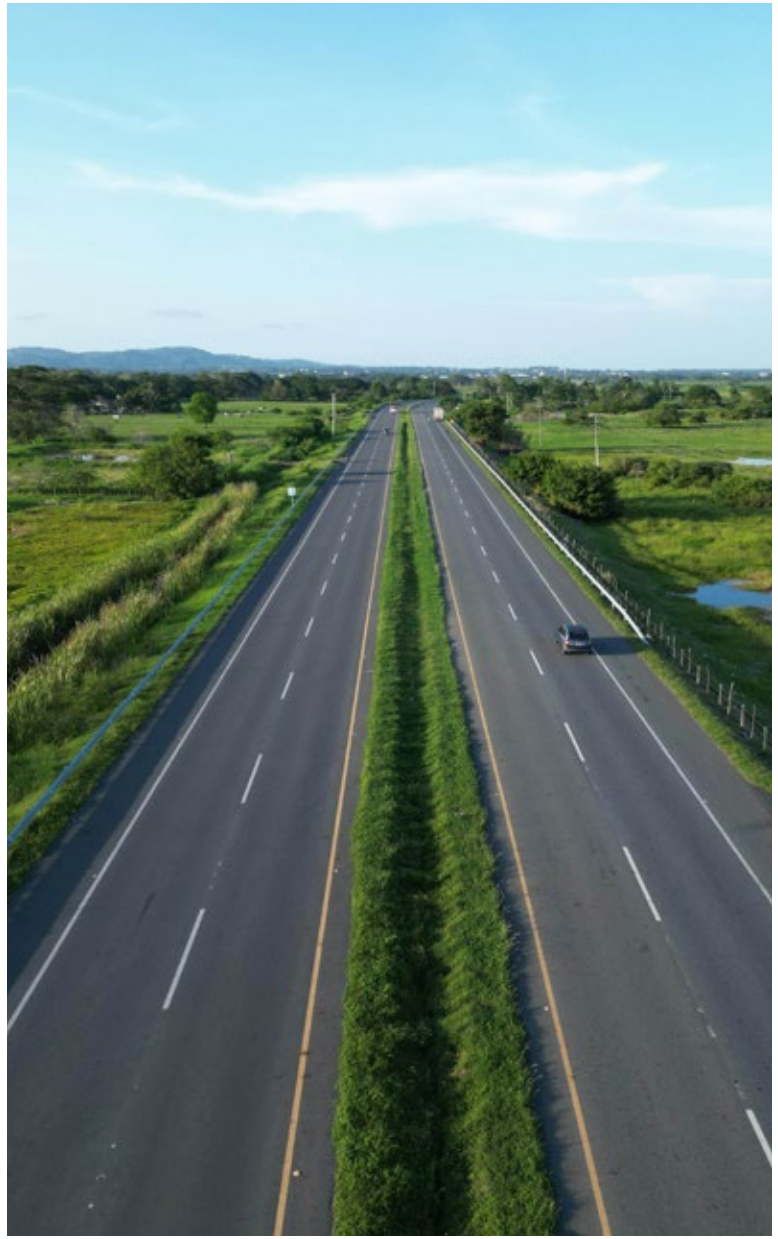
overall weighted average resilience rating[2] of portfolio (by value)[1] climate hazards

1 Based on information provided by portfolio companies as part of InfraRed's annual sustainability data collection campaign, representing 98.6% of total portfolio as at 31 December 2025. Such data is not independently verified. Valuations as at 31 December or closest available date in each reporting period.

2 Based on InfraRed's proprietary physical climate risk resilience rating methodology.

Overall, we found that existing mitigants are generally appropriate to reduce inherent risk to an acceptable residual level for the assets reviewed, recognising that resilience is an evolving area and will continue to be monitored and enhanced as climate science, regulation, and technology advance.

- In most cases, the combination of engineering measures and strong operational preparedness can materially reduce the impact of asset damage or prolonged downtime for the relevant peril;
- Insurance coverage provides an effective backstop for severe or residual risks, particularly for perils where permanent engineering or ecological solutions are not feasible or where uncertainty remains high. InfraRed will continue to monitor the property damage and business interruption insurance market to ensure adequate policies continue to be in place across the portfolio; and
- No instances were identified where the combination of mitigants was judged insufficient, although a number of locations were identified for exploring future resilience and adaptation enhancements.



SDR TCFD

Nature dependencies and climate resilience

Nature-related dependencies are closely interlinked with the physical climate perils assessed across InfraRed's portfolios. Many hazards considered in physical climate risk analysis, such as flooding, drought/water stress, subsidence, heat and wildfire – are influenced by the condition and functioning of natural systems (e.g. ecosystem buffering, soil stability, hydrological regulation and broader ecosystem balance). At the same time, physical climate impacts can themselves affect ecosystem condition, reinforcing the dynamic relationship between climate risks and nature. As a result, nature degradation can amplify the severity, frequency or recovery time associated with physical climate impacts, with implications for operability, maintenance costs and asset-level resilience planning.

Building on our nature assessment: from dependencies to real-world linkages

In 2025, InfraRed updated its portfolio-level screening of nature-related dependencies using the ENCORE[1] methodology.

This analysis is sector-based and directional, indicating potential relevance based on sector characteristics rather than confirming site-specific exposure.

To strengthen decision-usefulness year on year, InfraRed is extending this analysis to consider downstream dependencies, recognising that infrastructure customers and users typically share the same geography as the asset itself (for example the communities served by transport, education, healthcare, utilities and digital infrastructure). This geographic alignment makes it feasible to link customer and user reliance on ecosystem services to local environmental conditions and to the same place-based hazards already captured through physical climate risk assessments, supporting more targeted, location-specific resilience considerations at project level.

By contrast, this logic is not readily transferable upstream. Supply chains are often multi-tiered and geographically dispersed, meaning upstream nature dependencies typically require a different analytical approach and are more appropriately addressed through responsible supply chain management and targeted due-diligence processes.

Across the portfolio, the most prevalent nature-related dependencies with potentially heightened materiality include:

Nature dependency	Combined exposure %[2]	Example asset exposure	Example downstream exposure
Flood mitigation	**47.6%**	Wind, ferry and road assets rely on natural flood buffering to protect foundations, cabling, and access.	Healthcare and essential-service assets rely on catchment-level flood mitigation for service continuity.
Global climate regulation	**37.9%**	Renewable assets depend on stable wind or solar radiance patterns to support long-term yields.	No material downstream dependency identified.
Visual amenity services	**35.9%**	Assets such as hospitals and schools rely on surrounding environmental quality and landscape setting.	Degradation of visual or local environmental quality may reduce attractiveness or usability of assets.
Soil and sediment retention	**20.6%**	Transport and other immobile assets may depend on stable soils, slopes and access routes to maintain operability.	Users and communities where erosion, sediment movement or ground instability disrupts access to essential services.

Connecting nature dependencies to physical climate risk hotspots

A key benefit of integrating nature considerations is the ability to connect the nature overlay to the same transmission channels already assessed through physical climate risk. In practice, these relationships are many-to-many and place-specific.

The linkages below highlight primary overlaps that are particularly relevant for resilience planning, recognising that interactions vary by asset type and location:

- **Global climate regulation ↔ chronic climate patterns** Particularly relevant for renewable energy assets, where changes in prevailing climate conditions can influence wind regimes and solar irradiation, affecting long-term performance and resilience.
- **Flood mitigation ↔ flood risk** Degradation of natural flood buffering capacity can increase flood severity, extend recovery times and raise lifecycle costs for exposed immobile assets.
- **Soil and sediment retention ↔ subsidence** Changes in soil stability and erosion dynamics can exacerbate subsidence and structural stress, particularly where assets depend on stable ground conditions and reliable access routes.
- **Water dependency ↔ drought/water stress** Water stress is captured within our physical climate risk approach, reinforcing the need to understand where water availability could constrain operability directly (for water-intensive assets) or indirectly through local system stress and stakeholder pressure.
- **Biodiversity & ecosystem balance ↔ resilience** Biodiversity underpins ecosystem functioning (e.g. regulation, soil integrity and hydrological stability) and can also create heightened sensitivity in certain locations, affecting the acceptability and constraints around adaptation or expansion measures.

Select portfolio exposure metrics[2]

5%
of portfolio (by value) located in water-stressed areas

<1%
of total water withdrawn is from water-stressed areas

33%
of portfolio (by value) located near sensitive biodiversity areas

93%
of portfolio (by value) located near sensitive biodiversity areas and have environmental management plans addressing any negative impacts or enhancement initiatives

Outputs from this integrated view will be used to guide due diligence of new investment opportunities as well as engagement with Asset Management teams, identify where location-specific analysis is most warranted, and support prioritisation of project-level resilience measures that reflect both climate hazards and ecosystem constraints.

1 The ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) tool is maintained and continuously improved by Global Canopy, UNEP FI and UNEP-WCMC, who together form the ENCORE Partnership, previously known as The Natural Capital Finance Alliance (NCFA). For more detail please see the ENCORE website.

2 Based on information provided by portfolio companies as part of InfraRed's annual sustainability data collection campaign, representing 98.6% of total portfolio as at 31 December 2025. Such data is not independently verified. Valuations as at 31 December or closest available date in each reporting period.

SDR TCFD

Energy transition and security

Capitalising on investment opportunities in a changing energy system[1]

Global investment in the energy transition remains strong. In 2025, investment reached a record US$2.3tn, an 8% year-on-year increase, underpinned by continued deployment of proven, commercially scalable technologies across renewable power, electrification, energy storage and networks[2].

At the same time, the transition is unfolding in a more complex and dynamic context. Geopolitical fragmentation, a heightened focus on energy security, structurally higher and more volatile energy prices and rapidly growing electricity demand – driven by electrification, digitalisation and data-intensive applications – are reshaping how energy systems are planned, financed and operated. In many markets, delivering net zero outcomes is no longer viewed as a linear pathway, but as a process that must be balanced with near-term system stability, affordability and resilience. These dynamics reinforce the strategic case for investment in infrastructure that supports both the energy transition and energy security. Energy security, in this context, refers to the ability of an energy system to provide a reliable and sufficient mix of energy at affordable prices, while remaining resilient to physical, economic, societal and geopolitical shocks, and supporting the transition to a lower-carbon economy.

While regional circumstances and transition pathways differ, common system-wide priorities are emerging:

Expanding and upgrading power generation capacity

Reinforcing transmission and distribution networks and grid infrastructure

Deploying energy storage, flexible capacity and complementary enabling infrastructure

Improving energy efficiency across end-use sectors

> “Energy security refers to the ability of an energy system to provide a reliable and sufficient mix of energy at affordable prices, while remaining resilient to physical, economic, societal and geopolitical shocks and supporting the transition to a lower-carbon economy.

