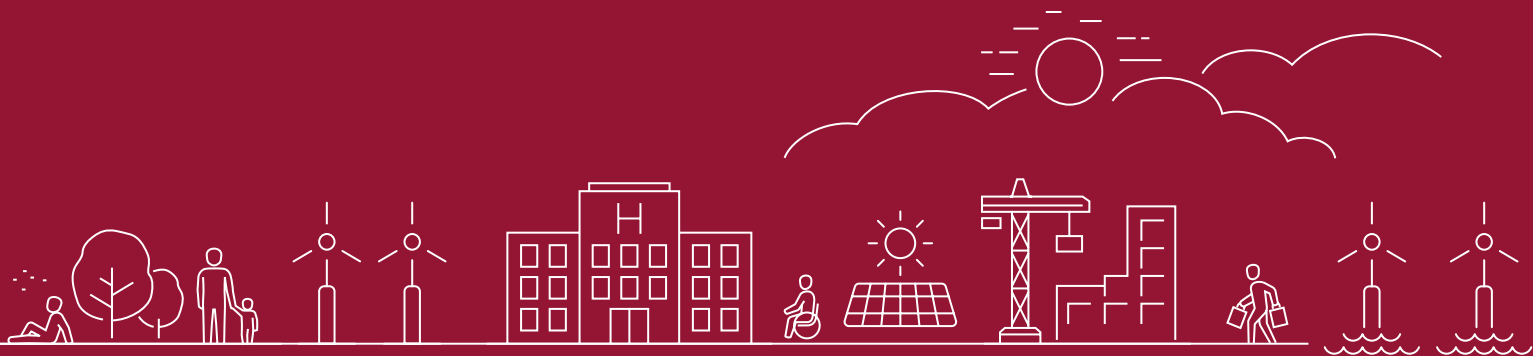


Sustainability Policy

Investing in real assets with real purpose to create a sustainable future.

JUNE 2020

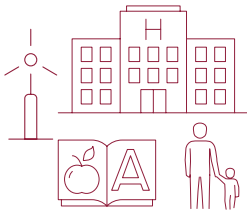


InfraRed Partners LLP and its subsidiaries (“InfraRed”), on behalf of the funds it manages, develops, constructs, owns and operates real assets that serve communities.

We believe that we can only achieve long term success for our clients, assets, investors and business by taking responsibility for our environmental, social and governance impacts. This is essential to our vision.

We recognise that our investment and management decisions impact:

Our customers and the communities in which our assets are located

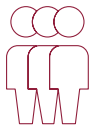


This includes over 10 million patients with direct access to our healthcare facilities; millions of users of power from our solar and wind farms; over 120,000 student places across our school, college and university facilities; the tens of thousands individuals who live, work and enjoy our buildings and facilities.



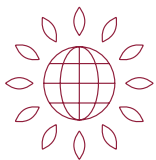
Our investors

Including the thousands of people who trust us to invest their pensions.



Our staff

The considerable number of people who work for InfraRed or our business partners.



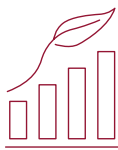
Our natural environment

Through the type of projects we invest in, the way in which we construct them and how we operate them.

The scale of InfraRed, in terms of the size and the number of our projects, puts us in a privileged position where our actions and conduct impacts a large number of people and the environment. With this comes an immense responsibility to act with care, consideration and integrity.

Our Sustainability Policy seeks to articulate how we discharge our responsibilities to create a positive impact beyond commercial objectives.

In order to facilitate this, InfraRed has made the following commitments:



- 1** Continue to incorporate sustainability into our investment decision-making and on-going management of our assets.
-



- 2** Prioritise our resources to make a positive contribution to the following United Nations (UN) Sustainable Development Goals (SDGs).
-



- 3** Track sustainability improvements across our portfolio and own operations.
-



- 4** Embed sustainability into all staff's performance assessment and remuneration.
-



- 5** Minimise our corporate carbon footprint.
-

Scope of the policy

The Policy applies to InfraRed and outlines how sustainability considerations are incorporated into our investment and on-going management processes as well as the management of our own internal corporate operations, to ensure we meet our sustainability commitments.

Our sustainability programme is aligned with the UN supported Principles for Responsible Investment (PRI), which InfraRed has been a signatory of since 2011.

