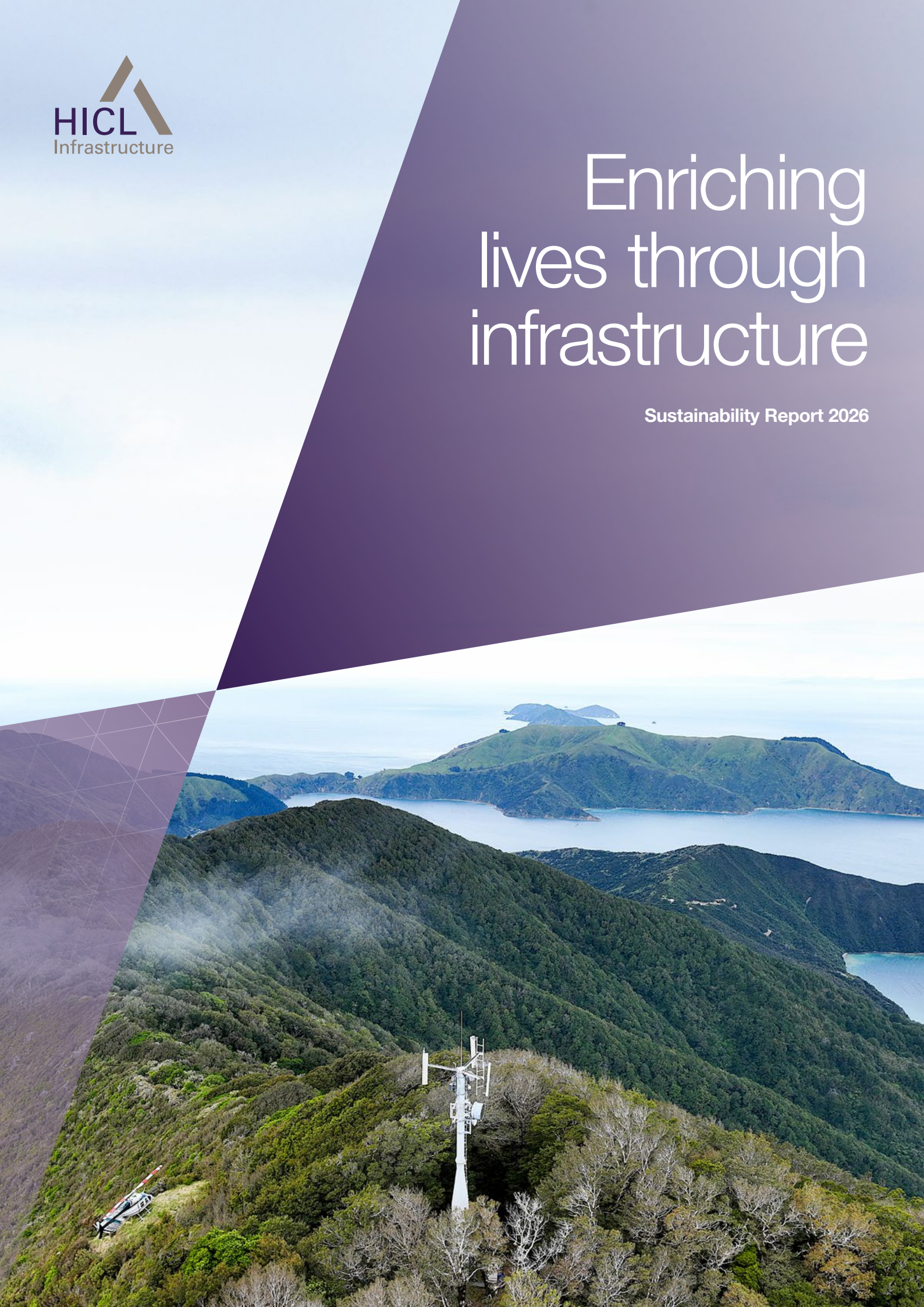




Enriching lives through infrastructure

Sustainability Report 2026



Welcome to HICL's 2026 Sustainability Report

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Our vision is to enrich lives through infrastructure.

Investing in assets with strong social foundations such as healthcare and education; assets that connect communities from rail and road to communications; and assets that support the transition to a low-carbon, energy-resilient modern economy.

About this report

This is the seventh consecutive sustainability report published by HICL Infrastructure PLC ('HICL' or 'the Company'). It provides an update to our stakeholders on our sustainability approach, priorities and performance in relation to both our investments and operations. The information presented in the report covers the 12-month period ending 31 March 2026 ('the reporting period'), unless stated otherwise. Terms such as 'we' and 'our' refer to HICL.

A summary of the methodologies used to calculate quantitative metrics featured in this report is included in the Basis of Preparation section. Any information provided by third parties is believed to be reliable but has not necessarily been verified by HICL's Board of Directors ('the Board') or InfraRed Capital Partners ('InfraRed' or 'the Investment Manager').

This report has been prepared to meet the UK Sustainability Disclosure Requirements ("SDR") product-level sustainability reporting obligations for HICL. It also fulfils InfraRed's requirement to report on Principal Adverse Impact Indicators ("PAIs") under the EU Sustainable Finance Disclosure Regulation ("SFDR"), in respect of HICL's portfolio.

The contents of this report and HICL's 2026 Annual Report are supported by additional sustainability-related disclosures that can be found on the Company's website.



Introduction

I am pleased to present HICL's Sustainability Report for the year to 31 March 2026.

HICL's approach to long-term value creation is grounded in the delivery of essential infrastructure that supports economies and societies. Through responsible stewardship of these assets, the Company delivers resilient returns while contributing positively to the local communities it serves.

During the year, the Company refreshed its sustainability strategy to better reflect its priorities and where it believes its investments can have the greatest influence on stakeholder outcomes. As a result, the four pillars which have historically underpinned HICL's approach have been refined into three strategic themes: Climate and nature, Communities and people, and Governance and integrity. Further detail on the Company's sustainability strategy is set out on pages 2-3.

Policy developments across key geographies over the year pointed to a potentially more supportive environment for private capital in infrastructure. This included a growing emphasis on mobilising private investment in priority areas, as reflected in the UK Government's 10-Year Infrastructure Strategy. In this context, the Board believes it is increasingly important that HICL continues to evolve how it evidences the societal impacts of its infrastructure delivery, recognising the role this plays in sustaining long-term public confidence in its investments. With the support of the Investment Manager, the Company has introduced a new Societal Value Framework that articulates how HICL's portfolio delivers societal benefits in a layered way, spanning essential services embedded in day-to-day operations, active asset management that strengthens service quality, and targeted community and environmental initiatives that support stakeholder relationships. Further detail on the framework and associated new disclosures can be found on pages 5-8.

Within this context, the Board considers the intrinsic societal role of HICL's portfolio to be its core strength. The Company's assets facilitate the delivery of essential services, a contribution reflected in the portfolio's alignment with the UN Sustainable Development Goals, as outlined on pages 6 and 7. This approach anchors HICL's societal value proposition in the day-to-day operation of its assets, with progress against these outcomes closely linked to long-term commercial performance. A key example is Affinity Water, HICL's largest asset by value, where delivery of the ongoing capital investment programme supports leakage reduction, biodiversity

enhancements, water quality improvements and replenishment programmes, while also increasing regulated capital value, which underpins shareholder returns.

Last year, it was confirmed that the Investment Manager's methodology pertaining to HICL's sustainability metrics met the characteristics of "suitable criteria" for an independent third-party assurance engagement. InfraRed has further strengthened its approach over the period, notably by enhancing data collection processes and developing metrics that support more informed decisions at the portfolio company level in line with the three refined strategic themes. The new set of sustainability metrics can be found on pages 9-10.

The Company has now published its fourth assessment of emissions across its portfolio, which covers 100% of HICL's underlying investments and accounts for their emissions resulting from on-site generation ("Scope 1"), purchased electricity ("Scope 2") as well as all other indirect emissions ("Scope 3"). The data provides valuable and actionable insights that support HICL's long-term commitment to achieving net zero by 2050, consistent with the goals of the Paris Agreement and as reflected in the UK's and the EU's legally binding targets. Further progress was made over the year, with the proportion of the portfolio that is either aligning, aligned or at net zero increasing to 44% as at 31 March 2026, compared with 34% a year earlier. An overview of the key actions undertaken during the year, together with areas of focus going forward, is set out on page 13 of this report.

The Board's structured programme of engagement with shareholders, undertaken during the year, provided an important channel for gathering investor perspectives across a broad range of strategic and governance topics. The breadth of this dialogue, encompassing a significant proportion of the shareholder register, will help ensure that decision-making remains informed, considered and aligned with investor objectives.

Overall, HICL's activities over the year demonstrate its ongoing commitment to the responsible stewardship of public infrastructure. With sustainability considerations firmly embedded within HICL's corporate strategy, the Board believes the Company is well positioned to deliver on its purpose of enriching lives through infrastructure, while supporting sustained value creation for shareholders over the long term.

Mike Bane
Chair

26 May 2026

“
HICL's sustainability strategy delivers positive societal outcomes while supporting long-term shareholder value.”

Mike Bane
Chair



Our sustainability strategy and key highlights

HICL’s approach to asset selection and active management has resulted in a portfolio contributing to a range of national and international sustainability priorities.

These contributions are considered by the Company through a layered model, HICL’s Societal Value Framework, which begins with the delivery of essential services through core operations, is reinforced by asset management expertise that supports service quality, and is further enhanced by targeted portfolio company-level initiatives that extend beyond contractual requirements. Further detail on the Framework is set out on pages 5-8.



Intrinsic contributions

Infrastructure delivery driving economic activity and broader societal benefits



Operational stewardship

Active asset management expertise and governance oversight supporting public service quality, safety and reliability



Targeted outcomes

Supporting progress against defined sustainability objectives through tailored initiatives

Using this layered approach, HICL delivers sustainability outcomes across the themes of Climate and nature, Communities and people, and Governance and integrity. The Framework is applied across each of these areas as the model through which progress is driven in practice. These three themes reflect where the Company considers its activities can have the greatest impact on stakeholder outcomes over the long term, given the nature of the services delivered by the portfolio and the responsibilities associated with long-term ownership of essential infrastructure. Highlights of the Company’s progress across each of these themes are set out on this and the following page.

All key metrics presented on these pages, and on the cover pages for the three sustainability theme sections appearing later in the report, are based on information provided by portfolio companies through InfraRed’s annual sustainability data collection campaign, covering assets representing approximately 99% of HICL’s portfolio (unless stated otherwise); the information has not been independently verified and portfolio weightings are based on valuations as at 31 March in each reporting period.



Climate and nature

Supporting the transition to a lower-carbon, energy-resilient and more resource-efficient economy through responsible stewardship of portfolio companies, including where core asset operations help to facilitate decarbonisation and positive outcomes for the natural environment. The Company also prioritises building resilience to climate- and nature-related risks to protect long-term asset value.

2026 Highlights

- ▶ **InfraRed enhanced the assessment of physical climate risks for HICL’s portfolio using scenarios published by the Intergovernmental Panel on Climate Change (see page 19 for more information)**
- ▶ **Commercially disciplined decarbonisation and resource-efficiency initiatives continue to be progressed across the portfolio**

2026 Key metrics

<p style="font-size: 2em; font-weight: bold; margin: 0;">▶ 44%</p> <p style="margin: 0;">of portfolio companies meet the NZIF criteria for aligning, aligned to or at net zero¹</p> <p style="margin: 0;">2025: 34%</p> <p style="margin: 0;">2030 goal: 50%</p>	<p style="font-size: 2em; font-weight: bold; margin: 0;">▶ 92%</p> <p style="margin: 0;">of portfolio companies have implemented environmental management plans covering relevant risks and impacts²</p> <p style="margin: 0;">2025: N/A</p> <p style="margin: 0;">2030 goal: 100%</p>
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▶ Read more on page 11.