Against this backdrop, InfraRed continues to see a broad and attractive opportunity set, particularly within mid-market infrastructure where capital discipline, active asset management, and operational expertise are essential to navigating complexity and delivering resilient, risk-adjusted returns. Our investment approach reflects the view that energy transition and energy security are increasingly interdependent objectives, and that well-structured infrastructure investments can address both. InfraRed’s capabilities span core, core+ and value-add strategies and a range of developed geographies, allowing us to invest across the energy value chain and at different stages of asset maturity.

Across our portfolios, this includes exposure to regulated and contracted assets that underpin system reliability, as well as growth-oriented investments that support decarbonisation, flexibility and demand-side solutions. This breadth enables us to respond to differing regional transition dynamics, while maintaining a consistent, risk-aware investment philosophy.

In 2022, InfraRed set an objective to have at least 50% of its in-scope[3] portfolio (by value) allocated to energy transition-related or enabling infrastructure (climate solutions[4]) by 2025. This goal has been consistently exceeded since 2023, with 55% at the end of 2025.

We intend to directionally maintain the 50% allocation objective, while expanding its scope to capture a broader set of interconnected, structural infrastructure trends, including circular economy, energy security and decarbonisation. In practice, this means prioritising infrastructure that delivers near-term system value, while remaining well positioned for longer-term decarbonisation pathways.

US$2.2bn

in aggregate allocated to energy transition-related or enabling infrastructure since the start of 2022

Across strategies and regions, these investments focused on infrastructure that strengthens system resilience and supports decarbonisation, including:

- renewable energy assets, across both development and operational stages;
- transmission and distribution infrastructure, supporting network reliability and enabling greater integration of low-carbon generation;
- energy storage and flexibility solutions, including battery energy storage systems and electric vehicle charging infrastructure, supporting system balancing and transport electrification; and
- decentralised energy and efficiency solutions, such as low-carbon heating and demand-side technologies.

Together, these activities demonstrate InfraRed’s ability to invest selectively across the energy system, align capital with structural trends, and deliver resilient outcomes in a rapidly evolving market environment.

1 The views expressed are intended to provide a general overview and do not reflect specific jurisdictional, market or political circumstances.
2 BloombergNEF (January 2026) – Energy Transition Investment Trends 2025.
3 90% of portfolio by value, as at 31 December 2025, is considered in scope of this metric, compared to 90% as at 31 December 2024. Valuations as at 31 December or closest available date in each reporting period.
4 Climate solutions are defined as renewable energy, battery storage and other supporting infrastructure for the energy transition. This definition was informed by the EU Taxonomy. We note that changes in the EU Taxonomy may lead to certain projects being reclassified, and our baseline may need to be revised to reflect such changes.

SDR TCFD

Addressing transition climate risks

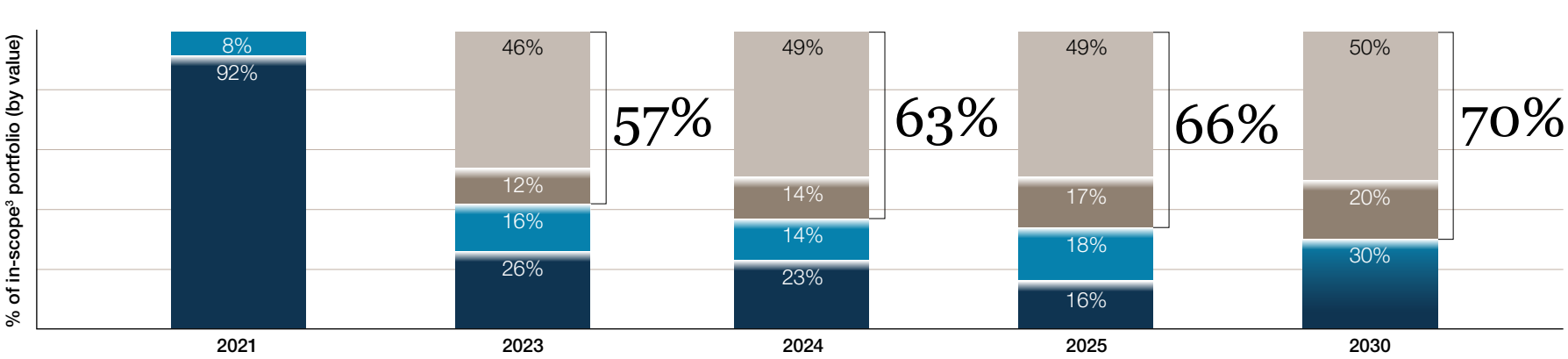
Our main aim in addressing transition climate risks is to prepare and position our investments to succeed in a lower-carbon, energy-resilient future. Many of our investments, particularly those involved in the energy transition, play a role in shaping such a future. In addition, for our portfolios at large, this involves anticipating and building capacity to address changes in the policy and regulatory landscape, energy availability and price dynamics, customer pressures and evolving preferences, advancements in technology, supply chain risks, and other related matters.

The main industry frameworks that help us assess the extent to which our portfolios are prepared for and aligned with a lower-carbon, energy-resilient future are the Net Zero Investment Framework (NZIF)[1] and the Private Markets Decarbonisation Roadmap (PMDR)[2]. These frameworks were developed by the investment industry for the investment industry and categorise the level of alignment across the following stages: Not possible to align, Gathering data, Preparing to decarbonise, Aligning, Aligned or Net zero.

In 2022, we set a goal for 70% of in-scope portfolio (by value) to be at aligning, aligned or net zero stage by 2030 (from an 8% baseline). As at 31 December 2025, 66% of InfraRed's in-scope portfolio (by value) meets the criteria. Alignment rose by 3% compared to 2024, notable progress across certain projects has been outlined on the following pages.

Since 2023, 36 projects in the portfolio as at 31 December 2025 (representing 17% of total value[4]) have progressed by at least one stage, including 14 projects that reached the Aligning or Aligned stage in 2025.

Alignment of InfraRed's in-scope portfolio (by value)[4]



Stages and cumulative criteria of alignment to net zero

1 Gathering data
GHG measurement – Scope 1, 2, and material Scope 3 emissions

2 Preparing to decarbonise
High-level short- to medium-term decarbonisation plan[5]

3 Aligning
Short- and medium-term science-based decarbonisation targets in place[5]

4 Aligned
A quantified plan setting out a decarbonisation strategy for Scope 1, 2, and material Scope 3 emissions, and emissions performance aligned with, or outperforming, applicable net zero pathway

5 Net zero
Emissions performance is aligned with, or outperforming, the applicable net zero pathway requirement for the year 2050, and operating model likely to sustain such performance

2025 in-scope portfolio alignment breakdown[3,4]

By sector

Stage	Digital infrastructure	Energy & Resource infrastructure	Social infrastructure	Transport infrastructure
1 Gathering data	63%	–	28%	16%
2 Preparing to decarbonise	34%	–	62%	6%
3 Aligning	3%	9%	11%	65%
4 Aligned	–	91%	1%	12%

By attributable emissions

Stage	%
1 Gathering data	**25%**
2 Preparing to decarbonise	**30%**
3 Aligning	**23%**
4 Aligned	**22%**

1 Developed by the Institutional Investors Group on Climate Change (IIGCC) with support from other industry stakeholders and recommended for use by both asset owners and asset managers.
2 Supplementary guidance to NZIF developed by Initiative Climat International (iCI) and Sustainable Markets Initiative: www.iigcc.org/resources/supplementary-nzif-guidance-private-equity-infrastructure
3 90% of portfolio by value, as at 31 December 2025, is considered in scope of this metric, compared to 90% as at 31 December 2024. This excludes two funds that are currently being divested.
4 Based on information provided by portfolio companies as part of InfraRed's annual sustainability data collection campaign. Such data is not independently verified. Valuations as at 31 December or closest available date in each reporting period. Totals may not cast due to rounding.
5 Decarbonisation plans in place but level of ambition not explicitly aligned to a net zero pathway. Short term: 3–5 years; medium term: 10–15 years.

SDR TCFD

A tailored approach to decarbonisation

InfraRed invests across a diverse range of infrastructure sectors and stages of maturity, with varying degrees of operational control and influence over decarbonisation outcomes. These characteristics require a tailored, influence-led approach to engagement and decarbonisation, reflecting differences in contractual arrangements, governance rights and asset maturity, as outlined below. Building transition preparedness ultimately depends on implementing practical, commercially viable interventions at asset level - often in partnership with public sector clients, operators and service providers. Progress is monitored through InfraRed's annual sustainability survey and integrated into ongoing asset management.

PPP / PFI infrastructure

Typical sectors: Education, Healthcare, Accommodation, Transport

Influence dynamics and considerations
Long-term, availability-based contracts – often agreed prior to net zero commitments – can limit flexibility to modify energy systems or operational practices without client consent or contractual variation. Operational control typically sits with the public-sector client and third-party service providers.

Our approach
InfraRed applies a structured, pragmatic stewardship approach, aligned with IPA/NISTA guidance, to identify feasible decarbonisation opportunities within existing contractual frameworks. Engagement focuses on securing client-led variations, optimising lifecycle interventions (such as plant replacement or energy efficiency upgrades) and supporting delivery of public sector net zero objectives.

▶ 21%
of assets (by value)[1] are assessed as at aligning, aligned or net zero stage
(2024: 17%)

▶ 31%
of assets (by value)[1] have progressed by at least one transition stage since initial investment or 2023
(whichever is later)

Renewable energy and supporting infrastructure

Typical sectors: Solar PV, Offshore and onshore wind, Battery storage, Transmission lines

Influence dynamics and considerations
Renewable energy assets typically have no direct employees, with day-to-day operational control sitting with third-party asset managers, Operation & Maintenance (O&M) contractors and original equipment manufacturers (OEMs). Influence over decarbonisation outcomes is, therefore, largely indirect, and relates primarily to lifecycle and supply-chain activities over the asset life.

Our approach
These assets are considered net zero aligned and transition-resilient by design. Our focus is on managing lifecycle and supply chain emissions through procurement standards, supplier and OEM engagement, repowering strategies, and oversight of asset management and O&M practices. Emissions transparency and setting decarbonisation commitments are encouraged.

▶ 100%
of assets (by value)[1] are assessed as at aligning, aligned or net zero stage
(2024: 100%)

Established operational businesses

Typical sectors: Rail, Fibre & Wireless infrastructure, Water utilities

Influence dynamics and considerations
Such businesses typically have defined governance structures, internal management teams and stable operating models. InfraRed is often one of several shareholders and does not typically hold a controlling stake. Emissions profiles are generally more complex but better understood, enabling structured decarbonisation planning.

Our approach
InfraRed works through governance rights and collaborative stewardship to engage management teams and co investors on the development and implementation of robust decarbonisation plans. Ambition typically includes alignment with science-based pathways (such as SBTi[2], where appropriate), supported by actions such as energy efficiency, fuel switching, electrification and procurement initiatives.