Our approach

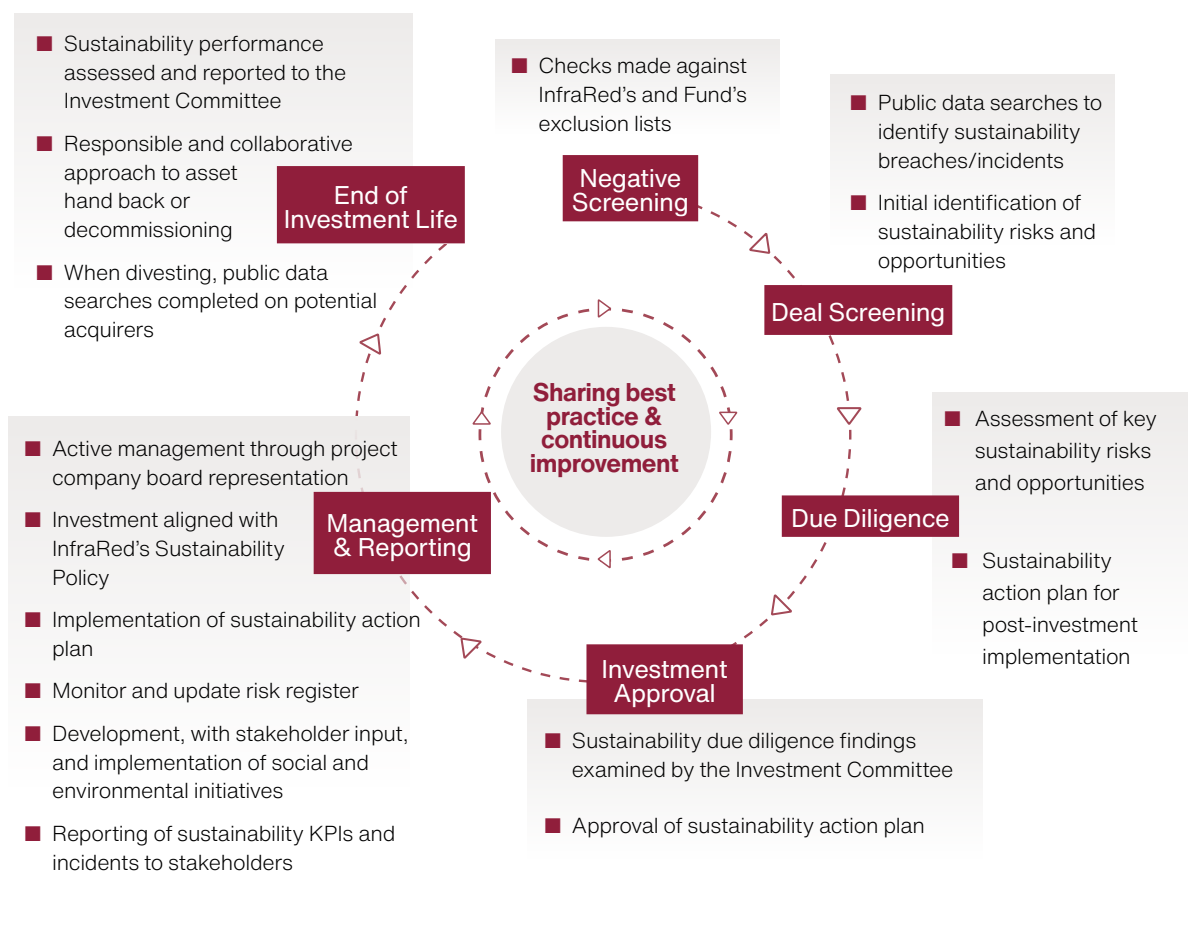


1 Continue to incorporate sustainability into our investment decision-making and on-going management of our assets

We incorporate sustainability considerations to ensure we invest in assets which:

- have a social purpose, promote social development or improve quality of life;
- create a positive environmental impact now and for future generations; and
- make an overall beneficial impact on the communities in which our assets are located.

Our comprehensive sustainability management system, which is based on a foundation of robust guiding principles, integrates sustainability into each stage of the investment process.