¹ The Net Zero Investment Framework (NZIF) was 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 Based on information provided by portfolio companies as part of InfraRed’s annual sustainability data collection campaign. Covers 78% of portfolio, where waste, water or biodiversity has been identified as material for the asset. Such data is not independently verified. Share of portfolio based on valuations as at 31 March in each reporting period



Communities and people

Delivering reliable infrastructure that supports access to essential services and positive socio-economic outcomes. Active engagement with clients, stakeholders and local partners helps to ensure assets are responsive to community needs and reinforce fair, safe and inclusive working practices.

2026 Highlights

- ▶ Refreshed assessment of the quality of infrastructure delivery at a subset of HICL’s hospital assets using NHS Estates Returns Information Collection (“ERIC”) data, finding that this remained generally above average
- ▶ Six initiatives delivered by HICL portfolio companies recognised as Gold Standard at InfraRed’s Creating Better Futures Awards for 2025 (see InfraRed’s 2026 Sustainability Report)

2026 Key metrics

▶ **0.28**

portfolio lost time accident frequency rate (per 100,000 hours worked)¹

2025: N/A
2030 goal: <1%

▶ **90%**

of portfolio companies support community initiatives¹

2025: 92%
2030 goal: 100%

▶ Read more on page 20.



Governance and integrity

High standards of corporate governance, ethical conduct and integrity in decision-making underpin the Company’s stewardship of its portfolio. Board oversight and transparent disclosure, alongside ongoing dialogue with shareholders and other key stakeholders, help reinforce investor confidence and the delivery of resilient, long-term infrastructure.

2026 Highlights

- ▶ The Board undertook a structured programme of shareholder engagement to support informed decision-making and long-term alignment
- ▶ Revised management fee structure implemented in line with prior guidance, strengthening alignment between the Investment Manager and shareholders

2026 Key metrics

▶ **91%**

of portfolio companies have board/senior management oversight of sustainability¹

2025: N/A
2030 goal: 100%

▶ **55%**

of portfolio companies have core policies in line with InfraRed’s criteria for “Advanced” or “Leading”^{1,2}

2025: N/A
2030 goal: 75%

▶ Read more on page 25.

¹ Based on information provided by portfolio companies as part of InfraRed’s annual sustainability data collection campaign, representing 99% of HICL’s portfolio. Such data is not independently verified. Share of portfolio based on valuations as at 31 March in each reporting period
² Based on InfraRed’s proprietary maturity assessment framework

Our business

HICL is a FTSE 250, London-listed UK investment company that seeks to offer sustainable income and capital growth from core infrastructure assets underpinning the functioning of society.

The Investment Manager to HICL is InfraRed Capital Partners (“InfraRed”). InfraRed is a specialist infrastructure asset manager with over 25 years of investment experience and is currently managing over 240 infrastructure assets across 18 countries with \$13bn¹ of equity under management. InfraRed has day-to-day responsibility for the operations of the Company.

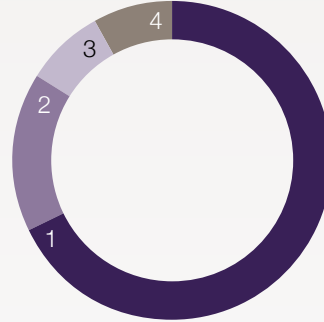
Our purpose is for HICL to be the pre-eminent investor in essential core infrastructure across our chosen markets

Our vision is to develop strong social foundations, connect communities and support sustainable modern economies.



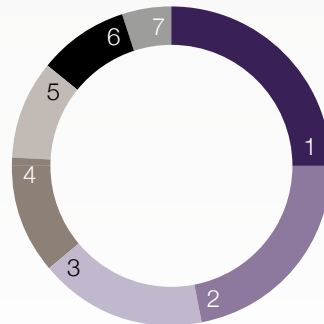
Our portfolio

HICL is the trusted steward of over 100 high-quality infrastructure investments, spanning eight countries and a range of different sectors covering the depth and breadth of core infrastructure.



Geography

1	UK	68%
2	EU	16%
3	North America	8%
4	Australia and New Zealand	8%



Sector

1	Electricity and water	25%
2	Transport	22%
3	Health	17%
4	Communications	12%
5	Education	10%
6	Accommodation	9%
7	Fire, law and order	5%

Note: Unless otherwise stated, for all metrics featured in this report that are calculated as a proportion of portfolio value, the portfolio value is the Directors Valuation as at 31 March 2026 excluding disposal proceeds.

¹ Uses a 5-year average FX between currency pairs as at 31 December 2025: USD per GBP – 1.2900; USD per EUR – 1.1125. EUM of USD 13.3bn

HICL's societal value framework





Introducing the framework

The topic of societal value is receiving increased attention across the infrastructure investment space, reflecting a growing recognition of how the core operations of essential infrastructure assets can deliver tangible societal and economic benefits. There is increasing acknowledgement that high-quality service delivery and strong relationships with end users, communities and counterparties can support asset resilience by limiting operational disruption and helping to sustain stable contractual arrangements. In turn, this can

underpin sustainable value creation over the life of an investment. Many infrastructure investors, including HICL, are therefore placing greater emphasis on understanding and managing these factors through active ownership. HICL has developed its own Societal Value Framework, structured around the three pillars set out below, which reflect a progression from the inherent benefits of essential infrastructure to active operational stewardship that improves service quality, and targeted sustainability outcomes delivered by specific assets.



In applying its Societal Value Framework, the Company considers its engagement with key stakeholders involved in the delivery of infrastructure services across the portfolio, as illustrated below. These stakeholders are those most involved in or affected by the societal outcomes delivered.

	Our communities and end users	We invest in infrastructure projects that provide essential services to local communities. In some instances, we deliver those services directly, such as the provision of water, and in other instances these services are performed by our public sector clients such as healthcare services.
	Our clients	We work together with corporate partners and public sector clients, including the UK's National Health Service (NHS), local councils, National Highways, and various international government departments to deliver many of our essential infrastructure services.
	Our people	HICL indirectly employs over 2,650 people through its portfolio companies and thousands more through each asset's supply chain. InfraRed, HICL's Investment Manager, has a talented, diverse team of over 160 people worldwide.
	Our delivery and other partners	To deliver high-quality infrastructure, we enlist the services of several businesses which include management service providers, construction companies, facilities management companies, financiers, co-shareholders and advisors.
	Our shareholders	We invest in infrastructure assets using the capital provided by our investors. Our shareholders range from individuals to substantial international institutions, such as pension funds, which generate stable and long-term returns responsibly for their clients.

HICL's societal value framework continued

Intrinsic contributions

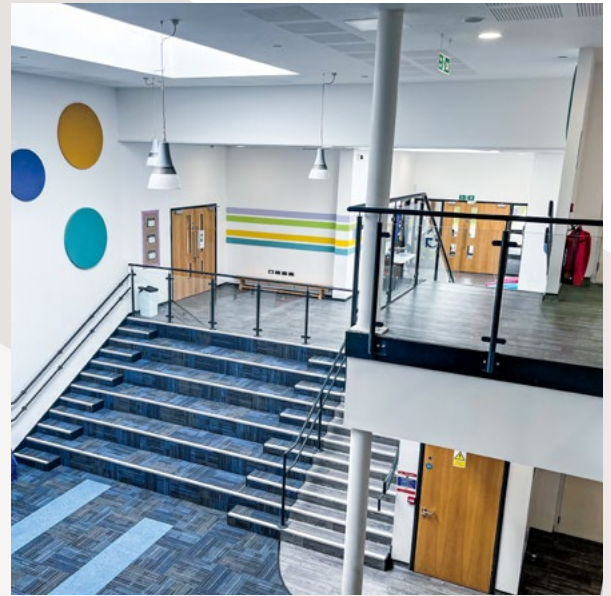
By facilitating access to essential services, HICL's assets deliver an inherent social good through their core operations. These operations also contribute to a range of the UN Sustainable Development Goals ("SDGs"), reflecting the breadth of outcomes associated with the Company's infrastructure delivery.

With reference to the UK Government's official Social Value Model¹, the Company has undertaken an initial, high-level assessment to better understand the positive economic and societal externalities arising from the standard delivery and ongoing functioning of its assets. The Model has been used as a recognised reference point rather than applied in full, reflecting the fact that many of HICL's ultimate public sector counterparties are UK Government departments. Drawing on selected elements of this guidance, InfraRed has identified a set of metrics to illustrate how the Company's infrastructure delivery benefits societies and contributes to its vision to develop strong social foundations, connect communities and support sustainable modern economies, as set out on the following page.

Individual assets within HICL's portfolio often contribute to more than one UN Sustainable Development Goal, reflecting that HICL's infrastructure assets can support progress across multiple goals simultaneously, with the percentages shown on the following page reflecting these various alignments rather than summing to a single total.

Strong social foundations

Key themes
Demographic change,
Urbanisation,
Ageing population



Connecting communities

Key themes
Electrification,
Decarbonisation,
Digitalisation



Sustainable modern economies

Key themes
Energy transition,
Energy security,
Circular economy and capacity constraints



¹ <https://www.gov.uk/government/publications/ppn-002-taking-account-of-social-value-in-the-award-of-contracts/procurement-policy-note-002-the-social-value-model-html>

▶ 41% of portfolio (by value)

- ▶ 39 schools, universities and other facilities
- ▶ 17 defence, accommodation, judicial and law enforcement infrastructure projects
- ▶ 26 hospitals and clinics with 7,500+ beds

Over the year¹

- ▶ 100,000+ people pursued learning at our education projects
- ▶ c.12 million people had access to our healthcare facilities
- ▶ 0.6 million people benefitted from our accommodation facilities
- ▶ 15+ million people were served by our courts, fire stations and police stations

▶ 34% of portfolio (by value)

- ▶ 2 assets enabling reliable and resilient digital connectivity through 1,600+ towers and 300,000+km of fibre networks
- ▶ 16 road and rail assets across 1,750+km of transport networks

Over the year¹

- ▶ 320 million passenger journeys enabled
- ▶ 2.5 million homes now connected to fibre infrastructure.
- ▶ 67 total telecom towers installed
- ▶ 4% of fibre networks in underserved areas

▶ 25% of portfolio (by value)

- ▶ 6 energy system supporting infrastructure projects, including 1,700+km of transmission networks
- ▶ 1 water utility business

Over the year¹

- ▶ 44TWh of electricity transmitted, all from renewable sources
- ▶ 950 million litres of clean water provided each day to a population of more than 3.9 million people



▶ 18%



▶ 10%



▶ 14%



▶ 10%



▶ 94%



▶ 18%



▶ 4%

¹ Based on information provided by portfolio companies as part of InfraRed's annual sustainability data collection campaign, as at 31 December 2025

² 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. Percentage figures are based on proportion of portfolio value, the portfolio value is the Directors Valuation as at 31 March 2026 excluding disposal proceeds