▶ 63%
of assets (by value)[1] are assessed as at aligning, aligned or net zero stage
(2024: 41%)

▶ 37%
of assets (by value)[1] have progressed by at least one transition stage since initial investment or 2023
(whichever is later)

Growth platforms

Typical sectors: Digital infrastructure, Transport, Power generation, Decentralised energy

Influence dynamics and considerations
Growth platforms are characterised by expanding asset bases, evolving operating models and changing emissions profiles. Rapid scaling and early stage data limitations can complicate baselining and target setting, but also create opportunities to embed decarbonisation into design, governance and growth strategy.

Our approach
InfraRed adopts a transition resilient by design approach, integrating decarbonisation considerations into growth strategy, capex planning and governance where feasible. This includes capturing customer decarbonisation requirements, optimising energy and fuel use and deploying on-site or low-carbon solutions where relevant. As platforms mature, targets and actions are progressively formalised and tracked.

▶ 13%
of assets (by value)[1] are assessed as at aligning, aligned or net zero stage
(2024: 6%)

▶ 13%
of assets (by value)[1] have progressed by at least one transition stage since initial investment or 2023
(whichever is later)

1 Based on information provided by portfolio companies as part of InfraRed's annual sustainability data collection campaign. Such data is not independently verified. Valuations as at 31 December or closest available date in each reporting period. 90% of portfolio by value, as at 31 December 2025, is considered in scope of this metric, compared to 90% as at 31 December 2024. This excludes two funds that are currently being divested.
2 Pathways adopted in the target-setting standards and guidelines issued by the Science Based Targets initiative: https://sciencebasedtargets.org/.

SDR TCFD

Decarbonisation and energy resilience in action

While net zero alignment provides an important measure of transition preparedness, delivery ultimately depends on implementing commercially viable decarbonisation and resilience measures at project level tailored to asset type, stage and commercial context. Across InfraRed's portfolios, this has focused on practical interventions that optimise energy use and resilience, reduce emissions, and manage exposure to energy costs and supply risks, while operating effectively within existing contractual and operational constraints.

Over the past three years, InfraRed and its stakeholders – including public-sector clients, portfolio company management teams and service providers – have implemented a range of targeted efficiency, electrification and optimisation measures across different asset types. These interventions support operational performance, cost control and long-term asset resilience, while contributing to wider system capacity and public-sector net zero objectives.



Over the last three years, we estimate[1] that:

130+
measures were implemented across 80 projects

£63mn
total financing mobilised, expecting to deliver

£c.10mn
in aggregate of quantified, annualised commercial benefits, where reported

1 Based on information provided by portfolio companies as part of InfraRed's annual sustainability data collection campaign. Such data is not independently verified.

Measures implemented (illustrative)

Low-carbon and resilient design

Where commercially feasible at development stage, including solar-powered points of presence, low-impact foundations, use of lower-carbon materials, on-site generation, closed-loop low-carbon cooling with waste-heat recovery, and repurposing or adapting existing infrastructure and land, to improve operational efficiency, enhance resilience and respond to growing market demand for lower-carbon infrastructure.

▸ **See nexspace data centre spotlight on page 28.**

LED lighting and controls upgrades

To reduce electricity use and maintenance requirements, often delivered through lifecycle programmes or client-led variations, improving operating efficiency and reducing exposure to energy price volatility.

Building management systems (BMS), smart metering and digital optimisation

To detect performance drift, improve control of Heating, Ventilation and Air Conditioning (HVAC) and plant, and reduce peak demand, supporting cost control and operational resilience.

▸ **See CentraleSupélec case study on page 26.**

Plant and equipment efficiency upgrades (including pumps, motors, air handling units, chillers and related controls)

To improve reliability, extend asset life and reduce energy intensity without requiring disruptive deep retrofits.

Electrification and low-carbon fuels

Including EV fleets and charging infrastructure where relevant, to reduce fuel consumption and maintenance requirements, while improving resilience to fuel price volatility and future regulatory tightening.

▸ **See Allenby and Connaught case study on page 26.**

Operational and network optimisation measures

Such as voltage optimisation, power monitoring and targeted 'no-regrets' efficiency initiatives, delivering fast paybacks, improved data quality and a scalable pipeline for deeper decarbonisation over time.

The following case studies illustrate how these interventions translate into measurable outcomes – including reduced energy use, improved resilience and lower exposure to cost volatility – within complex operating and contractual environments. Additional examples across other asset types and geographies are included in prior sustainability reports and portfolio disclosures.

SDR TCFD

Decarbonising a strategic defence estate



Project: Allenby and Connaught

Investment Strategy: HICL, IRIYF

Value drivers: Operational excellence | Long-term resilience

Context: Allenby and Connaught is a strategically significant Ministry of Defence (MoD) accommodation estate, housing around one-third of the British Army. The estate is viewed by the British Army as a key enabler of its long-term decarbonisation objectives, requiring solutions that can be delivered at scale across a complex, live military environment. Aspire Defence Services Limited (Aspire), the Facilities Management Company for the estate, worked in close collaboration with the MoD to identify and deliver decarbonisation solutions capable of being implemented at scale, while maintaining operational resilience and availability. Two priority initiatives were progressed as part this programme including:

- Solar PV: Identification and installation of rooftop and ground-mounted solar PV across the estate. Delivery required careful navigation of planning, environmental, biodiversity and structural constraints across a diverse portfolio of buildings, while maintaining uninterrupted operational use of the site; and
- Electrification: Conversion of the Lille Barracks kitchen into the estate's first fully electric, modernised Army diner. This marked a significant shift in energy use within a high-demand operational setting and provided a proof of concept for wider electrification across the estate.

Outcomes: Together, these initiatives demonstrate how estate-wide decarbonisation can be delivered in a way that supports operational performance, cost control and long-term resilience, including:

- Combined impact: The programme is expected to deliver c.1,315 tCO_2 of carbon reductions per annum;
- Solar PV: On-site solar PV is expected to save £1.5mn and c.1,300 tCO_2 annually, generating up to 3.64GWh and supplying over 4% of estate electricity demand; and
- Electrification: Electrification of the Lille Barracks kitchen eliminates c.290 MWh of gas use and delivers an additional c.15 tCO_2 of annual reductions.

290MWh
gas use eliminated

c.1,315 tCO_2e
combined reduction per year

Source: Allenby and Connaught, as at December 2025.

AI-enabled building energy optimisation



Project: CentraleSupélec

Investment Strategy: HICL

Value drivers: Operational excellence | Long-term resilience

Context: InfraRed is invested in CentraleSupélec, a PPP project to finance, operate and maintain a major teaching and research facility for École CentraleSupélec, a leading French engineering school. Given the scale and energy intensity of the campus, high energy consumption and exposure to grid constraints represented a material operational and cost risk.

InfraRed, along with other stakeholders, implemented an AI-enabled building management solution to optimise heating, ventilation and air conditioning systems across the campus. Using real-time data and predictive analytics, the system dynamically adjusts energy use based on occupancy, weather and building performance, improving efficiency, while maintaining occupant comfort. The solution was integrated into existing building systems, avoiding capital-intensive retrofits.

Outcomes: The initiative reduced energy use and peak-time demand, lowering operating costs and exposure to energy price volatility, while strengthening asset efficiency, resilience and long-term financial performance. Initial testing (Jan–Apr 2024) demonstrated measurable energy and emissions reductions, including c.€13k in cost savings, supporting a wider rollout. Further outcomes include:

- Outcomes delivered through testing: 84 MWh of energy savings, a 14% reduction in CO_2 emissions, approx €13k in cost savings;
- Full-year projection: 467 MWh/year saved, 65 tCO_2 avoided, and c.€61k in recurring annual savings, based on initial performance; and
- Peak-demand impact (CUBE Flex, Jan 2026): 0.39% overall energy savings, with 14.68% savings on peak days, reducing exposure to high-cost demand periods and easing local grid pressure.

14%
reduction in CO_2 emissions delivered in the testing phase

467MWh
projected energy savings for the year

Source: CentraleSupélec, as at December 2025.

SDR TCFD

Portfolio-related emissions[1]

We monitor a range of climate metrics related to its portfolios. These include total (absolute) emissions calculated in line with the GHG Protocol, as well as financed emissions[2], i.e. those emissions attributable to funds managed by InfraRed, which are calculated in line with the Partnership for Carbon Accounting Financials (PCAF) methodology. Further detail on the methodology for calculating emissions can be found in the Basis of Preparation section of this report. The following table outlines key climate metrics related to our portfolios.

Improving the quality and coverage of the underlying data used to calculate portfolio GHG emissions remains a priority to strengthen insight into performance and emissions-reduction initiatives. Given that Scope 3 represents the majority of attributable emissions across the portfolios we manage, our focus has been on scalable approaches to improving the completeness and accuracy of Scope 3 data. In 2025, this included enhancing data collection processes where portfolio companies were unable to supply primary data directly (including the use of spend data where appropriate), calculating Scope 3 fuel- and energy-related emissions using activity data, and expanding proxy datasets to cover additional Scope 3 categories. These enhancements increased the completeness of reported Scope 3 emissions over the period.

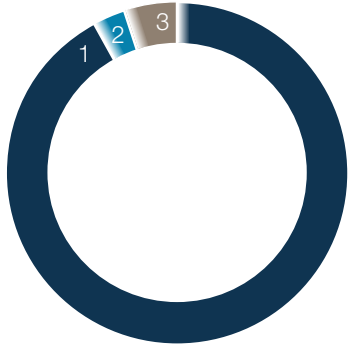
Over the reporting period, financed Scope 1 and 2 emissions decreased, while financed Scope 3 emissions increased. Changes in these metrics can reflect a combination of underlying performance, portfolio composition and valuation movements, and improvements in data quality and coverage.

Attributable (financed) emissions are inherently sensitive to changes in portfolio composition and valua-tions, and therefore fluctuate year on year. We also provide normalised metrics – including Portfolio Car-bon Footprint and Portfolio Weighted Average Carbon Intensity – to support comparability over time. In 2025, Portfolio Weighted Average Carbon Intensity decreased and Portfolio Carbon Footprint increased relative to 2024.

	2023		2024		2025	
InfraRed's Scope 3, Category 15 (Financed Emissions)	**Absolute emissions**	**Attributable emissions**	**Absolute emissions**	**Attributable emissions**	**Absolute emissions**	**Attributable emissions**
Scope 1 GHG emissions ($ktCO_2e$)	2,788	213	2,365	195	**2,435**	**189**
Scope 2 GHG emissions ($ktCO_2e$)	244	42	262	44	**379**	**41**
Scope 3 GHG emissions ($ktCO_2e$)	1,241	182	1,155	146	**1,670**	**204**
Total portfolio emissions ($ktCO_2e$)	4,272	437	3,782	385	**4,484**	**434**
Emissions coverage by value (%)		99%		98%		**100%**
Emissions PCAF Score[3]		n/a		2.3		**2.1**
Avoided emissions[4] from clean energy generation ($ktCO_2e$)		n/a		n/a		**3,593**
Portfolio Carbon Footprint (tCO_2e / £m invested)		n/a		42		**46**
Portfolio Weighted Average Carbon Intensity (tCO_2e / £m revenue)		n/a		610		**512**

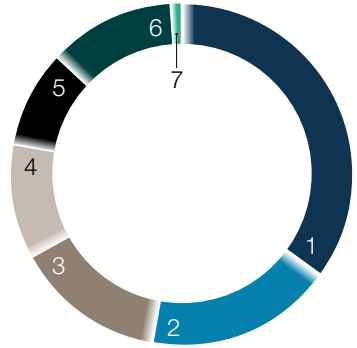
2025 portfolio-wide emissions analysis

The following analysis is based on the emissions that are attributable to InfraRed in line with the PCAF methodology.