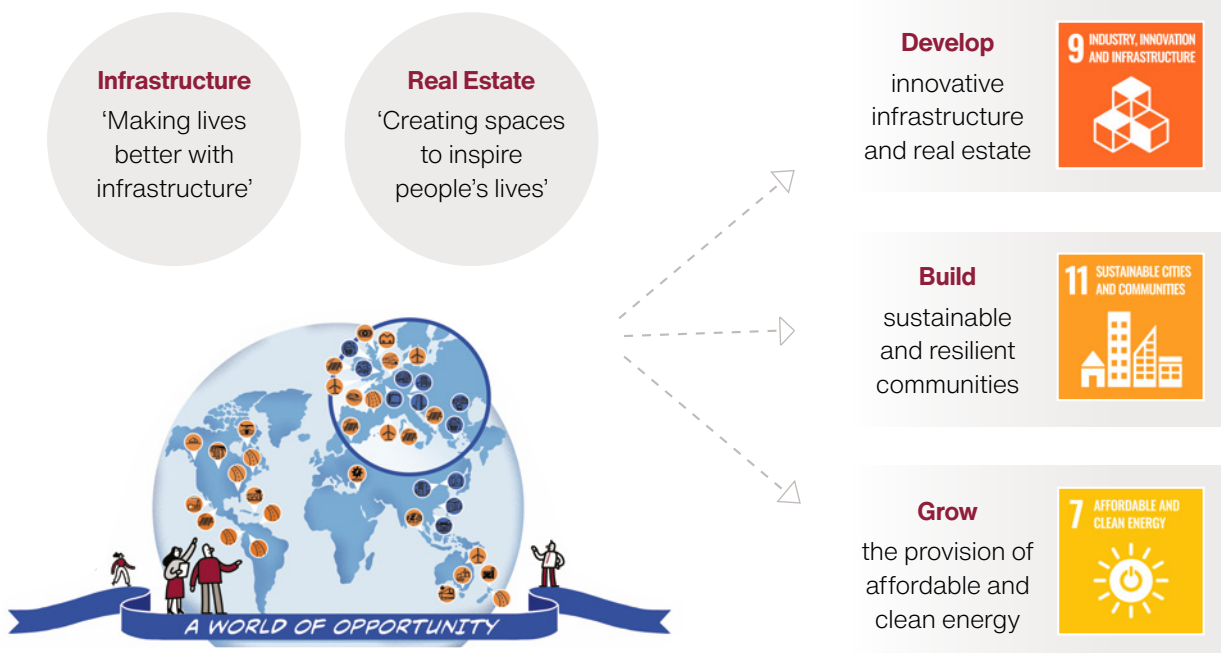


Our processes are reviewed and refreshed periodically as part of our commitment to continuous improvement, for example the most recent review led to the introduction of a negative screening stage where opportunities are assessed against the newly established firm exclusion list.

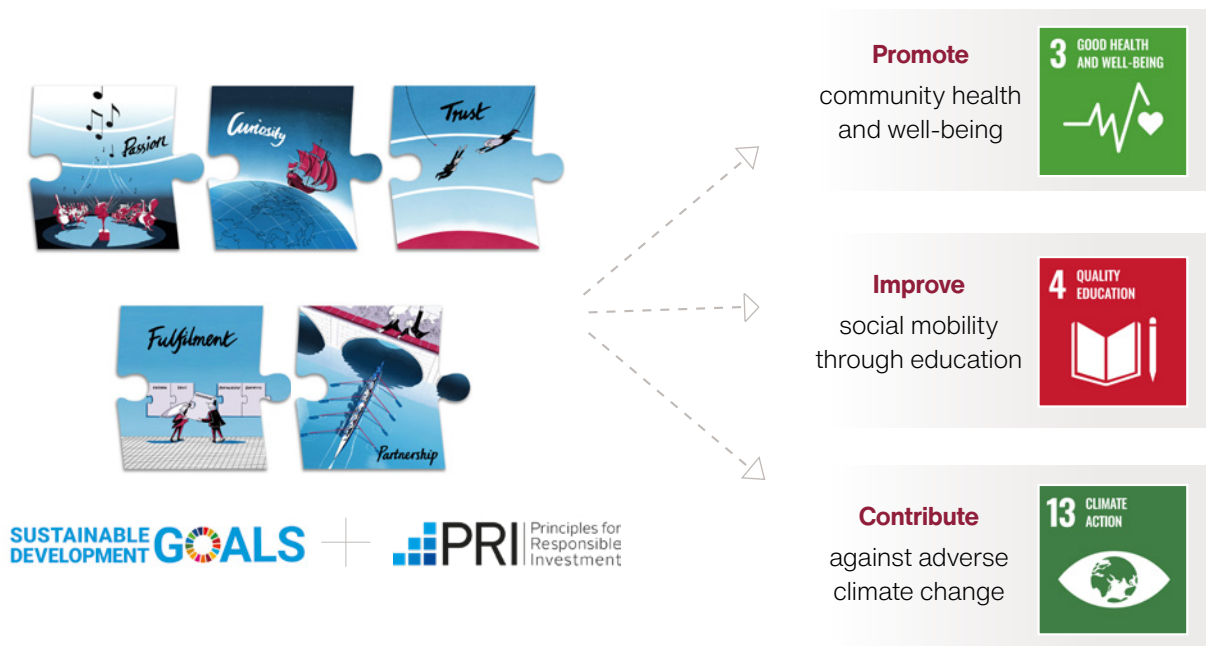


2 Prioritise our resources to make a positive contribution to the following United Nations (UN) Sustainable Development Goals (SDGs)

Based on the nature of our business, by delivering our vision, InfraRed uses its resources to contribute to the following UN SDGs:



Given our corporate values and passions, InfraRed chooses to prioritise our charitable resources to also make a positive contribution to the following UN SDGs:



Our charitable resources include:

- in the first instance volunteering our time and talents;
- in the second instance leveraging our business relationships as a multiplier for achieving benefits;
- and finally selectively providing financial support through the InfraRed Charitable Foundation as an enabler and further multiplier of the charitable benefits derived from investing our time and leveraging our business relationships.