Operational stewardship

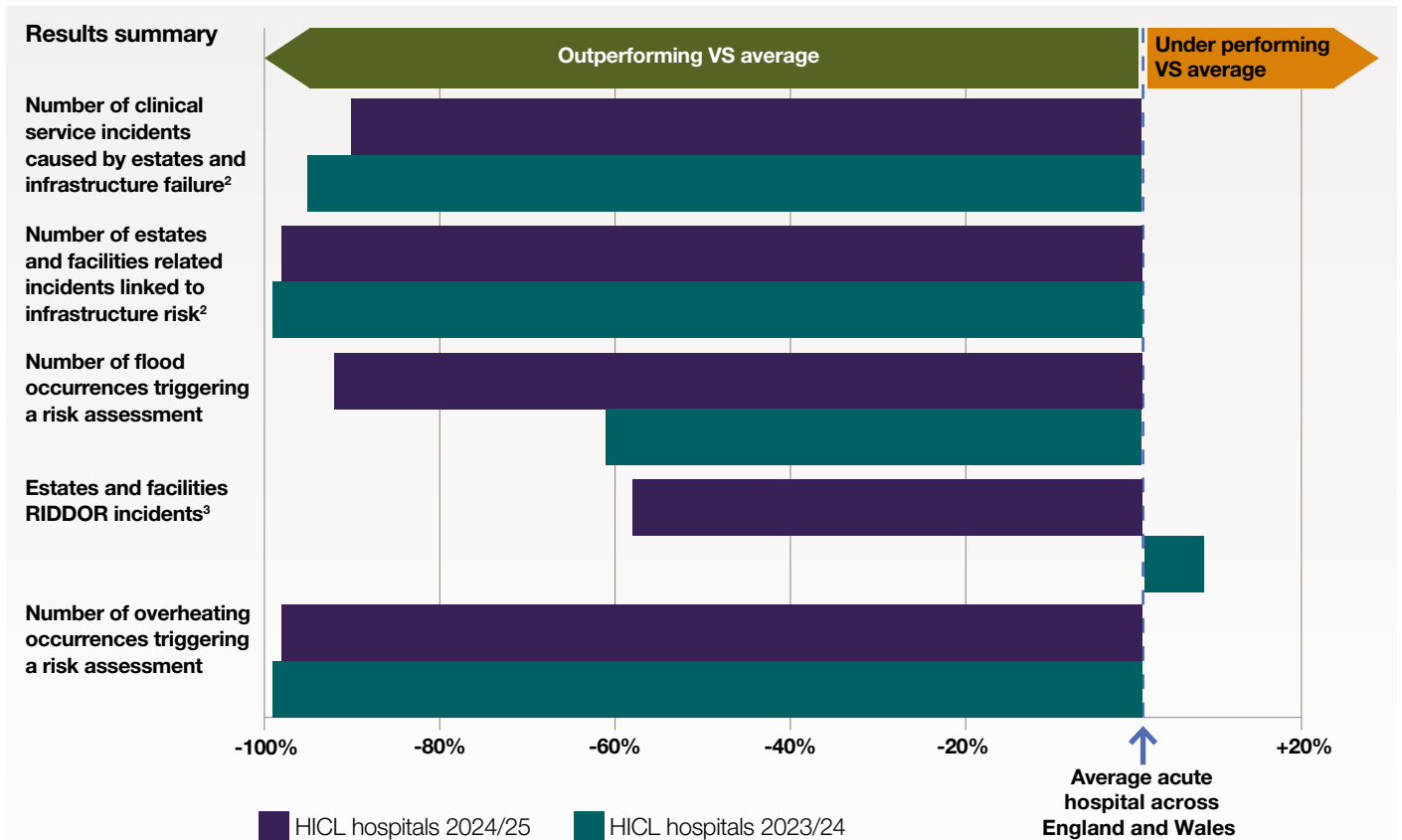
Assessing infrastructure delivery at HICL's hospitals

During the year, NHS England commenced work on a new model aimed at attracting private capital to support investment in healthcare infrastructure, following calls from across the sector to revisit the previous restriction on new private finance delivery contracts¹. The Chief Executive of NHS Providers, which represents NHS organisations across England, highlighted that additional capital investment, including from the private sector, could help improve safety for both patients and staff! This comes against a backdrop of increasing pressure on the NHS estate, with a growing backlog of high-risk repairs that carry the potential for significant disruption and injury. In this context, HICL's Investment Manager, for the second consecutive year, assessed the quality of infrastructure delivery across a subset of the Company's acute hospital assets using NHS Estates Returns Information Collection

(‘ERIC’) data. ERIC is a mandatory data collection for all NHS trusts and captures information relating to estate maintenance costs, equipment, support services such as catering and laundry, and the consumption of utilities.

Scope of analysis and data preparation points

- ▶ This analysis compares the performance of acute hospitals owned by HICL to the average performance of acute hospitals in England and Wales across key infrastructure delivery-related metrics
- ▶ The acute, HICL-owned hospital projects considered in this analysis are those for which the Company is deemed to be responsible for the maintenance of the majority of the site under the scope of its PPP concession. By excluding sites at which most facilities are ‘retained’ by the public sector, a more objective comparison can be made
- ▶ All metrics have been adjusted such that the analysis controls for variation in hospital size (which is proxied by square metres of occupied floor area)



Key findings

Across the infrastructure delivery-related metrics shown above, HICL's hospitals continue to perform favourably relative to the England and Wales average, which includes other PFI hospitals as well as ‘retained’ NHS estates. Performance in several areas remains broadly consistent year-on-year, reflecting the Investment Manager's ongoing focus on proactive estates management and risk oversight. Notably, estates and facilities RIDDOR³ incidents were lower relative to the baseline average in the year, representing an improvement on the prior period and aligning with a broader reduction in RIDDOR incidents observed across HICL's portfolio. Analysis of metrics such as these forms an important input into asset management priorities, helping to direct engagement and resource towards areas that support improved service outcomes for end users.

1 Source: NHS England develops new private finance model to fund capital projects, Financial Times

2 The NHS ERIC data overleaf for 2023/24 makes the following disclaimer about this metric: “These items are experimental as they were only recently introduced, and should be treated with caution”

3 RIDDORs: Reporting of Injuries, Diseases and Dangerous Occurrences Regulations

Sustainability metrics and targets

InfraRed's annual sustainability survey, which monitors the progress achieved across HICL's portfolio, continues to allow the Company to report on its performance.

With several of HICL's previous sustainability targets reaching their end in 2025, the Company has taken the opportunity to set new targets and refresh the set of sustainability metrics reported below such that these better reflect its progress across the strategic themes underpinning its sustainability strategy: Climate and nature, Communities and people and Governance and integrity.

For additional information about progress in the current year, please see the dedicated section for each strategic theme within this report. All metrics in the tables below are based on information provided by portfolio companies which has not been independently verified and portfolio weightings are based on valuations as at 31 March in each reporting period.

Further information on the SFDR Principal Adverse Impact indicators is set out on pages 34 to 36 of this report. HICL's SFDR Periodic Disclosure is included in the Company's 2026 Annual Report.



Climate and nature

Metric	Current year	Previous year	% Portfolio reporting	2030 Goal
Portfolio companies with carbon reduction initiatives	95%	91%	99%	100%
Portfolio companies meeting the NZIF ¹ criteria for aligning, aligned or net zero	44%	34%	100%	50%
Portfolio companies that have implemented robust resilience measures to address relevant physical climate and ecosystem risks ²	81%	N/A	100%	90%
Portfolio companies that have implemented environmental management plans covering relevant risks and impacts	92%	N/A	78% ³	100%
Total attributable GHG emissions (Scopes 1,2 and 3) for the portfolio	109,493 tCO₂e	94,576 tCO ₂ e	100%	N/A
Portfolio weighted average carbon intensity (Scopes 1, 2 and 3)	158 tCO₂e / £m revenue	309 tCO ₂ e / £m revenue	100%	<250 tCO ₂ e / £m revenue
Portfolio emissions subject to direct or collective engagement and stewardship actions	93%	93%	100%	90%



1 Net Zero Investment Framework 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 Based on InfraRed's proprietary physical climate risk resilience rating methodology

3 Where waste, water or biodiversity has been identified as material for the asset

Sustainability metrics and targets continued



Communities and people

Metric	Current year	Previous year	% Portfolio reporting	2030 Goal
Lost Time Accident Frequency Rate for the portfolio (per 100,000h worked)	0.28	N/A	99.7%	<1
Portfolio companies that have conducted a health and safety assessment	89%	N/A	99%	100%
Portfolio companies that support community initiatives	90%	92%	99%	100%



Governance and integrity

Metric	Current year	Previous year	% Portfolio reporting	2030 Goal
Portfolio companies that have board/senior management oversight of sustainability	91%	N/A	99%	100%
Portfolio companies where InfraRed has exercised active stewardship on sustainability matters during the period ¹	79%	98%	67% ²	100%
Portfolio companies where boards are at least 20% diverse	75%	N/A	99%	>75%
Portfolio companies that have core policies in line with InfraRed's criteria for "advanced" or "leading" ³	55%	N/A	99%	75%
Portfolio companies that have sustainability incorporated into procurement practices for material spend	97%	N/A	99%	100%



1 Determined by whether an InfraRed representative has carried out all of the following: attended all board meetings, visited at least one project site, and actively monitored project performance
 2 Excludes Affinity Water, Altitude Infra, FortySouth and London St Pancras High Speed as not monitored on the same basis. For the avoidance of doubt, active stewardship has been exercised by InfraRed on all four of these portfolio companies
 3 Based on InfraRed's proprietary maturity assessment framework



Climate and nature

The HICL Board and Investment Manager approach climate- and nature-related matters as part of their stewardship responsibilities and commitment to long-term value creation.

The Company seeks to capitalise on opportunities arising from the transition to a lower-carbon, energy-resilient economy, while improving operational performance through decarbonisation and more efficient resource use. These actions support cost discipline and the delivery of reliable asset operations. HICL also aims to enhance the resilience of its assets to climate- and nature-related risks, helping to protect value and support sustainable shareholder returns over the long term.

In this section

Climate change

Environmental management and resource efficiency

Climate and ecosystem resilience

Highlights

Portfolio (by value) meets the NZIF¹ criteria for aligning, aligned or net zero

▶ **44%**

2025: 34%
2030 Goal: 50%

Portfolio companies that have implemented environmental management plans covering relevant risks and impacts²

▶ **92%**

2025: N/A
2030 Goal: 100%

¹ Net Zero Investment Framework 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 Covers 78% of portfolio, where waste, water or biodiversity has been identified as material for the asset

Climate change

Decarbonisation and energy security

Recent geopolitical turbulence has reinforced the importance of secure and resilient energy systems, highlighting the risks associated with reliance on imported fuels and volatile global markets. Accelerating the deployment of domestic low-carbon generation has therefore become both an economic and strategic priority, with electricity transmission infrastructure playing a critical role in enabling renewable power to be delivered efficiently to centres of demand.

In the UK, HICL's exposure to electricity transmission is solely through its portfolio of regulated Offshore Transmission Owners (OFTOs). These assets are directly relevant to the Government's Clean Power 2030 ambition, which targets clean sources meeting 100% of electricity demand and providing at least 95% of generation by 2030. The broader scale of network investment required is illustrated by Gridunlocked, a macroeconomic study published by Arup in February 2026, which estimates that delivering a high-ambition clean power pathway, while supporting rising electricity demand from transport, heating and industry, could require £228bn of cumulative investment in the UK's electricity grid by 2040.

In the US, HICL's investment in Texas Nevada Transmission sits within a power system where insufficient transmission capacity is increasingly recognised as a constraint on decarbonisation progress and energy reliability. The US Department for Energy recently highlighted a substantial delivery gap, with ~5,000 miles of new high-capacity transmission per year potentially required between 2025 and 2035 compared with 888 miles delivered in 2024, reinforcing the strategic role of current long-life transmission assets in supporting energy security and system resilience. HICL's investments in high-speed rail infrastructure also support decarbonisation and energy security by enabling lower-carbon transport alternatives that reduce reliance on fossil fuels; further detail is provided in the case study on this page.



Case study

Facilitating more sustainable international travel

Portfolio asset: London St. Pancras High Speed

% of portfolio by value: 5.5%¹

Social value theme: Intrinsic contributions

London St. Pancras Highspeed plays a central role in promoting more sustainable international travel by enabling a modal shift from short haul aviation to high speed rail between the UK and continental Europe. Independent analysis indicates that rail journeys can reduce travel-related carbon emissions by up to 73–91% compared with flying on equivalent routes, with a typical London–Paris journey producing around 22 kg of CO₂ by train versus approximately 244 kg by air.²

Against this backdrop, London St. Pancras Highspeed is focused on expanding international rail capacity and enhancing the passenger experience to support growth in lower-carbon travel. The business operates a 109-kilometre high-speed rail corridor linking London St Pancras International with destinations including Paris, Brussels and Amsterdam, and has a clear strategic objective to encourage a shift in travel choices towards rail. During the year, international train services continued to grow, supporting increased use of a more carbon-efficient form of transport. Through targeted investment, capacity planning and collaboration with international operators, London St. Pancras High Speed is positioning rail as a credible, lower-emissions alternative to short-haul air travel, contributing to wider decarbonisation objectives in international transport.