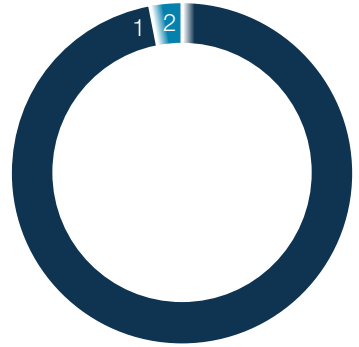
Emissions by project status

1	Operations	**92%**
2	Operations and construction	**3%**
3	Construction	**5%**



Sectoral breakdown

1	Power generation	**35%**
2	Social infrastructure	**18%**
3	Digital infrastructure	**14%**
4	Renewable energy and transmission lines	**11%**
5	Transport	**9%**
6	Water utility	**12%**
7	Flexible capacity	**1%**



Operational energy use breakdown

1	Non-renewable energy	**97%**
2	Renewable energy	**3%**

Operational emissions

In line with the GHG Protocol, during 2025, InfraRed's market-based Scope 1 and 2 emissions amounted to 31.6 tCO2e, which was 20% lower than in 2024 (39.3 tCO_2e). During the same period, our location-based Scope 1 and 2 emissions were 74.2 tCO_2e, a 21% reduction compared to 2024 (94.4 tCO_2e).

In 2025, Scope 3 emissions, from upstream energy activities and business travel, were 295.8 tCO_2e or 63% lower than 2024 (794.6 tCO_2e). These figures exclude Category 15 – Financed Emissions, which are summarised in the portfolio-related emission section.

1 Predominantly based on information provided by portfolio companies as part of InfraRed's annual sustainability data collection campaign. Such data is not independently verified. See Basis of Preparation section for further details.
2 This takes into account other equity shareholdings and debt at each portfolio company. Valuations and Revenues as at 31 December or closest available date in each reporting period.
3 Calculated as weighted average (by emissions) of individual PCAF data quality scores for each asset on a scale from 1: highest quality, to 5: lowest quality.
4 Based on actual energy generation, in accordance with the IFI Approach to GHG Accounting for Renewable Energy.

SDR TCFD

Designing for the future: nexspace Stuttgart Data Centre

Project: nexspace

Investment Strategy: Value-add

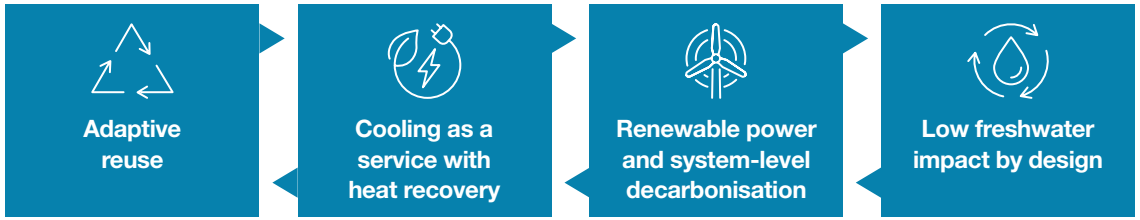
Value drivers: Operational excellence | Long-term resilience

Topics: Climate change adaptation and ecosystem resilience, Decarbonisation and energy efficiency, Circularity and waste management, Sustainable water management, Digital trust and security

Context: InfraRed invested in nexspace in 2023, an edge data centre platform focused on delivering high performance, energy efficient IT infrastructure across regional cities in Germany, Austria and Switzerland (the DACH region). nexspace's strategy targets locations with strong local demand for secure, resilient and regulation ready data capacity – where proximity, reliability and efficiency are increasingly decisive for customers. As part of this strategy, nexspace is developing a new edge data centre in Stuttgart, a key economic and research hub with a high concentration of mid-sized companies, public authorities and institutions handling sensitive data.

These users face growing requirements for local data sovereignty, security, resilience and energy efficiency, creating a clear investment case for regionally anchored infrastructure. The Stuttgart facility is planned to deliver 3.4MW of high-performing IT capacity within clearly defined efficiency and resilience parameters, positioned on approximately 1,800 m² of white space.

Design choices that support both performance and sustainability



Adaptive reuse: The data centre is being developed within the former Daimler headquarters at the Sternhöhe campus, repurposing existing structures rather than pursuing a new build approach. This supports faster delivery, reduced construction risk and a lower embodied carbon pathway compared with greenfield development.

Cooling as a service with heat recovery: nexspace has adopted a cooling as a service model, partnering with ENGIE Deutschland to design, build and operate a centralised cooling and heat recovery system. Initial cooling capacity of 2.8 MW, scalable to 3.8 MW, allows infrastructure to grow in line with IT demand, while entrusting performance and optimisation to a specialist provider. A defining feature of the solution is the integration of high efficiency heat pumps. Rather than dissipating waste heat, thermal energy generated by the data centre is designed to be captured and reused to supply lower-carbon heat to other buildings on the campus – embedding the data centre within a wider local energy system. Together, this approach underpins the project's market-leading efficiency target, with the facility designed to achieve a PUE below 1.2, supporting both operating cost efficiency and customer demand for high performance, low-carbon infrastructure.

Renewable power and system-level decarbonisation: The Stuttgart facility is planned to operate using renewable electricity, complementing the high efficiency cooling and heat recovery strategy.

Low freshwater impact by design: The cooling system has been designed to rely on closed loop, water-based cooling, avoiding evaporative cooling technologies that can place pressure on local freshwater resources. As a result, the Stuttgart facility is expected to avoid material freshwater consumption relative to conventional data centre designs, supporting local water stress resilience and social licence to operate.

By addressing electricity supply, cooling efficiency and excess heat reuse as a connected system, the project demonstrates how data centres can enhance both operational resilience and energy transition outcomes.

Source: nexspace, as at December 2025.

Expected outcomes (pre-operation): The Stuttgart project has been designed to perform materially better than typical new build data centres through a combination of adaptive reuse, integrated cooling and heat recovery:

- Target **PUE < 1.2, compared with ~1.4–1.6** for conventional European colocation facilities.
- **Lower embodied carbon** pathway than a new build approach, enabled by reuse of existing structures.
- **Cooling design avoids evaporative systems**, which are typically associated with higher freshwater consumption in large hyperscale facilities.
- **System-level efficiency**, with waste heat reused on site, rather than rejected to atmosphere.

Overall, the Stuttgart data centre illustrates how thoughtful, locally integrated design can enable digital infrastructure to meet growing demand within clear efficiency, resilience and resource management boundaries, supporting both commercial performance and long-term relevance.

> "From the outset, the project has been designed to integrate strong commercial performance with resource efficiency, addressing power availability, cooling efficiency and heat management as a single system.

Spotlight

SDR

Environmental management and resource efficiency

Effective environmental management is central to maintaining the long-term operability, resilience and value of infrastructure assets. Across InfraRed's portfolios, environmental risks and impacts vary by asset type, location and lifecycle stage, but predominantly relate to (i) resource efficiency and responsible resource use; (ii) waste and pollution management; and (iii) biodiversity and interactions with local environments. Managing these factors supports cost efficiency, compliance, security of supply and the social licence to operate. Environmental risks and controls are considered at both pre-investment and post-investment stages. During due diligence, InfraRed assesses whether material environmental risks have been identified and appropriately managed, and whether additional controls or actions may be required as a condition of investment.

Environmental management at project level

InfraRed expects portfolio companies to identify and manage material environmental risks and impacts through governance frameworks that are proportionate to the nature and scale of each asset. This typically includes the implementation of environmental management plans (EMPs) covering relevant areas such as resource use, waste, pollution prevention and biodiversity considerations, and reflecting applicable permitting conditions and environmental impact assessments.

85%

of the portfolio (by value)[1] has implemented environmental management plans covering relevant risks and impacts

Environmental management approaches may extend across the asset lifecycle, including construction, operation and, where relevant, decommissioning or end-of-life planning. An example of this in practice is illustrated by the **Churchtown Solar case study** (see page 30), which demonstrates how circularity and responsible end-of-life management can be embedded within renewable asset operations and associated value chains.

Environmental management and resource efficiency are reviewed through InfraRed's established asset management and governance processes, supporting identification of emerging risks, prioritisation of engagement and continuous improvement across a diverse portfolio.

Resource efficiency across the value chain

Resource efficiency is relevant not only to asset operations, but across the wider value chain. At project level, InfraRed engages with portfolio companies to promote efficient use of energy, water and materials, with objectives that typically include optimising operating costs, improving resilience to resource constraints and reducing waste.

Beyond direct operations, resource efficiency can also strengthen resilience across the value chain:

- **For suppliers**, more efficient use of resources can reduce cost volatility and exposure to constrained or disrupted inputs, supporting continuity of service and asset performance.
- **For customers** and end users, efficiency measures can reduce costs, improve reliability and address changing expectations around affordability, sustainability and service quality.

These considerations are particularly relevant for assets providing essential or regulated services, where operational efficiency can directly influence customer outcomes as well as long-term value.

This dynamic is illustrated by the **Affinity Water's WaterSave tariff trial** (see page 37), which demonstrates how demand-side efficiency and tariff innovation can reduce resource consumption, while improving affordability and customer resilience.



1 Based on information provided by portfolio companies as part of InfraRed's annual sustainability data collection campaign, representing 80% of EUM as at 31 December 2025, where waste, water or biodiversity has been identified as material for the assets. Such data is not independently verified. Valuations as at 31 December or closest available date in each reporting period.

SDR



Embedding Circularity in End-of-Life Solar PV Management

Project: Churchtown Solar

Investment Strategy: The Renewables Infrastructure Group (TRIG)

Value drivers: Operational excellence | Long-term resilience

Context: As solar deployment accelerates, end-of-life management of PV modules is emerging as a material consideration for investors. Industry estimates suggest that globally only a small proportion of decommissioned panels are currently recycled, with the majority disposed of rather than recovered. This presents potential long-term environmental liabilities, regulatory risk and cost uncertainty for renewable assets.

Recognising that responsible environmental management extends beyond day-to-day operations to include supply chain and end-of-life considerations, TRIG undertook a PV module replacement programme at its 5MW Churchtown solar farm in Cornwall in 2025. As part of the programme, end-of-life PV modules were processed through PV CYCLE, a UK compliance scheme supporting the collection, transport and treatment of solar panels in line with national environmental standards.