This newly established **£1m InfraRed Charitable Foundation** will extend financial support to deliver initiatives which align with these priorities. InfraRed's Community Engagement Committee will evaluate proposals to ensure our resources are allocated to activities which deliver the greatest impact to our stakeholders and achieve the Committee's vision of 'creating better futures'.



3 Track sustainability improvements across our portfolio and own operations

We are evolving our approach to external sustainability reporting with respect to both our portfolio and our own operations, with the aim of publishing a sustainability report from 2021 onwards.

This includes the development of a sustainability reporting framework to be finalised in the second half of 2020 which will measure our performance against dedicated KPIs on:

- environmental impacts such as biodiversity; climate change; and energy, water and waste consumption;
- social impacts including health and safety; diversity and inclusion; and stakeholder engagement; and
- governance impacts such as operational resilience; cyber security; anti-bribery and corruption; and corporate policies.

The sustainability KPIs will act as a feedback loop to drive continuous improvement in the performance of the assets managed by InfraRed. Asset KPIs will be compared against industry benchmarks as well as the fund's performance to identify which assets are outperforming and where improvements are required. The KPIs can then be used to track if the changes made have been successful in improving an asset's performance. A similar approach will be adopted for InfraRed's corporate operations.



4 Embed sustainability into all staff's performance assessment and remuneration

It is important that our staff are fully aligned with InfraRed's sustainability programme. Commencing from 2020 all partners and employees will be set a sustainability objective reflective of their role as part of their annual performance objectives.

As an example, InfraRed's Senior Management Team (CEO, DCEO, Fund Managers and Heads of Infrastructure, Real Estate, Asset Management, Portfolio Management and Central Functions) have a shared objective to develop and implement the sustainability programme as defined in this Policy.

This is separate from the role of the Investment Committees, whose members have an objective to challenge sustainability aspects as part of Investment Committee processes (including formal meetings) to ensure that sustainability has been adequately considered in the request presented for approval.

Adherence to the Sustainability Policy and contributions to initiatives that support sustainability will be considered in individual's performance assessments which directly impacts overall remuneration.



5 Minimise our corporate carbon footprint

We seek to lead by example and minimise the negative impact of our own operations. We are working with Natural Capital Partners, the leading experts on carbon neutrality and climate finance, to assist us in our journey to reduce our corporate carbon footprint.

In the first instance, we have quantified our corporate emissions from 2019 in accordance with The Carbon Neutral Protocol and will offset our 2019 and estimated 2020 emissions using an accredited offsetting scheme in June 2020. The quantification and offsetting process will be verified by Natural Capital Partners.

Moving forward, we will use the findings from the third party assessment provided by Natural Capital Partners to identify ways to reduce InfraRed's carbon emissions, particularly business travel which made up the vast majority of our emissions. Whilst we appreciate the importance of travel to keep us connected with our stakeholders and enable us to actively manage our investments, in 2020 we have greater appreciation that communication and collaboration technology can be an effective alternative to travelling. We will look to incorporate lessons learnt from our experiences in 2020 into InfraRed's travel policy to encourage our staff to continue to embrace technology as an alternative to travelling.

InfraRed will continue to quantify, reduce and offset our future emissions as part of our overall commitment to minimise our corporate carbon footprint.

Roles and responsibilities:

InfraRed's Senior Management Team oversee the development and implementation of InfraRed's corporate sustainability programme.

InfraRed's Investment Committees provide oversight and challenge to ensure robust assessment of sustainability risks and opportunities at fund, portfolio and asset levels throughout the life of each fund.

InfraRed has appointed an acting Sustainability Manager who serves as the coordinator and knowledge pool of the programme and reports directly to the CEO. The Sustainability Manager will provide training on key sustainability issues to all relevant employees on an ongoing basis.

It is, however, the responsibility of all InfraRed partners and employees to ensure that sustainability factors are considered in all investment, management, divestment and corporate decision-making processes.

The CEO is responsible for arranging periodic reviews of this Sustainability Policy to ensure it remains current and fit for purpose.

Werner von Guionneau

Werner von Guionneau

Chief Executive

Date: June 2020