► 4%

growth in international train journeys at London St. Pancras High Speed over FY26

¹ Unless otherwise stated, for all metrics featured in this report that are calculated as a proportion of portfolio value, the portfolio value is the Directors Valuation as at 31 March 2026 excluding disposal proceeds

² <https://www.carbonclick.com/news-views/train-tourism-carbon-savings-compared-to-flights>

Source: London St. Pancras High Speed, as at 31 March 2026

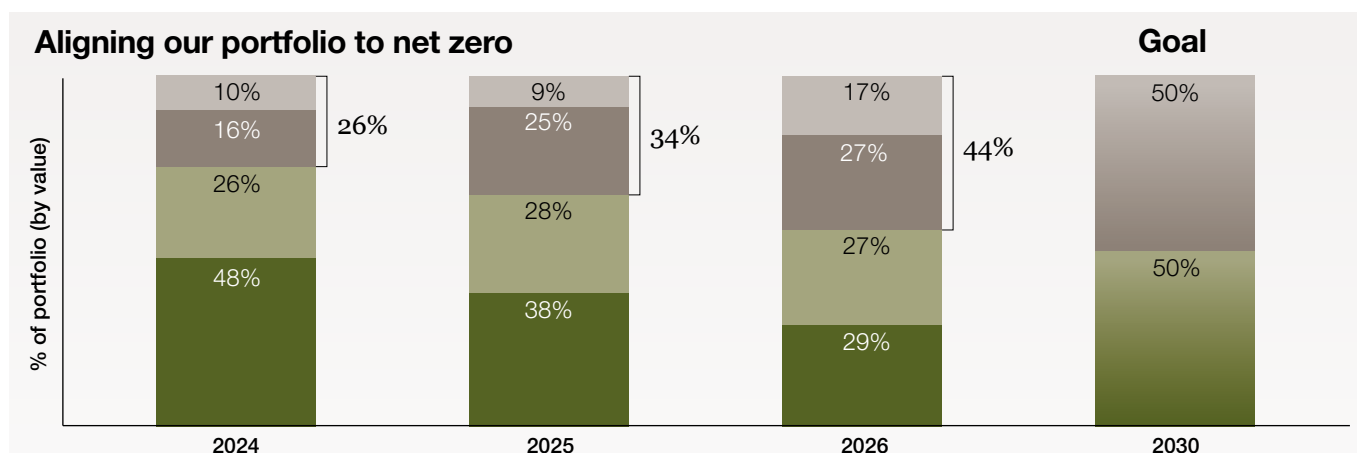


1 Portfolio alignment

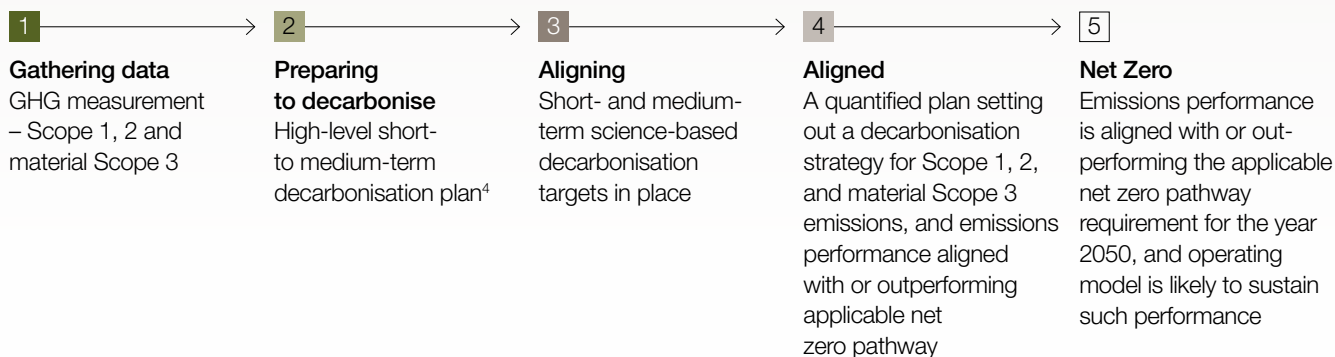
The principal industry frameworks used by InfraRed to assess the extent to which HICL's portfolio is prepared for, and aligned with, a lower-carbon and more energy-resilient future are the Net Zero Investment Framework (NZIF)¹ and the Private Markets Decarbonisation Roadmap (PMDR)². Developed by the investment industry for the investment industry, these frameworks assess and categorise alignment across a series of stages:

Not possible to align, Gathering Data, Preparing to Decarbonise, Aligning, Aligned and Net Zero.

In 2023, we set a goal for 50% of HICL's portfolio (by value)³ to be aligning, aligned or net zero by 2030 (from a 16% baseline). As at 31 March 2026, a total of 44% of HICL's in-scope portfolio (by value) is either aligning with, aligned to or achieving a net zero status, up from 34% a year earlier.



Stages and cumulative criteria of alignment to net zero



Stage	Communications	Social	Electricity and water	Transport
1 Gathering data	68%	29%	0%	19%
2 Preparing to decarbonise	32%	38%	0%	6%
3 Aligning	0%	33%	57%	45%
4 Aligned	0%	1%	43%	30%
5 Net zero	0%	0%	0%	0%

InfraRed recognises that guidance on the application of the NZIF and PMDR to infrastructure assets continues to evolve, particularly in relation to decarbonisation expectations for assets categorised as climate solutions. The Investment Manager engages with relevant industry stakeholders to support the development of best-practice guidance on the application of these frameworks

within the infrastructure sector. For example, InfraRed currently co-chairs a dedicated working group within Initiative Climat International (“iCI”) focused on compiling credible decarbonisation pathways for a range of infrastructure sectors to enable more robust analysis across the industry.

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.bain.com/content/assets/6df8cbe0d2a34117bf9751b150a6372e/private-markets-decarbonisation-roadmap.pdf

3 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 March or closest available date in each reporting period. Totals may not cast due to rounding
 4 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



2 Stakeholder engagement

What is a stakeholder engagement goal?

Effective stakeholder engagement is a key element of our approach to delivering on our net zero commitment.

We recognise the importance of engagement with our public sector clients, management teams and other key stakeholders as part of our broader decarbonisation efforts. After setting our first engagement threshold target in FY23, the Company has now formally recorded its third year of engagement data. The primary engagement channels include:

- ▶ **Direct engagement** through board meetings and one-to-one meetings with clients, engaging on net zero initiatives and decarbonisation feasibility/strategy studies
- ▶ **Indirect engagement** through industry working groups, workshops, and sessions with our portfolio company management teams. We also issue guidance documents on, for example, interpreting climate risk assessments and sourcing data for emissions calculations

2030 Goal

▶ **90%**

of portfolio attributable emissions to be subject to direct or collective engagement and stewardship actions

As at 31 March 2026

▶ **93%**

Direct engagement

InfraRed engages with portfolio companies and other stakeholders via various forums, including:

- ▶ Sustainability Summit: An annual webinar hosted by InfraRed for portfolio company management teams, discussing case studies, implementation guidance and improvements in data collection/quality
- ▶ Management Services Provider (MSP) Forum: a regular touchpoint between subcontractors and InfraRed's Asset Management team
- ▶ One-to-one meetings between InfraRed's Asset Management and Sustainability teams and portfolio company management teams on decarbonisation action plans and progress
- ▶ Board-level discussion of decarbonisation with portfolio companies
- ▶ Encouraging portfolio company engagement with subcontractors/suppliers on decarbonisation and emissions reporting

As set out above, 93% of HICL's portfolio emissions are currently subject to engagement, reflecting that the 2030 target of 90% was achieved ahead of schedule, with the current focus on maintaining this level.



Case study

Decarbonising a strategic defence estate

Portfolio asset: Allenby and Connaught

% of portfolio by value: 1.8%¹

Social value theme: Operational stewardship

Context: Allenby and Connaught is a strategically significant Ministry of Defence accommodation estate, housing around one third of the British Army. The estate is regarded as a key enabler of the Army's long-term decarbonisation objectives, requiring solutions that can be delivered at scale across a complex, live military environment. The estate's facilities management provider worked closely with the MoD to identify and deliver scalable decarbonisation solutions that could be implemented without disruption to day-to-day occupation or service availability. Two priority initiatives were progressed over the year as part of this programme, including:

- ▶ Solar PV integration: installation of rooftop and ground-mounted solar PV across the estate. Delivery involved careful management of planning, environmental, biodiversity and structural constraints across a diverse building portfolio
- ▶ Electrification: conversion of a barracks kitchen area 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

Together, these initiatives demonstrate how estate-wide decarbonisation can be delivered in a way that supports operational performance, cost control and long-term resilience, with the key results being:

- ▶ On site solar PV now generates 3.64 GWh of electricity and supplies over 4% of the estate's demand. This facilitates c.1,300 tCO₂ of annual carbon emission savings
- ▶ Electrification of the kitchen area has eliminated c.290 MWh of gas usage and delivers an additional c.15 tCO₂ of annual carbon emission reductions

Source: Allenby & Connaught, as at 31 March 2026

¹ Unless otherwise stated, for all metrics featured in this report that are calculated as a proportion of portfolio value, the portfolio value is the Directors Valuation as at 31 March 2026 excluding disposal proceeds

HICL's attributable emissions

Emissions data

In accordance with the PCAF¹ 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 on the right.

$$\text{Attribution Factor} = \frac{\text{Current value of equity investment in the portfolio company}}{\text{Total equity value} + \text{Total debt}}$$

HICL Scope 3, Category 15 (Financed Emissions)	2024		2025	
	Absolute emissions (tCO ₂ e)	Attributable emissions (tCO ₂ e) ²	Absolute emissions (tCO ₂ e)	Attributable emissions (tCO ₂ e) ²
Scope 1 GHG emissions (tCO ₂ e)	154,322	27,926	96,262	24,330
Scope 2 GHG emissions (tCO ₂ e)	136,647	25,088	149,311	25,551
Scope 3 GHG emissions (tCO ₂ e)	547,415	41,562	394,136	59,611
Total portfolio emissions (tCO ₂ e)	838,385	94,576	639,708	109,493
Portfolio carbon footprint (tCO ₂ e/£m invested)	N/A	25	N/A	36
Portfolio Weighted Average Carbon Intensity (tCO ₂ e/£m revenue)	N/A	256	N/A	158
PCAF Score ³	N/A	N/A	N/A	2.5
Portfolio coverage by value (%)	98%	98%	99.6%	99.6%

1 Partnership for Carbon Accounting Financials

2 This takes into account other equity shareholdings and debt at each portfolio company

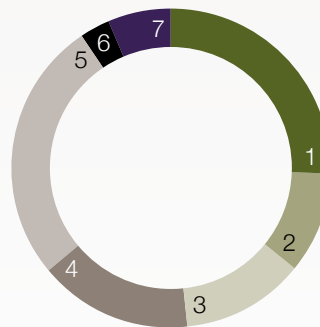
3 Calculated as weighted average (by emissions) of individual PCAF data quality scores for each asset.

The scores are on a scale from 1: highest quality, to 5: lowest quality

Data quality

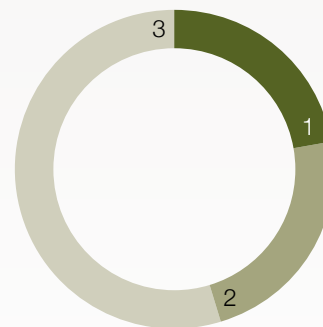
Further enhancing the quality of the underlying data used to calculate greenhouse gas (GHG) emissions for HICL's portfolio remains a priority to enable better insight into performance and planning of emissions reduction initiatives. Our focus is on deploying scalable approaches to improving the accuracy of data relating to the Scope 3 emissions of our investments. Collaboration plays a key role in addressing Scope 3 data challenges. InfraRed will continue to work with and exchange good practice with peers, suppliers and other key stakeholders.