The approach prioritised material recovery, including aluminium (10% of panel's structure), glass (80%), copper and silver (all metals making 4%), eliminating landfill disposal completely. By working with an established compliance scheme, the project was able to improve transparency over downstream waste handling, while ensuring alignment with evolving regulatory expectations around waste and circularity.

Outcomes:

- **Reduced end-of-life and environmental liability:** 81% of material was recycled with 100% material recovery rate;
- Limited energy recovery for plastic elements and use of the mixed fractions' plastic content as smelter fuel (c.6% of panel's structure);
- **High-quality material recovery, supporting resource circularity**: 21,766 panels weighing 432.8 tonnes recycled; and
- **Improved regulatory compliance and auditability,** through the use of an established UK compliance scheme (PV CYCLE), increasing transparency over downstream waste handling.

81%
decommissioned PV modules recycled

100%
material recovery rate

Source: TRIG, as at December 2025.

Biodiversity and sensitive environmental contexts

Where assets are located in, or near, ecologically sensitive environments, expectations around environmental management may be heightened. In such cases, InfraRed focuses on ensuring that potential impacts are identified and addressed through appropriate mitigation, monitoring and management measures, rather than assuming uniform interaction with biodiversity across the portfolio.

Environmental management practices are informed by location-specific context and constraints, and are designed to support compliance, stakeholder confidence and long-term asset resilience.



SDR

Wellbeing, livelihoods and inclusion

What we focus on[1]

- Delivering safe and reliable infrastructure that supports access to essential services and positive socio-economic outcomes.
- Supporting initiatives that address local stakeholder/community needs.
- Nurturing fair and inclusive employment to drive innovation, productivity and talent retention.

1 Each aspiration is pursued to the extent relevant to each mandate and underlying investments as well as our own business operations.

In this chapter

Section	Page	Topics covered	Where it applies: Investment portfolios	Where it applies: Our operations
Health, safety and wellbeing	32	Health and safety	▲	▲
Customers and communities	33	Community wellbeing and development	▲	▲
		Customer engagement and welfare	▲	▲
Talent management and inclusion	35	Talent management and inclusion	▲	▲



SDR

Health, safety and wellbeing

Health, safety and wellbeing are fundamental to InfraRed's approach.

This reflects the essential nature of the services our assets provide and their operational environments. Strong performance in this area underpins reliable service delivery, protects people and reinforces trust among clients, users and regulators. It is also a core driver of operational resilience and long-term asset performance.

Within our investment portfolios

For infrastructure assets, health and safety (H&S) considerations extend beyond protecting on-site workers. Many InfraRed assets are used daily by the public or directly support healthcare, emergency response and public safety. Therefore, InfraRed's approach encompasses worker, contractor and user safety, as well as the role assets play in supporting wider community wellbeing outcomes. InfraRed treats health, safety and wellbeing as fundamental and expects portfolio companies to maintain robust governance and oversight.

Oversight over H&S performance: H&S performance is a regular Board and senior management agenda item, with incidents, near misses and emerging risks reviewed, actions defined and progress monitored. Portfolio companies are expected to maintain appropriate policies, management systems and improvement plans proportionate to their risk profiles.

Operationally, InfraRed's Asset Management teams work closely with portfolio company management teams, operators and service providers across construction and operational phases; including reviewing H&S management systems, monitoring performance indicators, encouraging incident and near-miss reporting, and promoting continuous improvement.

Third-party expectations: As outcomes are largely delivered through third parties, InfraRed expects all contractors to uphold high H&S standards, provide appropriate training and support transparent reporting. Periodic assurance forms a core part of this approach.

Expectations from Portfolio companies: To undertake regular independent health and safety assessments, while InfraRed Asset Managers conduct H&S site visits and tours to assess how controls are implemented in practice. For assets that directly support public health and safety – such as hospitals, transport infrastructure and public safety telecommunications – H&S considerations also extend to asset design, resilience and continuity of service, ensuring essential services remain safe and accessible under both normal and stressed conditions. One example is Public Safety Towers, see page 34. H&S performance across the portfolio is monitored through InfraRed's annual sustainability survey. In 2025, the survey was updated to capture lost-time accidents more consistently, supporting improved trend analysis and benchmarking.

87%

of portfolio (by value)[1] with a robust[2] approach to H&S on site

0.08

portfolio LTAFR per 100,000 hours worked on site[1]

1 Based on information provided by portfolio companies as part of InfraRed's annual sustainability data collection campaign, covering 88.6% and 94% of total portfolio for each metric (approach and LTAFR). Such data is not independently verified. Valuations as at 31 December or closest available date in each reporting period.

2 Based on InfraRed's proprietary maturity assessment framework. We define robust as any of the two highest maturity levels: 'Advanced' and 'Leading'.

Safeguarding frontline staff against violence

Case study

Project: London St Pancras Highspeed

Investment Strategy: HICL

Value drivers: Long-term resilience | Stakeholder confidence | Operational excellence

Context: Violence against frontline staff has escalated into one of the most severe and urgent safety risks across the UK rail infrastructure. Despite the adoption of industry best practice measures – i.e. as Body Worn Cameras and Conflict Awareness Training – London St Pancras Highspeed experienced a 33% year-on-year rise in staff assaults in 2024/25, alongside an increase in lost-time injuries. The gravity of this challenge was further underscored by the tragic fatal assault of an Elizabeth Line worker in late 2024/25.

In response, London St Pancras Highspeed, in collaboration with the British Transport Police (BTP) and wider partners, launched the System Workplace Violence Reduction Strategy in 2025. This focuses on coordinated governance, strengthened accountability, enhanced enforcement pathways, improvements to exclusion order processes and targeted staff briefings. It also introduces evidence-based patrol deployments and closer cross organisational collaboration. Early actions have included increased BTP nighttime presence, joint patrols, clearer prosecution guidance and systematic sharing of best practice outcomes.

Outcomes: The programme has demonstrated that a system-level, collaborative approach is effectively reducing violence-related harm and improving frontline safety.

- Staff assaults have fallen by 14%, reversing the previous upward trend;
- More serious incidents have seen sharper reductions, with lost-time injuries down 75% and shock/trauma events over seven days down 50%; and
- 33% reduction in annual workforce FWI (Fatalities and Weighted Injuries) (2024: 0.081, 2025: 0.059).

14%

reduction in staff assaults

75%

reduction in lost-time injuries

Source: London St Pancras Highspeed, as at December 2025.

In our operations

InfraRed focuses on employee wellbeing, recognising the central role our people play in our long-term success. Our holistic approach considers mental, physical, social and financial wellbeing, and the role of an inclusive culture that enables people to thrive at work.

We aim to foster an environment where wellbeing is openly discussed, support is accessible and trusted, and individuals are encouraged to take ownership of their health throughout their careers. Our people strategy embeds wellbeing initiatives, employee feedback, evolving needs and responsible business principles. See more on page 36.

SDR

Customers and communities

Community wellbeing and customer outcomes are often intertwined and central to the long-term success of infrastructure assets.

Communities and customers are closely connected in infrastructure investing. Many of InfraRed's assets provide essential services – such as healthcare, education, transport, energy and digital connectivity – are used daily by local communities. In other cases, customers are public authorities acting on behalf of communities. As a result, community wellbeing and customer outcomes are often intertwined and central to the long-term success of infrastructure assets.

Maintaining constructive relationships with communities and customers supports operational stability, stakeholder confidence and social licence to operate. Where expectations are not well understood or managed, assets may be exposed to reputational, operational or compliance risks. Conversely, proactive engagement and responsible customer practices can strengthen trust, enhance resilience and reinforce the positive role infrastructure plays in society – benefiting both communities and long-term investment performance.

Within our investment portfolios

Community wellbeing

For assets with a direct local footprint, particularly within the PPP/PFI portfolio, InfraRed encourages meaningful engagement with local stakeholders to identify specific community needs and priorities. This includes working with public sector clients, operators and service providers to support initiatives that deliver tangible local benefits and can be scaled across multiple projects.

In 2025, InfraRed focused on scaling a set of practical initiatives across its PPP/PFI portfolio, targeting issues such as wellbeing, food insecurity, access to services and mental health. These initiatives, showcased on the right, are informed by local engagement and designed to complement the core services delivered by the assets.

Across the portfolio, community initiatives are monitored through InfraRed's annual sustainability survey and Creating Better Futures Awards (see page 13). These forums provide visibility over initiatives implemented at the asset level, help identify emerging social pressures and enable good practice to be recognised, shared and, where appropriate, replicated.

73%

of portfolio (by value)[1] supporting relevant community initiatives in the period (2024: 78%)

£2.6mn

voluntarily contributed by portfolio companies through monetary and in-kind support[1]

c.64,000

volunteering hours[1] supported across the portfolio

1 Based on information provided by portfolio companies as part of InfraRed's annual sustainability data collection campaign, representing 98.6% of total portfolio as at 31 December 2025. Such data is not independently verified. Valuations as at 31 December or closest available date in each reporting period.

Initiatives scaled across the portfolio

Community Fridge



Charity Hub



Olio app



Wellbeing Woodlands



Purple Book



Charity Ball



Re-circulate



VR Headsets



Customer engagement and welfare

For portfolio companies operating business-to-consumer (B2C) models, a relatively small share of InfraRed's portfolios, we encourage responsible customer practices. This includes monitoring approaches to customer engagement and satisfaction, responsible marketing, customer data protection and privacy, and the availability of affordability or access support programmes where relevant. These factors support customer trust, reduce conduct risk and contribute to more durable revenue models.

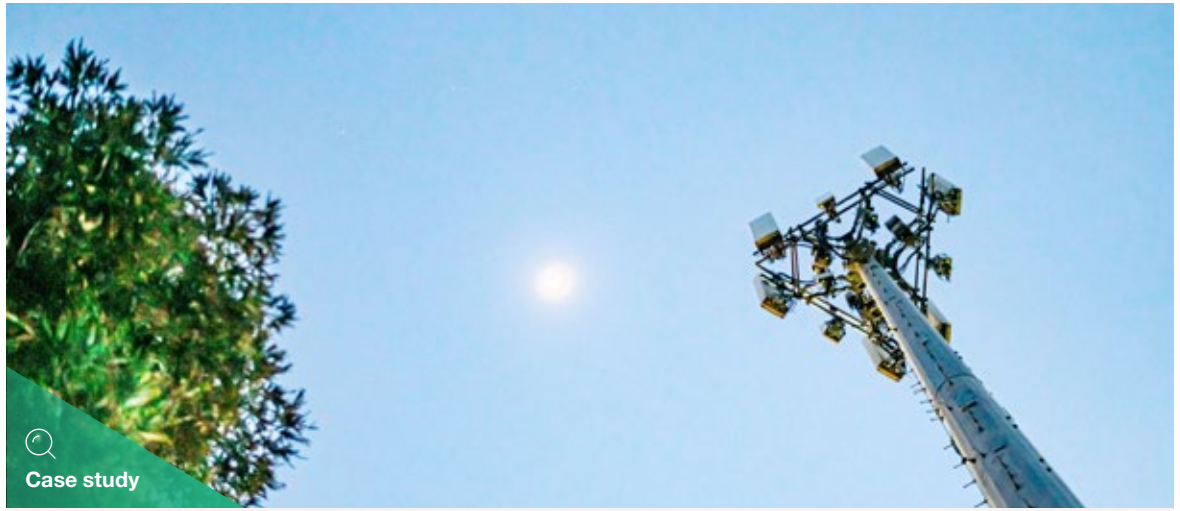
In our operations

Customers are central to InfraRed's operations, with established procedures to incorporate investor requirements and dedicated teams responsible for investor relationship management.