Total emissions across HICL's portfolio⁴



Total emissions across the HICL portfolio, split by sector

1 Health	28%
2 Transport	10%
3 Accommodation	12%
4 Education	15%
5 Electricity and water	26%
6 Communications	3%
7 Fire, law and order	6%



Total emissions across the HICL portfolio, split by scope

1 Scope 1 GHG emissions	22%
2 Scope 2 GHG emissions	23%
3 Scope 3 GHG emissions	55%

4 Based on 12 months to 31 December 2025. For proportions of portfolio value, the portfolio value is the Directors Valuation as at 31 March 2026 excluding disposal proceeds

Environmental management and resource efficiency

Effective environmental management plays an important role in supporting the long-term operability, resilience and value of HICL's infrastructure assets. Environmental risks and impacts across the portfolio differ depending on asset type, location and stage of maturity, but most commonly arise from the way resources are used and managed, the handling of waste and pollution, and interactions with local ecosystems. Addressing these matters helps to support cost efficiency, regulatory compliance, security of supply and the continued acceptance of assets by the communities they serve. Environmental considerations are embedded across the investment lifecycle. At the pre-investment stage, InfraRed assesses whether material environmental risks have been appropriately identified and managed, and whether further actions or controls are required as a condition of investment. This focus continues through ongoing ownership and active asset management.

Environmental management at portfolio company level

InfraRed expects portfolio companies to manage material environmental risks and impacts through governance frameworks proportionate to the nature and scale of each asset. This is typically reflected in the implementation of environmental management plans tailored to asset-specific circumstances, with due regard to regulatory requirements, permitting conditions and relevant environmental impact assessments. Environmental management progress across HICL's portfolio is reviewed through InfraRed's established asset management governance processes, supporting early identification of emerging risks, prioritisation of engagement, and ongoing improvement through the period of ownership.

► 92%

have implemented environmental management plans covering relevant risks and impacts¹



Resource efficiency across operations and the value chain

Resource efficiency is relevant not only to the operation of HICL's assets but also across the wider value chain. At the asset level, InfraRed engages with portfolio companies to support the efficient use of energy, water and materials, although the scope for direct influence differs across the portfolio. Within most PPP assets, public sector clients retain responsibility for day-to-day service delivery, with portfolio company responsibilities typically limited to maintaining the systems that support functions such as heating, cooling and lighting. By contrast, HICL's non-PPP assets, such as London St. Pancras High Speed and Affinity Water, generally have greater discretion to manage resource consumption directly and to articulate their strategies, targets and initiatives through asset-level disclosures.

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

- For suppliers, more efficient use of resources can reduce exposure to cost volatility or constrained inputs, supporting continuity of service and asset performance
- For customers and end users, efficiency measures can help to moderate costs, enhance reliability, and respond to evolving expectations around affordability, sustainability and service quality

These considerations are particularly important given the essential nature of the services delivered across HICL's portfolio, where operational efficiency can directly shape customer outcomes alongside long-term value. This dynamic is illustrated by Affinity Water's WaterSave tariff trial (see page 18), which demonstrates how demand-side efficiency and tariff design can contribute to reduced resource consumption.

Biodiversity and sensitive environmental contexts

Where HICL's assets are located in or near ecologically sensitive environments, expectations around environmental management may be higher. In such circumstances, InfraRed focuses on ensuring that potential impacts are appropriately understood and addressed through proportionate mitigation, monitoring, and management measures, rather than applying a uniform approach to biodiversity across the portfolio. Environmental management practices are therefore informed by asset-specific context and local constraints, supporting regulatory compliance, stakeholder confidence, and the long-term resilience of HICL's assets.

¹ Covers 78% of portfolio, where waste, water or biodiversity has been identified as material for the asset



Case study

Delivering environmental benefits and enhancing shareholder value through targeted investment

Portfolio asset: Affinity Water

% of portfolio by value: 13.6%¹

Social value theme: Intrinsic contributions

Context: Under its 2025–2030 business plan, Affinity Water committed to a £2.3 billion investment programme, representing a step-change in capital deployment to support the long-term sustainability and resilience of its operations. The programme spans a wide range of initiatives, with investment earmarked across demand management, environmental protection and network resilience. Examples of the initiatives being targeted include the rollout of 400,000 smart meters (reaching approximately one third of the customer base) to support water efficiency, alongside river restoration projects that deliver benefits for biodiversity and flood management. Capital under the programme is also being deployed to strengthen infrastructure resilience, including mitigating single-point failure risks and enhancing long-term supply security.

Leakage reduction remains a core focus, with £95 million to be invested to support a 31% reduction over the five years to 2030 and the longer-term objective of halving leakage by 2050.

While delivering against environmental ambitions, the investment programme is also expected to drive c.30% real growth in Regulated Capital Value over this five-year period, supporting stable, long-term returns for shareholders. Over the financial year to 31 March 2026, delivery of the programme continued in line with the business plan, supported by HICL's incremental £50m equity investment during the year.

¹ Unless otherwise stated, for all metrics featured in this report that are calculated as a proportion of portfolio value, the portfolio value is the Directors Valuation as at 31 March 2026 excluding disposal proceeds

Key £2.3bn 2025-2030 investment programme goals

Install

► **400,000**
smart meters (reaching one third of all customers)

Develop a further

► **33**
river restoration projects to take place across 19 chalk streams

Reduce total water demand by

► **50m**
litres a day, equating to a 4.5% reduction in total demand

Achieve a

► **31%**
reduction in leakage

Environmental management and resource efficiency continued



Case study

Driving Affordability and Efficiency Through Affinity's WaterSave Tariff

Portfolio asset: Affinity Water

% of portfolio by value: 13.6%¹

Social value theme: Operational stewardship

Context: Affinity Water launched a two-year WaterSave Tariff Trial in October 2023 in response to rising water scarcity and increasing bill affordability pressures. The trial continued through the financial year alongside the delivery of the company's 2025–2030 business plan (see page 17). England faces a projected water supply deficit of five billion litres per day by 2050 (Environment Agency, National Framework for Water Resources, 2025), which will require a combination of reduced demand and expanded supply. Against this backdrop, WaterSave introduced a first-of-its-kind rising block tariff for the UK water industry, under which customers pay higher prices as consumption increases, thereby incentivising lower usage. The initiative was designed to test whether tariff innovation, aligned with regulatory incentives that encourage water efficiency, could help improve consumption outcomes over time.

The two-year trial demonstrated tangible impacts for both customers and the environment. Water consumption among trial participants fell by 12%, compared with a 5% reduction in the control group, equating to savings of approximately nine litres per person per day. Five out of six customers experienced lower bills, with the average annual clean-water charge around 14% lower than under the standard tariff. Improvements in affordability were also observed, with only one in ten trial customers falling into arrears, compared with one in five in the control group. In aggregate, the trial saved 23,652 m³ of water and avoided 5.5 tonnes of CO₂e. The initiative was developed and delivered by Affinity Water's management team, with oversight from InfraRed, illustrating how active asset management, exercised through governance and shareholder engagement, can help enhance value for money for end users while supporting progress against the business's longer-term service delivery objectives, including those aligned with regulatory incentives to reduce water consumption.

¹ Unless otherwise stated, for all metrics featured in this report that are calculated as a proportion of portfolio value, the portfolio value is the Directors Valuation as at 31 March 2026 excluding disposal proceeds

Key WaterSave Tariff outcome statistics



▶ **12%**
reduction in
water consumption



▶ **83%**
of customers experienced
lower bills



▶ **23,652m³**
of water saved



▶ **5.5tCO₂e**
avoided

Source: Affinity Water, as at 31 March 2026

Climate and ecosystem resilience

Identifying physical climate risks

InfraRed undertakes climate risk assessments across HICL's portfolio where considered appropriate, to enhance its understanding of the Company's exposure and vulnerability to physical climate risks. Physical climate risks are defined as risks arising from the physical impacts of climate change, including acute, event-driven hazards such as storms and wildfires, as well as chronic, longer-term changes such as rising temperatures and sea levels.

The most recent portfolio-level assessment was conducted as at 31 March 2026, utilising three emissions scenarios published by the Intergovernmental Panel on Climate Change (IPCC), collectively referred to as Representative Concentration Pathways ("RCPs"). A scenario is defined as a plausible description of how the Earth's physical climate system may evolve over time, based on a defined set of assumptions relating to key drivers of greenhouse gas emissions, atmospheric concentrations and land use.

Summary of climate risk assessment findings

- ▶ In most cases, a combination of engineering measures and robust operational preparedness can materially reduce the potential impact of asset damage or prolonged downtime under the relevant physical climate hazard
- ▶ Insurance coverage provides an effective backstop for severe or residual risks, particularly in relation to physical climate hazards where permanent engineering or ecological solutions are not feasible, or where uncertainty remains high. InfraRed continues to monitor the property damage and business interruption insurance market to ensure that appropriate coverage remains in place across the portfolio
- ▶ No instances were identified where the combination of mitigants was assessed as insufficient. However, opportunities to enhance future resilience and adaptation measures continue to be considered as part of InfraRed's ongoing approach to proactive asset management

Based on this initial assessment, the Investment Manager considers that existing mitigants are generally appropriate to reduce inherent risks to acceptable residual levels for the assets reviewed. Recognising that resilience is an evolving area, these considerations will continue to be monitored and addressed as climate science, regulation and technology develop. Further information on the climate-related considerations relevant to HICL's portfolio is set out in the Task Force on Climate-related Financial Disclosures section of HICL's 2026 Annual Report.

Identifying and assessing nature-related risks

Nature-related dependencies and ecosystem degradation can exacerbate physical climate risks for infrastructure assets, for example through water stress, land degradation, reduced natural flood buffering and wider ecosystem impacts. To complement its physical climate risk assessments, InfraRed applies a portfolio-level nature dependency overlay to help identify where nature-related considerations may be most relevant to HICL and to inform the prioritisation of more detailed asset-level review. Where appropriate, InfraRed's climate risk and nature-related dependency assessments may be followed by the implementation of measures intended to enhance long-term asset resilience.

Applying this framework, the updated nature dependency analysis for HICL's portfolio indicates that dependencies are most concentrated in cultural and regulating ecosystem services, with visual amenity (62% by value) and water purification (36% by value) representing the most material exposures at portfolio level. In line with InfraRed's approach, the analysis incorporates an additional layer of downstream dependencies, recognising that infrastructure assets and their users typically share the same geography. This allows dependencies to capture not only asset-level reliance on ecosystem services, but also the reliance of customers and communities on local environmental conditions that support service quality and usability.

Reflecting this, cultural services – including visual amenity, spiritual and recreational services (c.28–32% by value) – are primarily driven by downstream dependencies, highlighting the importance of environmental quality for user experience and social licence to operate. Regulating services such as rainfall pattern regulation (20% by value), flood mitigation (17% by value) and water flow regulation (17% by value) highlight the role of natural systems in supporting asset operability and resilience, particularly in the context of physical climate risks. Direct dependencies remain more limited and are typically associated with resource and environmental management functions (e.g. water purification, soil and sediment retention), while upstream exposure is not assessed within this screening.

Overall, the analysis supports a targeted, location-specific approach, focusing further assessment on assets where dependencies intersect with physical climate risk hotspots or user-critical services.



Communities and people

As a long-term owner of essential infrastructure, HICL plays an important role in supporting the people who develop, operate and maintain its assets, as well as those who rely on the services they provide.

While HICL has no direct employees, it indirectly employs over 2,650 people through its portfolio companies and supports thousands more across their extended supply chains. With this indirect workforce and extensive user base, the Company embraces its duty to ensure the safe, fair and responsible operation of its assets for both workers and the communities served.

Both HICL and InfraRed strive to ensure a diverse, inclusive and supportive culture that makes work a positive experience for people, both directly and along the supply chain. InfraRed also works collaboratively with the management teams of HICL's portfolio companies and seeks to ensure that suppliers share the Company's values and comply with relevant legislation.

In this section

The intrinsic community benefits of asset operation

Portfolio company-level initiatives

Health, safety and wellbeing across our portfolio

Highlights

Lost Time Accident Frequency Rate for the portfolio (per 100,000h worked)

▶ **0.28**

2025: N/A
2030 Goal: <1

Portfolio companies that support community initiatives¹

▶ **90%**

2025: 92%
2030 Goal: 100%

¹ Based on information provided by portfolio companies as part of InfraRed's annual sustainability data collection campaign, representing 99% of HICL's portfolio. Such data is not independently verified. Share of portfolio based on valuations as at 31 March in each reporting period

The intrinsic community benefits of asset operation



Case study

Delivering critical public safety infrastructure

Portfolio asset: Fortysouth

% of portfolio by value 8.0%¹

Social value theme: Intrinsic contributions

HICL's investment in Fortysouth comprises an independent tower company that owns and operates passive telecommunications infrastructure across New Zealand, generating contracted revenues by hosting customer equipment on its towers via co-location agreements. One such customer is Tait Communications, which is the entity delivering New Zealand's nationwide Public Safety Network for frontline emergency services. Under these co-location arrangements, Tait installs and operates critical emergency communications equipment on Fortysouth's tower infrastructure, enabling secure radio coverage for police, fire and ambulance services nationwide. Each co-location therefore directly supports essential public safety outcomes while providing incremental revenue streams.

This demonstrates how Fortysouth's core operations intrinsically link commercial performance with the delivery of nationally significant community benefits. Through its ownership of Fortysouth, HICL is invested in infrastructure whose day-to-day operation supports community resilience while delivering stable, sustainable returns for shareholders.

▶ **30+**

new co-location agreements reached with the New Zealand Public Safety Network delivery entity over FY26

Source: Fortysouth, as at 31 March 2026

¹ Unless otherwise stated, for all metrics featured in this report that are calculated as a proportion of portfolio value, the portfolio value is the Directors Valuation as at 31 March 2026 excluding disposal proceeds



Case study

Consistent operational performance facilitating training for UK service personnel

Portfolio asset: Royal School of Military Engineering ("RSME")

% of portfolio by value 3.5%¹

Social value theme: Intrinsic contributions

The Royal School of Military Engineering ("RSME"), delivered through Holdfast Training Services, is a core example of how the intrinsic operations of HICL's assets contribute to positive outcomes for people, communities and wider society. Operated under a long-term public-private partnership with the UK Ministry of Defence, the project provides specialist training facilities, infrastructure and support services that enable the delivery of high-quality education and skills development for military engineers across three UK locations. The asset supports access to professional training for approximately 7,000 service personnel each year, helping to maintain essential defence capabilities and transferable technical skills that benefit both the Armed Forces and the broader economy.

RSME continued to operate robustly over the year, achieving an average availability of 99.99%. This consistently high level of asset availability underpins the uninterrupted delivery of training and facilities, ensuring that service personnel, instructors and support staff can rely on safe, well-maintained environments. In doing so, the asset demonstrates how robust operational performance directly translates into sustained social value, supporting people, communities and national institutions through the dependable provision of essential public infrastructure.

▶ **>99%**

Asset availability achieved at RSME over FY26

▶ **7,000+**

Service personnel with access to training via RSME's infrastructure

Source: RSME, as at 31 March 2026

¹ Unless otherwise stated, for all metrics featured in this report that are calculated as a proportion of portfolio value, the portfolio value is the Directors Valuation as at 31 March 2026 excluding disposal proceeds

Portfolio company-level initiatives

Many of HICL’s investments deliver economic and social benefits by providing essential services to local communities – from hospitals and schools to mobile towers and railway lines.

While such benefits often arise inherently through the provision of public infrastructure and through day-to-day operational stewardship, reflecting the first two layers of HICL’s Societal Value Framework (see page 5), the Company also uses the targeted outcomes element of the Framework to guide areas where deliberate intervention can strengthen positive impacts. Through targeted initiatives that go beyond contractual requirements and align with defined sustainability objectives, we aim to strengthen relationships with key stakeholders, including public-sector counterparties, regulators and end-users. Maintaining constructive engagement with these stakeholders can help reduce the risk of operational disruption, support consistent service delivery and, in certain cases, mitigate the likelihood of client-imposed penalties or adverse contractual outcomes. By leveraging our own resources and business relationships, and through regular dialogue with clients, we identify priority initiatives that can be implemented efficiently and, where appropriate, scaled across the portfolio.

InfraRed regularly monitors ongoing initiatives being delivered across its broader asset base and draws insights from its various portfolio companies, clients and other stakeholders to help further develop its approach. For instance, InfraRed monitors initiatives implemented at its projects via its annual sustainability survey and Creating Better Futures Awards. These forums enable the Investment Manager to consolidate ideas from companies across its portfolios annually, and introduce such initiatives where other projects can benefit.

InfraRed’s annual sustainability survey also provides a more thorough understanding of the challenges faced by HICL’s clients and their communities. The most recent survey responses and Creating Better Futures Awards saw key themes emerge, particularly around how ongoing cost-of-living pressures are intensifying issues such as food insecurity, digital poverty, and a lack of equipment. With this knowledge, the Investment Manager aims to tailor its community initiatives to help address these specific needs.

Key statistics¹

► £2.2m

Aggregate amount donated to support charities by portfolio companies

► 23.5k

Aggregate volunteering hours across portfolio companies

¹ Based on information provided by portfolio companies as part of InfraRed’s annual sustainability data collection campaign, representing 99% of HICL’s portfolio. Such data is not independently verified

Portfolio impact initiatives

The eight initiatives below were previously identified as being the most scalable across HICL’s portfolio. Over the year, further progress was made to deliver this via InfraRed’s dedicated Portfolio Impact strategy.



Purple Book

A user guide for trust staff, patients and visitors to highlight facilities available



Community Fridge

Provision of food for families in need



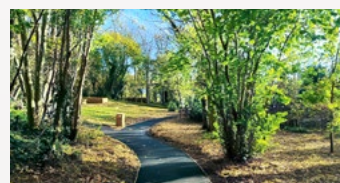
Charity Hub

An area which provides space for charity volunteers to use as required



Recirculate

A programme to renovate, donate and locate items like bicycles for reuse



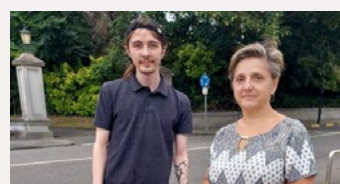
Wellbeing Garden

A programme to enhance the surrounding area and positively impact biodiversity



Charity ball

A joyful event to raise funds that support end-user experiences



Olio app

Facilitates local redistribution of surplus food, helping to reduce waste and support those facing food poverty



VR headsets

Immersing patients in a digitally created environment that supports vital care delivery



Case study

Promoting digital inclusion in France through circular IT solutions

Portfolio asset: Altitude Infra

% of portfolio by value: 3.8%¹

Social value theme: Targeted outcomes

Context: As part of its Corporate Social Responsibility strategy, Altitude Infra has implemented an IT equipment donation initiative in partnership with Réseau Grain, a Normandy-based organisation operating in the social and solidarity economy and work-integration sector. The initiative supports the refurbishment and reuse of IT equipment for deployment in projects that improve access to digital tools and skills for individuals who are distant from employment, while also strengthening local work integration. By extending the useful life of IT assets through a circular economy approach, the programme also reduces the environmental footprint associated with renewing technology.

Outcome: Through this initiative, Altitude Infra donated 145 laptops, 34 desktop computers and 20 monitors, enabling a tangible increase in access to digital equipment for those supported by Réseau Grain and its partner organisations. This equipment helps to facilitate digital training, employability programmes and community-based initiatives targeting individuals at risk of digital exclusion. The programme directly aligns with France's National Plan for Digital Inclusion, which identifies access to equipment, skills development and locally delivered support as central to tackling the digital divide, particularly for vulnerable and marginalised groups. By contributing practical resources at a local level, Altitude Infra is helping to translate national digital inclusion priorities into measurable social outcomes, while reinforcing its role as a responsible infrastructure owner embedded within the communities it serves.

Source: Altitude Infra, as at 31 March 2026

¹ Unless otherwise stated, for all metrics featured in this report that are calculated as a proportion of portfolio value, the portfolio value is the Directors Valuation as at 31 March 2026 excluding disposal proceeds



Case study

Collaborative stewardship unlocking meaningful benefits for patients, staff and communities

Portfolio asset: Blackburn Hospital

% of portfolio by value: 1.2%¹

Social value theme: Targeted outcomes

Context: At Blackburn Hospital, HICL's long-term ownership of essential healthcare infrastructure has enabled practical, community-focused initiatives that strengthen engagement between the hospital and those it serves. The portfolio company previously worked closely with East Lancashire Hospitals NHS Trust and its charity, ELHT&Me, to support the creation of a new Charity Hub at the hospital's main entrance. By mobilising its supply chain to donate materials, labour and specialist expertise, two vacant retail units within the hospital estate were repurposed and made available for the charity's use, significantly reducing the cost of conversion and enabling the charity to relocate in late 2023.

Outcome: The Hub now serves as the operational heart of ELHT&Me, providing a visible and accessible point for fundraising, volunteering, donations and retail activity, while offering patients, families and staff a human, face-to-face connection to charitable support. The collaborative approach delivered an estimated £79,500 of donated work and materials, with a final build cost of just over £9,000 to the charity. Since opening, increased visibility and engagement have contributed to achieving significant retail income growth and securing a record £2 million donation for the charity. While the value of donated work and materials is necessarily indicative, the level of supply-chain support relative to the charity's modest build cost highlights the potential for wider community benefit to be unlocked through collaboration across the asset. Together, these outcomes demonstrate how active asset stewardship can translate operational capability into lasting social value for local communities, and provide a practical example of how similar approaches could be applied across the portfolio over time.

Source: Blackburn Hospital, as at 31 March 2026

¹ Unless otherwise stated, for all metrics featured in this report that are calculated as a proportion of portfolio value, the portfolio value is the Directors Valuation as at 31 March 2026 excluding disposal proceeds

Health, safety and wellbeing across our portfolio

HICL is committed to promoting the health, safety, and wellbeing of its various stakeholders, including clients, delivery partners, and any direct employees of its portfolio companies.

InfraRed's Asset Management team is responsible for engaging with assets to uphold the highest standards of health and safety across HICL's portfolio. One of the primary ways in which the team seeks to achieve this is through working closely with Managed Service Providers and management teams to implement relevant policies and procedures. The team is also responsible for conducting health and safety tours of sites to ensure adherence to best practices and actively encourage all involved parties to keep their policies up to date. The efforts made by InfraRed's Asset Management team to address health and safety considerations across HICL's portfolio are monitored via the Investment Manager's annual sustainability survey, which identifies areas for improvement that help inform engagement plans for the following year.



Case study

Strengthening workforce safety through active ownership and partnership

Portfolio asset: London St. Pancras High Speed

% of portfolio by value: 5.5%¹

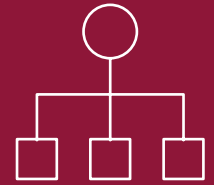
Social value theme: Targeted outcomes

Context: Across the UK, assaults against frontline transport staff have been increasing in recent years, reflecting a broader societal and industry-wide challenge. In this context, InfraRed's Asset Management team works closely across HICL's transport assets, including London St. Pancras High Speed ("LSPH"), to uphold high standards of health and safety. In the financial year, LSPH introduced a system-wide Workplace Violence Reduction Strategy to further strengthen protections for its workforce and reinforce its safety leadership commitments. Developed jointly with Network Rail High Speed and the British Transport Police, the strategy enhanced governance and clarified accountability, while expanding coordinated patrols, enforcement tools and evidence-led responses.