InfraRed supports community engagement through employee-led initiatives coordinated by the **Community Engagement Committee**, which brings together colleagues from across the firm to identify opportunities, coordinate activities and encourage participation in community-focused initiatives.

InfraRed also supports employee volunteering, including through activities aligned with the **InfraRed Charitable Foundation,** which operates independently and aims to promote social inclusion for the public benefit.

These activities help foster employee engagement, strengthen local connections and reinforce InfraRed's commitment to acting as a responsible business alongside its investment activities.



Case study

Enhancing public safety through collaboration: A blueprint for resilient infrastructure projects

Project: Public Safety Towers

Investment Strategy: Value-add

Value drivers: Long-term resilience | Stakeholder confidence | Operational excellence

Context: InfraRed invested in Public Safety Towers (PSTC) in 2022, a wireless infrastructure company focused on improving connectivity in areas where reliable coverage is essential for community safety and emergency response. Operating at the intersection of mobile carriers, municipalities and public safety agencies, PSTC adopts a community-first model, particularly in underserved or hard to build areas. PSTC addresses two key challenges:

- public safety risks, with over 90% of US 911 calls originating from mobile phones; and
- development barriers caused by traditional, adversarial telecom permitting processes.

A clear example of this approach in practice is PSTC's recent project in Medford, Oregon. The city faced failure of a tower critical for 911 services and water-system monitoring, with replacement costs of US$1mn. PSTC funded and constructed a new, taller tower at its own cost in exchange for land access, working collaboratively with local authorities.

Outcomes: The upgraded tower now supports emergency services, the water district, and two commercial carriers and is now one of PSTC's highest-performing assets – demonstrating how prioritising public safety can enhance both community outcomes and long-term asset performance.

Source: Public Safety Towers, as at December 2025.



Case study

Building economic resilience in San José del Valle

Project: Cadiz Solar

Investment Strategy: TRIG

Value drivers: Stakeholder confidence

Context: In September 2021, as the investment manager of TRIG, InfraRed acquired Cadiz Solar (a 200MW solar PV project). Cadiz Solar operates in San José del Valle, a rural area facing depopulation, digital exclusion and limited economic diversification. These challenges constrain long-term community resilience and, if unaddressed, can weaken asset–community relationships over time.

The portfolio partnered with Siembra Energía Social to launch a targeted entrepreneurship fund linked to project development commitments. Rather than one-off donations, the initiative focused on capacity building, supporting local entrepreneurs to modernise the rural economy through digitalisation and sustainable tourism.

Outcomes: The programme funded two initial projects – a digital marketing studio supporting small businesses and a nature-based tourism venture leveraging local environmental assets.

Both are now operating businesses, contributing to local economic activity. With three solar assets supporting the programme and one municipality formally engaged, the model demonstrates scalability and alignment between community resilience and asset value.

▸ 2
winning projects

▸ 100%
alignment with social-by-design criteria

▸ 1
municipality formally engaged

Source: TRIG, as at December 2025.

SDR

Talent management and inclusion

Talent management and inclusion support InfraRed's ability to deliver strong, consistent investment performance over the long term.

A skilled, motivated and diverse workforce underpins effective decision-making, innovation and high-quality execution across complex infrastructure assets. Inclusive working practices also contribute to talent retention, productivity and collaboration, helping reinforce strong client and customer relationships.

While this theme is most material within InfraRed's own operations, it is also relevant for a limited number of portfolio companies where there is a direct workforce.



Within our investment portfolio

InfraRed focuses on talent management and inclusion where portfolio companies have a material employee base. At the pre-investment stage, due diligence is undertaken to identify any material labour-related or conduct risks, including potential misalignment with recognised international standards. Findings are used to inform investment decision-making and post-investment engagement priorities where relevant.

During ownership, InfraRed encourages applicable portfolio companies to adopt proportionate people strategies that support fair remuneration, safe and respectful working conditions, training and development, and inclusive employment practices. The presence of employee-feedback mechanisms and people-related policies is monitored on an annual basis to provide visibility and support constructive engagement.

These practices help promote workforce stability, support productivity and service quality, and reduce disruption risk in labour-intensive or customer-facing operations. Good practice is also highlighted through InfraRed's Creating Better Futures Awards, enabling effective approaches to be recognised and shared where appropriate.

▸ 61%

of portfolio companies (by value)[1] with direct employees that have a mature approach[2] to Talent Management and Inclusion

1 Based on information provided by portfolio companies as part of InfraRed's annual sustainability data collection campaign. Data covers portfolio companies with at least 10 employees, representing 32% of total portfolio as at 31 December 2025. Valuations as at 31 December or closest available date in each reporting period.

2 Based on InfraRed's proprietary maturity assessment framework. We define robust as any of the two highest maturity levels: 'Advanced' and 'Leading'.



Initiatives across the portfolio

Across InfraRed's portfolio, portfolio companies are implementing a range of initiatives aimed at building inclusive workplaces. These include:

- **Inclusive recruitment, progression and capability building,** including targeted outreach to under-represented groups, diverse hiring panels, pool recruitment with anti-discrimination training, blind CV screening, unconscious bias training and inclusive leadership development, with executive sponsorship of inclusion programmes embedding accountability at senior management and board level.
- **Family-friendly and equitable employment policies,** including flexible work arrangements, pay equity reviews, gender-neutral parental leave, women's leadership development and mentoring programmes, and voluntary employee-led groups and networks, designed to widen the talent pool and support retention across different life stages.
- **Structured employee engagement and listening programmes**, with majority of portfolio companies with employees running a formal employee survey at least every two years, supplemented by pulse surveys, town halls, CEO Q&A forums, 1:1s and 'open door' policies, ensuring feedback is captured, escalated and acted upon.

In our operations – fostering an inclusive culture

InfraRed places a strong emphasis on fostering an inclusive, high-performing culture that supports long-term career development and business success. Diverse perspectives and inclusive behaviours strengthen collaboration, enhance decision making and contribute to sustained investment performance.

InfraRed's culture is grounded in **meritocracy and collaboration**, with a focus on creating an environment where people are encouraged to contribute, develop and build long-term careers. Inclusive practices, combined with clear performance expectations and merit-based progression, support engagement, talent retention, and productivity.

A **Culture Forum**, comprising employees from across the business and supported by a Board-level sponsor, supports InfraRed's culture and inclusion objectives. The Forum helps progress inclusion initiatives and gathers employee feedback – such as through engagement surveys and pulse checks – to inform the ongoing development of people practices.

Over the past couple of years, we have implemented several initiatives to foster a strong culture in our business built around a three-pillar framework to attract, develop and retain talent, including:

Attract

- Internship programme
- Mandatory training for hiring managers
- Standardised recruitment criteria and interview frameworks

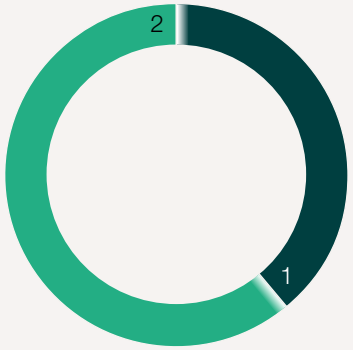
Retain

- Support for mental, physical, and financial wellbeing leveraging dedicated partnerships
- Inclusivity training
- Paid shared parental leave
- Speaker series, networking events and events celebrating occasions important to our staff

Develop

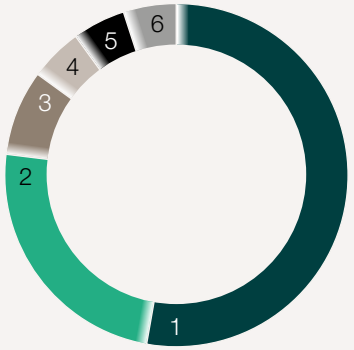
- Blend of in-person workshop and e-learning accessed via a dedicated Learning Management System
- Enhanced roles and opportunities for mobility within the business
- 360 degree feedback, professional development plans, career conversations, mentoring, and coaching programme

InfraRed staff breakdown by gender and nationality



Staff by gender[1]

1	Female	**39%**
2	Male	**61%**



Staff by nationality[1]

1	British	**53%**
2	Other	**24%**
3	American	**8%**
4	French	**5%**
5	Spanish	**5%**
6	Australian	**5%**

Belgian, Brazilian, Bulgarian, Canadian, Chinese, Croatian, Greek, German, Indian, Irish, Italian, Japanese, Latvian, Lithuanian, Mexican, Moroccan, New Zealander, Nigerian, Polish, Portuguese, Singaporean, South Korean, Swedish, Turkish, Vietnamese, Venezuelan

1 As at 31 December 2025, based on information disclosed by all staff and stored in InfraRed's HR system.

Supporting parents, enabling stronger returns to work

Case study

Value drivers: Stakeholder confidence | Operational excellence

Context: InfraRed partners with specialist provider 'How Do You Do It' to deliver tailored transition coaching for employees returning from parental leave, including but not limited to, maternity, paternity and adoption leave. The programme offers one-to-one support focused on rebuilding confidence, managing changing priorities and re-engaging with professional goals.

Outcome: Participants report improved clarity, resilience and confidence during the transition back to work. The programme supports long-term retention and sustained performance, demonstrating how inclusive people practices can deliver clear operational benefits alongside employee wellbeing.

Source: InfraRed, as at December 2025.

Driving affordability and efficiency through Affinity's WaterSave tariff

Project: Affinity Water

Investment Strategy: HICL

Value drivers: Seizing opportunities | Stakeholder confidence | Operational excellence | Long-term resilience

Topics: Climate change adaptation and ecosystem resilience, Sustainable water management, Customer engagement and welfare

A growing and interconnected challenge

Water companies in England are operating under growing pressure. Climate change, population growth and changing patterns of consumption are increasing the risk of water scarcity, while rising costs are making affordability a growing concern for households. Current projections indicate that water demand could exceed supply by five billion litres per day by 2050, unless consumption patterns change and new approaches are adopted.

For Affinity Water, this creates a practical challenge: how to reduce water use in a water stressed region, while continuing to provide reliable and affordable services, particularly for customers most exposed to cost pressures. Traditional approaches to pricing and customer engagement have had limited impact in delivering sustained reductions in household water use.