Outcome: Early results indicate improved safety performance, with reductions in staff assaults, lost-time injuries and trauma-related incidents, in contrast to the continuing rise in violence generally reported across the wider rail and transport network. The close involvement of the British Transport Police has also supported a more cohesive approach, with insights from the initiative expected to help inform broader discussions on protecting transport workers beyond LSPH. Together, this demonstrates how active ownership and partnership-led stewardship can contribute to safer working environments across essential transport infrastructure.

Source: London St. Pancras High Speed, as at 31 March 2026

¹ Unless otherwise stated, for all metrics featured in this report that are calculated as a proportion of portfolio value, the portfolio value is the Directors Valuation as at 31 March 2026 excluding disposal proceeds



Governance and integrity

HICL seeks to adopt high standards of corporate governance, responsible business practices, and integrity in its decision-making.

HICL's robust corporate governance framework helps to ensure this is delivered and provides investors with transparency on the Company's sustainability strategy and the wider environmental and societal impacts of their investments.

The Board is responsible to shareholders for the overall direction and oversight of the Company, including sustainability matters. Further details on the Company's general approach to corporate governance can be found in the Corporate Governance section of HICL's 2026 Annual Report.

In this section

Role of the Board and Committees

Investment policy, screening and management

Upholding high standards across our portfolio companies

Supply chain management

Digital trust and cyber security

Highlights¹

Portfolio companies that have Board / Senior management oversight of sustainability

▶ **91%**

2025: N/A
2030 Goal: 100%

Portfolio companies that have core policies in line with InfraRed's criteria for Advanced or Leading²

▶ **55%**

2025: N/A
2030 Goal: 75%

¹ Based on information provided by portfolio companies as part of InfraRed's annual sustainability data collection campaign, representing 99% of HICL's portfolio. Such data is not independently verified

² Based on InfraRed's proprietary maturity assessment framework

Role of the Board and Committees

The Board has overall responsibility for sustainability and ensuring it is fully integrated into the Company's operations.

It also has responsibility for HICL's Sustainability Policy and other related policies (including modern slavery, health and safety and anti-bribery), which are subject to continuous development. Sustainability is a prominent theme which runs across HICL's entire business, and as such, it forms an integral part of the Board's role. This stems from its Terms of Reference where "sustainability, including the potential impact of climate change" is set out as a key strategic and financial consideration. At its quarterly meetings, the Board reviews the Company's progress against its sustainability objectives and considers the appropriateness of its broader sustainability strategy.

The Board is supported in its role by HICL's various committees, who provide discussion, support and challenge. Some of these have specific responsibilities in relation to sustainability, for example:

- ▶ The Risk Committee oversees and challenges InfraRed's risk management processes and analysis, and has a specific remit to examine 'horizon' risks such as the long-term consequences of climate change and 'black swan' risks such as the impact of unforeseen extreme weather events
- ▶ The Management Engagement Committee considers how HICL service providers adhere to HICL's Sustainability Policy
- ▶ The Audit Committee reviews the Company's approach to disclosures, including those relating to climate change

HICL Board diversity

The Company maintained its focus on diversity and expertise at Board level and continues to meet the expectations of both the Hampton Alexander Review and the Parker Review.

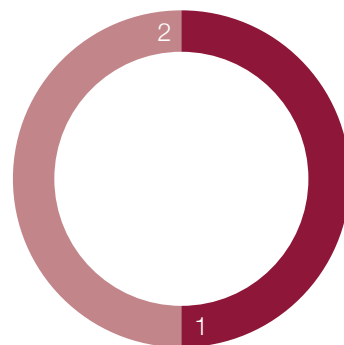
On 20 April 2022, the FCA published its final rules requiring the annual disclosure of data in relation to diversity on listed company boards and executive committees. The policy lays out targets for applicable boards to be made up of at least 40% women, with at least one senior board position to be held by a woman and at least one board member to be from a minority ethnic background. As at 31 March 2026, 50% (three) of the Board of Directors were women and 16% (one) was from an ethnic minority background.

The FCA's Listing Rules also require a listed company to disclose in its annual report whether it has met its diversity target of at least one senior position on its board of directors (i.e. Chair, Chief Executive, Senior Independent Director or Chief Financial Officer) being held by a woman. Furthermore, the Listing Rules recognise that such a disclosure requirement might not be appropriate in the context of Chapter 15 closed-ended investment companies, the boards of which typically comprise non-executive directors. Nevertheless, HICL currently meets this requirement as its Senior Independent Director is female.

HICL's portfolio companies that employ staff directly have current and appropriate diversity and inclusion policies in place, along with dedicated asset managers that ensure the subject is regularly discussed at board meetings. This ensures that the portfolio companies are promoting a culture of equal opportunities for their staff and for board appointments.

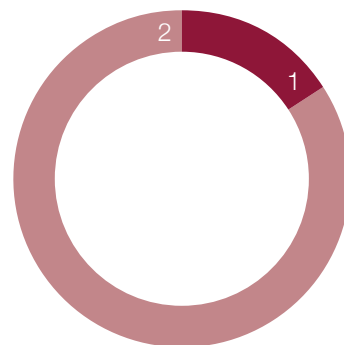
For the majority of portfolio companies where there are no direct employees, InfraRed monitors the implementation of diversity and inclusion policies amongst its direct service delivery partners (including HICL's facilities management counterparties).

Directors who are female



1	Female	50%
2	Male	50%

Directors from an ethnic minority



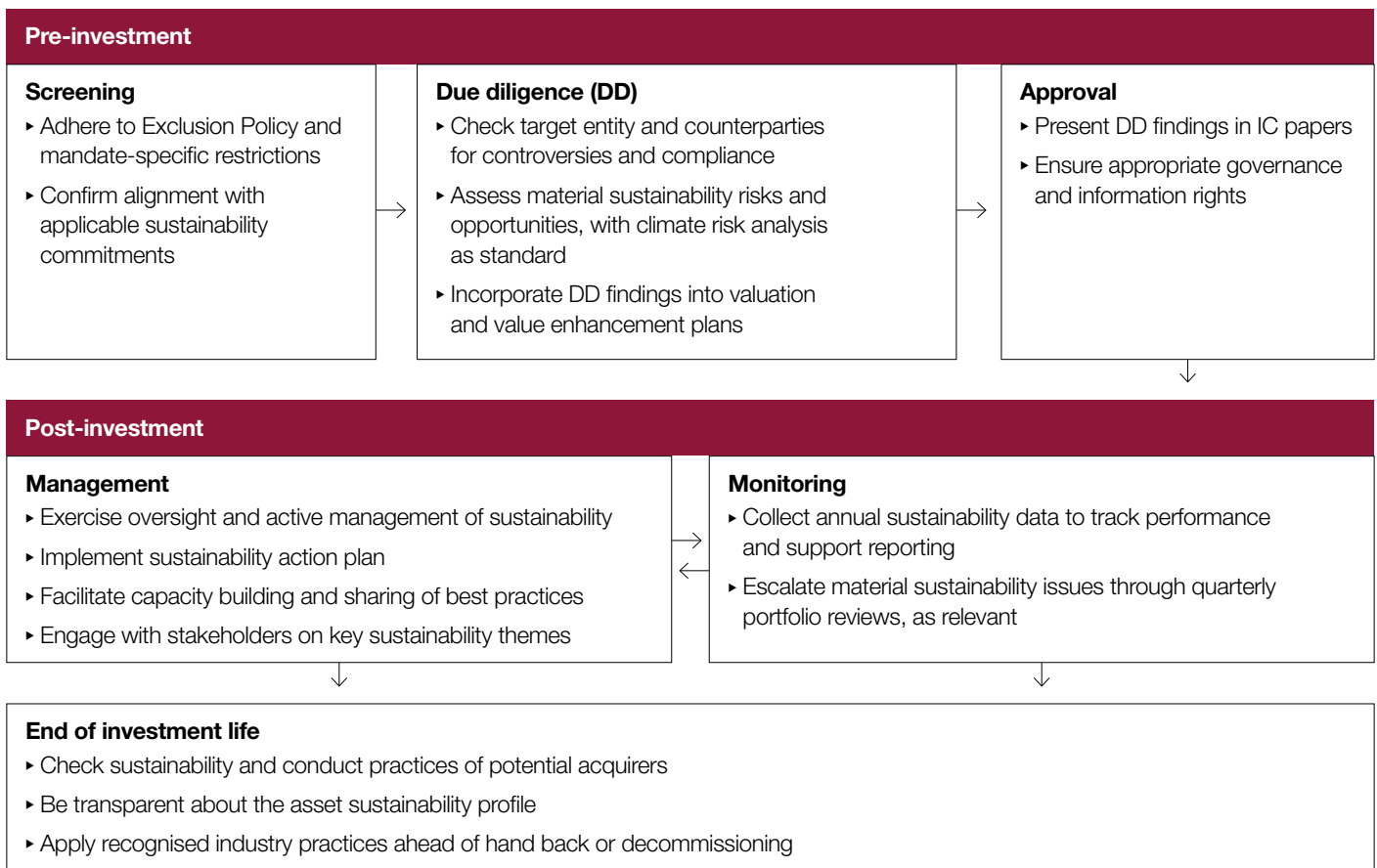
1	Ethnic minority	16%
2	White	84%

Investment policy, screening and management

For HICL’s investments, InfraRed employs a comprehensive investment and management framework that ensures material sustainability risks and opportunities are integrated into every stage of the investment lifecycle.

The framework spans the pre-investment activities, through to the management of the portfolio and corresponding reporting activities undertaken until the end of the investment life as depicted below.

► [Read more on HICL’s Investment Policy.](#)



Upholding high standards across our portfolio companies

Given the critical role HICL’s assets play in enabling essential public services across a range of jurisdictions, ensuring high standards of ethical and lawful behaviour across these assets is central to safeguarding the interests of investors, stakeholders and the communities served.

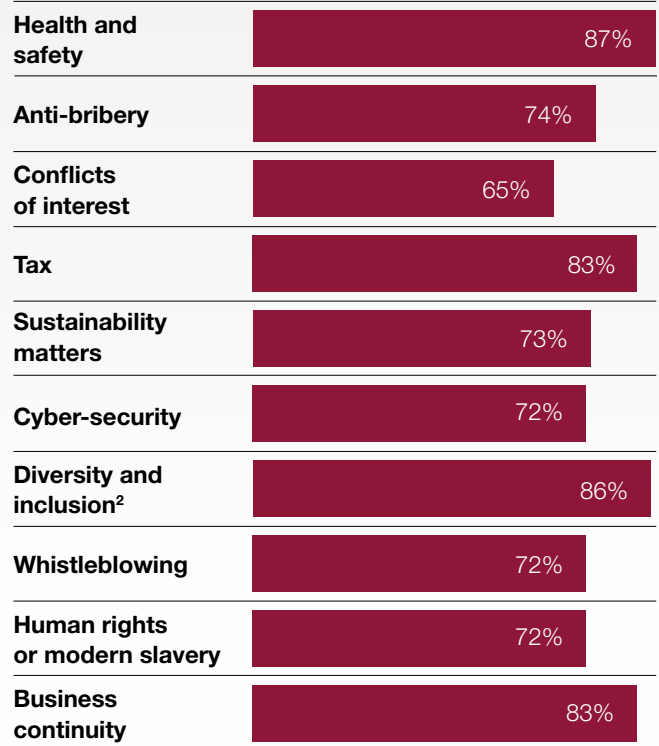
These governance expectations apply throughout the lifecycle of each investment and are supported by clear oversight structures, robust policies, and decision-making processes tailored to the characteristics of each asset. For HICL, the principal risk in this area arises from potential non-compliance with legal, regulatory, or fiduciary obligations, particularly where governance arrangements or control frameworks lack sufficient strength or consistency. Through its active oversight role, InfraRed seeks to mitigate this risk by promoting responsible business conduct across the portfolio. The following section outlines the principal mechanisms through which this oversight is exercised in practice:

- Board representation:** InfraRed representatives typically sit on portfolio company boards, providing oversight to ensure that material sustainability and governance-related risks are identified, escalated and addressed in a manner consistent with the Company’s policies, including those relating to bribery and corruption, sustainability, cyber security and health and safety. Through this role, representatives also monitor regulatory compliance and, where relevant, share insights from across InfraRed’s broader portfolio.
- Performance monitoring:** All portfolio companies are expected to complete InfraRed’s annual sustainability survey. The survey provides a structured review of sustainability performance and supports the Investment Manager’s assessment of the maturity of governance arrangements, including policies, risk management frameworks and internal controls, helping to identify areas for improvement.