A first of its kind approach in the UK

In October 2023, Affinity Water launched a two-year WaterSave Tariff Trial, introducing the UK water industry's first rising-block tariff. Under the tariff, customers pay progressively higher rates as their water use increases. This was designed to encourage more efficient water use, while protecting lower-use households. The tariff formed part of Affinity Water's broader affordability strategy, supported by targeted customer communications. Rather than implementing wholesale change, the company trialled the approach in a controlled and evidence-based way to test whether it could deliver lower demand without compromising affordability.

Measurable benefits for customers and the environment

The WaterSave trial delivered clear, practical results[1].

- Water use fell by 12% among customers on the WaterSave tariff, compared to 5% in the control group, saving around 9 litres per person per day.
- 23,652m³ of water was saved during the trial period.
- Five out of six customers on the tariff paid lower water bills, with the average annual clean water bill around 14% lower than under the standard tariff.
- Affordability improved, with only 1 in 10 trial customers falling into arrears, compared with 1 in 5 in the control group.

These results show that carefully designed pricing signals can reduce water use, while improving customer outcomes, rather than shifting costs onto those least able to absorb them.

Why this matters for Affinity Water

The trial highlights how demand side innovation can support long term resilience.

- Water efficiency benefits, reducing abstraction pressure in a water stressed region and supporting climate adaptation.
- Customer and community benefits, improving affordability and helping reduce financial stress for vulnerable households.
- Business and investment benefits by providing evidence to inform future tariff design, supporting regulatory engagement, and potentially reducing the need for more costly supply side interventions over time.
- Crucially, the trial provides a practical evidence base for how customer-focused measures can complement infrastructure investment, helping to balance environmental resilience, affordability and long-term value.

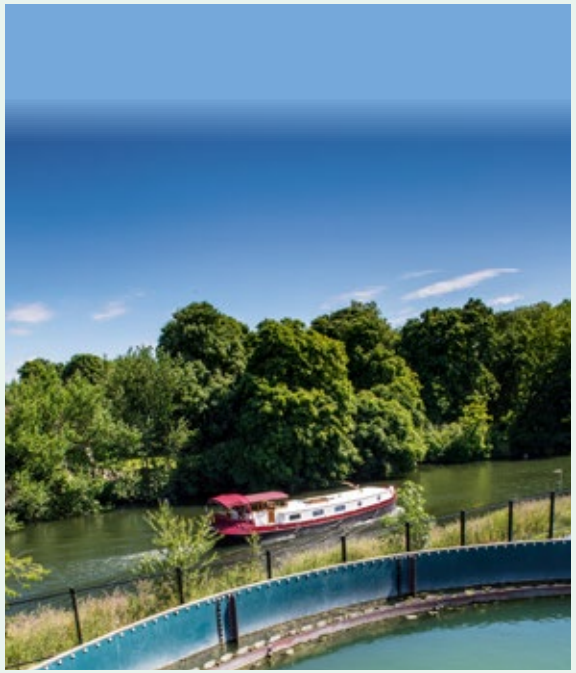
23,652m³
of water saved in the trial period

c.14%
reduction in bill tariff compared to standard

Source: Affinity Water, as at December 2025.

The bigger picture

Affinity Water's WaterSave trial demonstrates that resource efficiency is not limited to asset operations alone. By engaging customers directly and innovating within regulatory frameworks, water companies can play an important role in addressing water scarcity, while delivering fair and reliable services.



For investors, the trial reinforces the value of measured innovation – testing new approaches, learning from outcomes and building the foundations for scalable solutions that support both resilience and long-term performance.

Spotlight

SDR

Stewardship and integrity

What we focus on[1]

- Maintaining high standards of corporate governance and responsible business conduct.
- Upholding ethical practices and integrity in decision-making, including responsible use of emerging technologies, such as Artificial Intelligence ('AI').
- Aligning sustainability priorities with value chain partners to develop resilience and deliver lasting infrastructure outcomes.

1 Each aspiration is pursued to the extent relevant to each mandate and underlying investments as well as our own business operations.

In this chapter

Section	Page	Topics covered	Where it applies: Investment portfolios	Where it applies: Our operations
Business conduct and governance	39	Responsible business conduct and transparency	▲	▲
		Corporate governance and risk management	▲	▲
Digital trust and security	40	Digital trust and security	▲	▲
Supply chain management	41	Responsible supply chains	▲	▲

SDR

Business conduct and governance

Robust business conduct and governance are fundamental to InfraRed's, and its investments', ability to manage risk, protect asset performance and maintain stakeholder confidence.

Given the essential services provided by our infrastructure assets, failures in governance or conduct can have immediate operational, regulatory and reputational consequences. InfraRed, therefore, seeks to uphold consistently high standards, recognising that governance practices must continue to evolve in line with regulatory developments, market expectations and the increasing complexity of infrastructure operations.

As set out in our **Governance and Oversight of Sustainability** and **Sustainability Risk Management** sections, InfraRed embeds governance and risk management across investment decision-making and ongoing asset management. This section focuses on how those principles are applied in practice within our portfolios and day-to-day operations.

Within our investment portfolio

Across its investment portfolios, InfraRed embeds high standards of business conduct and governance from origination through ongoing asset management, recognising their importance to effective risk management, regulatory compliance and long-term asset performance. While governance frameworks are established at the outset, InfraRed views stewardship as an ongoing process of oversight, review and improvement.

At underwriting, InfraRed assesses governance structures, information rights and decision-making frameworks to ensure appropriate oversight and transparency are in place for the asset's operating model and jurisdiction. These considerations form part of the investment case and inform conditions precedent, shareholder arrangements and ongoing governance expectations. Following acquisition, InfraRed expects portfolio companies to maintain proportionate governing bodies, policies, procedures and internal controls to support responsible business conduct, sound decision-making and effective stakeholder dialogue. This includes, as standard practice, the maintenance of risk registers, business-continuity arrangements and emergency-preparedness plans appropriate to the asset's risk profile, with expectations reviewed and strengthened over time as risks, regulation and operating contexts evolve.

InfraRed expects Asset Management teams to exercise active stewardship throughout the investment lifecycle. This includes board attendance, site visits, regular engagement with management teams and active monitoring of operational, financial and sustainability performance. Where gaps are identified, InfraRed engages with portfolio companies to strengthen governance capability and oversight, supporting continuous improvement and consistency across the wider portfolio.

Case study

Supporting consistent governance and decision-making

Value drivers: Stakeholder confidence | Operational excellence

Context: To help project teams manage risks, controls and day-to-day decision-making more effectively, InfraRed undertook a targeted update of its portfolio company-level policy templates in 2025. InfraRed identified a need to strengthen the practical tools available to project companies to address regulatory requirements, industry good practice and InfraRed's own expectations of governance and conduct.

Outcomes: The work was delivered as a cross-functional initiative involving Asset Management, Sustainability and Legal teams, with support from external advisers. The refreshed templates focus on enabling clearer oversight and more consistent application of controls, covering areas such as ethical conduct, health and safety, people and labour standards, environmental and sustainability management, cyber security and supplier conduct, while allowing flexibility to reflect project-specific circumstances.

In our operations

As a regulated investment manager subject to FCA and SEC requirements, InfraRed upholds high standards of ethics, conduct and governance. These requirements are reflected in a comprehensive set of firm-wide policies, the Code of Conduct and employee handbooks, which establish clear expectations for behaviour, decision making and compliance across the organisation. These documents are reviewed periodically to ensure they remain effective as regulatory requirements, market practice and the firm's risk profile continue to evolve.

These policies and standards are supported by a structured control environment, including onboarding processes, mandatory training, approvals, attestations, monitoring and defined escalation pathways. Compliance, Legal and Operational Risk functions provide second-line oversight, with matters relating to conduct, compliance or operational risk escalated to the Governance, Risk and Oversight Committee under the firm's 'no surprises' culture. Together, these arrangements promote consistency, accountability and continuous improvement in how risks are identified, managed and addressed across InfraRed's operations.

Specific risks arising through third-party and supply chain relationships, including modern slavery and human rights risks, are addressed through InfraRed's supply chain management approach (see page 41).

82%
of portfolio (by value)[1] with Board or Senior Management oversight of sustainability

67%
of portfolio (by value)[1] with a mature[2] approach to Responsible Business Conduct and Transparency

74%
of portfolio (by value)[1] where portfolio company boards are at least 20% diverse[3]

1 Based on information provided by portfolio companies as part of InfraRed's annual sustainability data collection campaign. Such data is not independently verified. Unless stated otherwise, covers 98.6% of total portfolio as at 31 December 2025. Valuations as at 31 December or closest available date in each reporting period.
2 Based on InfraRed's proprietary maturity assessment framework. We define robust as any of the two highest maturity levels: 'Advanced' and 'Leading'. Data covers 88.1% of total portfolio as at 31 December 2025.
3 Defined as at maximum 80% of the board is from the same gender and ethnicity.

SDR

Digital trust and security

With cyber threats intensifying globally, InfraRed continues to prioritise safeguarding information and digital systems across its investments and operations and ensuring high standards of privacy for stakeholders.

Increasing digitalisation – combined with the adoption of new technologies such as artificial intelligence and expanded digital infrastructure – brings greater exposure to cyber-related operational, regulatory and reputational risks. At the same time, effective cyber risk management presents clear opportunities to strengthen resilience, safeguard service continuity and future-proof infrastructure assets as risk landscapes and regulatory expectations evolve.

Within our investment portfolio

InfraRed works with portfolio companies to strengthen digital trust and cyber-security practices in a manner that is proportionate to asset type, scale and criticality. Recognising that cyber risks, technologies and standards continue to develop, InfraRed focuses on ongoing assessment and improvement, rather than a one-off compliance approach. A core element of this approach is InfraRed's annual Cyber Security Survey, which provides a structured assessment of portfolio companies' cyber-risk management arrangements. The survey supports benchmarking against recognised standards, helps identify gaps in governance and controls, and informs prioritised engagement with management teams and service providers where additional support or remediation is required.



Strengthening digital trust within our portfolio

Value drivers: Stakeholder confidence | Operational excellence

Context: In 2025, InfraRed continued to strengthen its portfolio-wide approach to digital trust and security. A key aspect was the portfolio-wide Cyber Security Survey, developed with an external adviser to reflect an evolving risk environment. The survey was expanded to cover artificial intelligence, regulatory change and user behaviours, and was distributed across portfolio companies and key managed service providers.

Outcomes: The results highlighted encouraging progress, including higher adoption of recognised security frameworks, broader development of cyber roadmaps and strong performance relative to industry benchmarks. Full survey results, highlighting both strengths and key areas for improvement, have been shared with all respondents.

Future focus: InfraRed will continue to issue the survey yearly and further evolve its portfolio approach to digital trust and security. This will include providing tailored feedback and benchmarking to survey respondents, working with Project Directors and management teams to prioritise higher-risk areas and track follow-up actions, and deploying targeted InfraRed resources where additional support is needed for critical assets.

▶ 78%

average portfolio score, compared with a 60% internal benchmark

▶ 85%

response rate

▶ 41%

of respondents demonstrated an improvement in scores relative to the previous survey

Source: InfraRed, as at December 2025.

In our operations

Within its own operations, InfraRed manages cyber risk through defined policies, standards and controls aligned with recognised frameworks, including Cyber Essentials Plus and the NIST Cyber Security Framework. These arrangements are reviewed and strengthened over time to reflect changes in technology, regulatory expectations and the evolving threat landscape, supporting secure operations and protecting sensitive information for employees, investors and counterparties.

SDR

Supply chain management

Infrastructure assets rely on complex supply chains, from equipment manufacturers and construction contractors to operators and specialist service providers.

Given InfraRed's role as an investor and asset manager, the delivery, operation and maintenance of assets are largely carried out by third-party partners, rather than by project companies directly. A robust approach to supply chain management is, therefore, essential to managing risk, supporting asset resilience and maintaining stakeholder confidence. Supply chain risks – particularly those related to labour practices, human rights and ethical conduct – are often hidden upstream and can be difficult to identify. If not effectively managed, these risks may lead to regulatory non-compliance, operational disruption or reputational harm. Conversely, clear expectations, targeted due diligence and ongoing engagement with suppliers support more resilient delivery, improved transparency and long-term value creation.

Within our investment portfolio

Across its portfolios, InfraRed seeks to align its expectations with the practices of key third-party partners involved in delivering and operating assets, including managed service providers and facilities managers in PPP/PFI projects, O&M providers in energy assets, EPC and construction contractors, and original equipment manufacturers (OEMs) when sourcing new equipment.

As part of new investment due diligence, InfraRed assesses the governance, policies and practices of key third parties, with a focus on business conduct, environmental management, labour standards and human rights risks. These assessments inform investment decision-making, contractual considerations and engagement priorities.

Following acquisition, supply chain risks continue to be monitored through annual sustainability surveys and ongoing asset management engagement. Where new or renewed contractual arrangements are entered into, InfraRed seeks to embed relevant sustainability and conduct expectations to reinforce alignment over time.

InfraRed applies additional vigilance where supply chains are associated with elevated risk, particularly when sourcing higher risk materials or equipment such as solar PV modules, battery storage systems and electronic components. In these cases, targeted due diligence is undertaken to better understand upstream manufacturing risks and labour practices, drawing on recognised resources including PRI guidance on human rights due diligence for real assets.

Where appropriate, InfraRed engages with counterparties to reduce risk exposure, strengthen controls or seek greater transparency, including through traceability reviews or specific representations. InfraRed continues to work with portfolio companies and counterparties to assess and monitor human rights and labour-related risks across the portfolio. Further detail can be found within InfraRed's **Modern Slavery Statement.**

84%

of portfolio (by value)[1] that have sustainability principles incorporated into procurement practices for material spend

87%

of portfolio (by value)[1] that have implemented a proportionate human rights approach (policy, risk assessment, and/or training) (2024: 57%)

Socio-economic outcomes

The delivery, operation and maintenance of assets in our portfolios are largely carried out by third-party contractors and service providers, making effective supply chain management central not only to achieving resilient operations but in delivering wider socio-economic outcomes at scale.

113,000+

jobs supported across construction, operation and maintenance activities[1]

In our operations

The firm's supply chain primarily supports InfraRed's investment management activities, global offices and technology infrastructure, with most spend directed to suppliers in the UK and the US. In this context, InfraRed manages supply chain risks within its own operations through a risk-based and proportionate approach, combining supplier due diligence, contractual expectations and ongoing monitoring.

Suppliers are screened and assessed in line with InfraRed's Third-Party Risk Management Policy, including due diligence focused on relevant sustainability matters and risks related to human rights and modern slavery. Enhanced or targeted reviews are applied where potential risk exposure is higher, supported by engagement with suppliers to improve transparency, strengthen controls and address identified gaps where needed.

1 Based on information provided by portfolio companies as part of InfraRed's annual sustainability data collection campaign, representing 98.6% of total portfolio as at 31 December 2025. Such data is not independently verified. Valuations as at 31 December or closest available date in each reporting period.

Additional disclosures

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SDR TCFD

Disclosure framework indices

The indices below set out where InfraRed Capital Partners Limited's entity-level sustainability disclosures can be found within this report.

The first index addresses the UK Sustainability Disclosure Requirements (SDR) at entity level, aligned with IFRS S1, covering governance, strategy, risk management, and metrics and targets for material sustainability-related risks and opportunities. Climate-related disclosures are presented separately in a dedicated Climate-related Disclosure Index, aligned with IFRS S2 and the TCFD recommendations.

Sustainability Disclosure Requirements (SDR) – Entity-level index (IFRS S1)

Pillar	Disclosure requirement	Page
Governance	Governance and oversight of sustainability-related risks and opportunities	6-7
Strategy	Identification of material sustainability-related risks and opportunities	7,10
	Impact of sustainability-related risks and opportunities on performance	11-41
Risk management	Processes for identifying, assessing and managing sustainability-related risks and opportunities	7, 11-41
Metrics and targets	Sustainability-related metrics and targets (where applicable)	4,12
Reporting scope	Scope and basis of preparation	1,44

Climate-related Disclosure Index (TCFD / IFRS S2)

Pillar	Recommended disclosure	Page
Governance	Describe the Board's oversight of climate-related risks and opportunities	6-7
	Describe management's role in assessing and managing climate-related risks and opportunities	6-7
Strategy	Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	15-18
	Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning	15-27
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	15-24
Risk management	Describe the organisation's processes for identifying and assessing climate-related risks	7,15-21
	Describe the organisation's processes for managing climate-related risks	15-28
	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	7
Metrics and targets	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	12,19-27
	Disclose Scope 1, Scope 2 and, where appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	27
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	12

Other sustainability disclosures

In addition to meeting our regulatory obligations, we believe that transparency around the performance and management of material sustainability-related risks and opportunities is important and supports our investors' needs. This report sits within our wider set of sustainability-related disclosures, which also includes:

Firm-wide disclosures

- The latest approved Sustainability Policy.
- The latest PRI Transparency and Assessment Reports.
- Previous versions of our Sustainability Report.
- Modern Slavery and Human Trafficking Statement.

Fund-specific disclosures

- SFDR and SDR pre-contractual disclosures (issued to prospective investors in funds in scope of SFDR and/or SDR respectively).
- SFDR and SDR periodic disclosures (issued to fund-specific investors in funds in scope of SFDR and/or SDR respectively).
- Annual sustainability reports, including TCFD product-level reports (issued to fund-specific investors).
- Investor-specific sustainability-related information requests.

SDR TCFD

Basis of preparation

The information included below seeks to provide further background to the basis of preparing certain key metrics in this report. It is not exhaustive and should be read together with other methodological notes or information, particularly the About this report section and footnotes provided throughout the report.

Types of data and collection approach

Data included in the report primarily falls into three categories, which are collected through the following methods:

Sustainability data

An annual survey, containing a set of quantitative and qualitative questions, is sent to portfolio company management teams. This includes a request for data needed to calculate Scope 1, 2 and 3 GHG emissions in line with our established GHG Inventory methodology, information about decarbonisation plans, and other supporting evidence to demonstrate the implementation of policies and initiatives. The survey is hosted on a dedicated web-based data management system, which ensures the data is systematically collected, reviewed and signed off.

Financial data

All financial data (valuations, revenues, etc.) for portfolios or underlying portfolio companies is on an as-is basis from our internal reporting systems, following sign off by the Portfolio Management team.

Portfolio company characteristics

This includes information that helps us categorise portfolio companies, such as sector, country and investment status. Such information is used on an as-is basis by our internal reporting systems, following sign off from relevant teams. In certain cases, the Sustainability team may need to make further deductions about the portfolio companies, which are documented as part of the report development process and available evidence annotated.

Methodology

Metrics weighted by valuation to show the proportion of portfolio with a certain attribute or outcome

- There are generally two types of metrics that fall within this category: metrics that rely on responses to the annual sustainability survey (and are generally based on binary responses), and metrics that require a categorisation of each portfolio company, which is performed by the Sustainability team with support from the Asset Management team. Portfolio companies for which waste generation, or water consumption, is predetermined as not material, are excluded from the calculation of such metrics. The scope of coverage for these metrics is annotated through the report with a footnote, for ease of reading.
- The metric is expressed as a percentage (%) and the calculation typically follows the following formula:

$$\text{Metric (\%)} = \frac{\text{(Total value of portfolio companies that meet the criteria)}}{\text{(Total value of portfolio companies in scope of the metric)}}$$

Portfolio GHG emissions

GHG emissions are calculated in line with InfraRed's GHG Inventory and internal methodology, which are aligned with the GHG Protocol and the PCAF standards.

Inventory

Some portfolio companies complete their own GHG inventories. While InfraRed does not perform data validation on these inventories, they are often subject to review and independent verification. These inventories are included in InfraRed's emissions inventory on an as-is basis.

Companies that have not completed an inventory provide primary activity data and other information to InfraRed via its annual GHG survey, which InfraRed uses to calculate their GHG emissions. Portfolio companies complete the annual GHG survey, noting instances where data is not available. Once the GHG survey has been completed and submitted, the input data is analysed, including benchmarking to peers and comparison to previous reporting periods. Clarifications are then issued to management teams of the portfolio companies.

Remaining gaps are addressed with appropriate estimates and proxies, drawing on external databases or data for similar portfolio companies or extrapolations from previous period to the extent reliable. Scope 3 data is a combination of actual consumption (waste, water) and financial spend-based (goods and services, capital goods). The spend-based approach has accuracy limitations when estimating GHG emissions and is, therefore, used as an approach of last resort.

For assets under construction, where emissions data is not available from contracting parties, construction capex is used to estimate emissions.

Emission factors

UK Government supplied emission factors are applied to the relevant activity data provided. Following Scope 2 Guidance, to calculate emissions from purchased electricity the relevant regional emission factor databases are used to account for the grid mix of the project's country emissions. To calculate market-based emissions, the data hierarchy from Table 6.3 of the Guidance is referenced, excluding residual mix factors emission factors. As InfraRed is reporting Scope 2 emissions associated with its financing and investment activities and so relies on the provision of information from its projects, defaulting to the residual mix in absence of project-specific information was considered likely to overestimate emissions where projects were unable to supply information. Therefore, location-based factors are defaulted to in such scenarios.

Financed emissions

In accordance with the PCAF methodology, financed emissions are those emissions attributable to an investment fund or its manager based on the proportional share of equity held in the portfolio companies. The calculation is based on an attribution factor as set out below:

$$\text{Attribution factor} = \frac{\text{(Current value of fund's investment in the portfolio company)}}{\text{(Total gross value of portfolio company)}}$$

Disclaimer

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