Monitoring portfolio company governance via the sustainability survey

InfraRed’s sustainability survey assesses governance standards across a broad range of topics, including the implementation and maturity of key policies implemented by portfolio companies.

% of portfolio companies with the following policies in place that meet InfraRed’s criteria for Advanced or Leading (its highest maturity bands)¹



Approach towards critical risk management and business continuity

Portfolio companies are required to maintain business continuity arrangements and to test these on an annual basis. These arrangements set out clear processes and communication protocols to be followed in the event of a severe incident and are subject to annual review. While the structure of individual plans reflects differences in business model and stakeholder requirements, incidents are escalated promptly to the portfolio company’s General Manager or Chief Executive Officer, who informs the portfolio company Board, including the InfraRed representative. Where appropriate, matters are further escalated to the InfraRed Sustainability Team and Fund Management team for HICL, with oversight from the HICL Board of Directors and involvement from the InfraRed Senior Management team as required to support the development and implementation of rectification plans.

¹ Based on InfraRed’s proprietary maturity assessment framework
² Only captures portfolio companies that employ staff directly

Supply chain management

HICL recognises the importance of reinforcing its sustainability ethos and commitments throughout the operation and maintenance of its assets. This includes ensuring that the chosen suppliers align with those same values and, in turn, provide a safe and healthy environment for their people.

HICL's assets rely on extensive and often complex supply chains, ranging from construction contractors to facilities management service providers and equipment manufacturers. As a result, responsible supply-chain management, overseen by InfraRed in its role as Investment Manager, is an important component of delivering reliable essential infrastructure. Aligning suppliers with InfraRed's sustainability expectations therefore helps safeguard service quality, promote fair and safe labour practices, and maintain trust across the value chain.

Supply chain risks, particularly those related to labour practices and human rights, can be difficult to identify and manage, given the involvement of multiple counterparties and global manufacturing networks. Where oversight is insufficient, these risks may give rise to compliance issues, operational disruption or reputational harm, with potential implications for asset performance. Conversely, effective supplier engagement and proportionate due diligence processes support improved transparency and labour standards, reinforcing stakeholder confidence and helping to maintain a long-term social licence to operate.

What we do in our portfolio

Across HICL's portfolio, InfraRed seeks to promote alignment between the Company's sustainability expectations and the practices of key third-party partners involved in the delivery, operation and maintenance of assets. This includes contractors and service providers supporting PPP and regulated assets, construction and maintenance counterparts, and manufacturers or suppliers of equipment used within the portfolio.

As part of new investment activity, the Investment Manager assesses the governance arrangements, policies and operating practices of relevant third parties, with particular regard to business conduct, environmental management and human rights considerations. These assessments support investment decision-making, inform contractual structuring where appropriate, and help set engagement priorities during ownership.

Following acquisition, supply chain-related risks continue to be monitored through ongoing asset management engagement and periodic sustainability data collection. Where contractual arrangements are renewed or entered into, the project company directors representing HICL seek to reflect relevant sustainability and conduct expectations to support alignment over time. Additional focus is applied where supply chains are judged to present higher levels of risk, with targeted due diligence undertaken to better understand upstream practices, drawing on recognised industry guidance where appropriate.

Socio-economic outcomes

The delivery, operation and maintenance of assets in our portfolio 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.

► **C.107,000**

Jobs supported across construction, operation and maintenance activities¹

HICL's key service providers

For the third consecutive year, HICL's key service providers were asked to complete a code of conduct declaration alongside their annual self-assessment, enabling the Company to continue formally monitoring alignment with its key policies and standards, notably those related to business continuity, modern slavery and conflicts of interest.

The Investment Manager's approach

As HICL's Investment Manager and the primary service provider to the Company, InfraRed manages modern-slavery risks within its own operations through a structured approach that combines clear policies, proportionate supplier due diligence and ongoing employee awareness. InfraRed's operational supply chain primarily supports its office functions and technology infrastructure, with the majority of expenditure directed towards suppliers based in the UK and the US. Suppliers are screened and assessed in accordance with InfraRed's Third-Party Risk Management Policy, which includes consideration of modern-slavery prevention. Any incidents, near-misses or concerns relating to modern slavery are escalated through established central risk-management processes in line with InfraRed's "no surprises" culture.

¹ Based on information provided by portfolio companies as part of InfraRed's annual sustainability data collection campaign, representing 99% of HICL's portfolio. Such data is not independently verified

Digital trust and cyber security

HICL does not directly operate IT systems and relies solely on those of its service providers, particularly InfraRed. InfraRed works to safeguard information pertaining to HICL’s assets, investors, and the wider company, with the aim of ensuring high standards of privacy for stakeholders.

Increasing digitalisation – combined with the adoption of new technologies such as artificial intelligence – brings greater exposure to cyber-related operational, regulatory and reputational risks. Against this backdrop, effective cyber-risk management presents clear opportunities to strengthen resilience, safeguard service continuity and future-proof infrastructure assets.

Within our portfolio

InfraRed works with HICL’s 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.

During the year, HICL’s Risk Committee oversaw a targeted review of the Company’s approach to “black swan” events (which are by definition unlikely to occur but could arise with limited warning and have a potentially significant impact on the Company). The review focused on enhancing the Board’s understanding of the protections in place across the portfolio, including the adequacy of insurance coverage and the robustness of key systems, policies and controls. This work was undertaken primarily in the context of increased interference affecting critical infrastructure across Europe, much of which is understood to be cyber-related. The Committee noted that HICL was not impacted by any such events during the period. The review forms part of the Committee’s ongoing focus on ensuring that HICL’s risk framework remains appropriate and forward-looking.

The Investment Manager’s approach

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.



Case study

Strengthening digital trust across our portfolio

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 advisor 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.

▶ **77%¹**
average portfolio score, compared with a 60% internal benchmark²

▶ **25%¹**
of respondents demonstrated an improvement in scores relative to the previous survey

¹ Source: InfraRed, as at 31 March 2026
² Benchmark level for strong performance agreed with external advisor

Key focus areas



Supporting alignment with sustainability strategy with new investments

The Company continues to pursue selective, accretive divestments to support portfolio rotation into attractive opportunities, including new asset acquisitions or share buybacks. For any new investments, HICL will ensure sustainability risks and opportunities are fully integrated throughout the investment process, and that any new assets introduced to the portfolio enable the Company to remain aligned with its long-term sustainability priorities.



Further reinforcing the link between commercial and societal value creation

As an owner of essential infrastructure assets, HICL is positioned such that the core operations of its portfolio companies intrinsically contribute to societal progress across areas such as decarbonisation, energy security, community development and digital connectivity. The Company's long-term commercial performance is therefore closely aligned with the delivery of these positive outcomes, and HICL intends to further develop and strengthen this characteristic of the portfolio over time.



Deepening portfolio preparedness to succeed in a lower-carbon, energy-resilient future

HICL will continue to identify opportunities across the portfolio to enhance resilience and prepare and position assets to operate successfully in a lower-carbon, energy-resilient future.



Community initiatives

The Board and the Investment Manager recognise the opportunity to go beyond the inherent benefits delivered by the Company's assets and therefore encourage initiatives that address the needs of communities, clients, end users and other key stakeholders. In this context, InfraRed is progressing the rollout of selected community engagement initiatives identified as being scalable across assets within HICL's portfolio.



Ensuring regulatory compliance

HICL remains compliant with all applicable and mandatory sustainability regulations. The Board and Investment Manager will work to ensure this remains the case as the regulatory landscape continues to evolve. This includes monitoring the development of upcoming regulations and assessing the potential eligibility of HICL's portfolio companies.



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 generally falls into three categories and is collected through the following means:

1. Sustainability data

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

2. Financial data

All financial data (valuations, revenues, etc.) relating to portfolio companies underlying portfolio companies is on an as-is basis from InfraRed's internal reporting systems, following sign off by the Investment Manager's Portfolio Management team.

3. Portfolio company characteristics

This includes information that helps HICL categorise its portfolio companies, such as sector, type, geography, investment status, etc. Such information is taken on as-is basis from InfraRed's internal reporting systems, following sign-off by relevant teams. In certain cases, InfraRed's Sustainability team may need to make further deductions about HICL's portfolio companies which are documented as part of the report development process with supporting evidence attached.

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 InfraRed's annual sustainability survey (and are generally based on binary responses), and metrics that require the categorisation of each portfolio company, which is performed by InfraRed's Sustainability team with support from its 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 generally follows the following formula:

$$\frac{\text{(Total value of assets that meet the pre-defined criteria)}}{\text{(Total value of assets in scope of this metric)}} * 100$$

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 HICL's emissions inventory on an as-is basis.

Companies that have not completed an inventory in-house provide primary data and other information to InfraRed via the Investment Manager's annual GHG survey to calculate their GHG emissions. Portfolio companies complete the annual GHG survey to the extent they can, noting in some instances data is not available. Once the GHG survey has been completed and submitted, the input data is analysed by a GHG third-party consultant, 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 by the third-party consultant 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 as a proxy to estimate emissions.

Emission factors

Where actual primary data is used to calculate Scope 1, 2 and 3 GHG emissions, emissions factors are sourced from the UK Government GHG Conversion Factors for Company Reporting for the respective period.

Where spend-based data is used for Scope 3 GHG emissions, EXIOBASE, a financial spend based database recommended by the GHG Protocol, is used to estimate emissions. It provides typical emissions factors per a level of spending (i.e., tCO₂e per EUR spend) for spend categories including, for example, IT services or equipment. Spending categories provided by portfolio companies are mapped against those listed in EXIOBASE, and assumptions are made where no direct match exists. Emission factors are then applied to relevant categories to estimate emissions. The latest EXIOBASE data is based on the year 2020 and Euro currency, so the default emission factors are adjusted for inflation and currency in the calculations.

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:

$$\text{Attribution factor} = \frac{\text{(Current value of investment in the portfolio company)}}{\text{(Total equity value + Total debt)}}$$

Regulatory frameworks

EU Sustainable Finance Disclosure Regulation (SFDR)	<ul style="list-style-type: none"> ▶ Compliant with Level 1 requirements which came into effect 10 March 2021. ▶ Compliant with Level 2 requirements which came into effect on 1 January 2023 by incorporating the relevant PAI indicators into its sustainability survey. ▶ HICL has been classified as Article 8. ▶ At this stage none of HICL's portfolio has been classified as 'Sustainable Investments' in accordance with the definition provided in Article 2(17) of SFDR. InfraRed plans to further analyse the PAI indicators¹, and align with broader industry interpretation of these requirements, in order to determine the extent to which HICL's portfolio may constitute a sustainable investment.
EU Taxonomy	<ul style="list-style-type: none"> ▶ None of HICL's investments are currently assessed to be aligned with the EU Taxonomy, as this predominantly applies to assets with environmental characteristics rather than social characteristics. ▶ InfraRed has assessed that approximately 24% of HICL's assets are likely to be eligible for the EU Taxonomy, but has not undertaken a formal assessment at this stage.
Taskforce on Climate-related Financial Disclosures (TCFD)	<ul style="list-style-type: none"> ▶ HICL has been a TCFD supporter since 2020 and has been voluntarily reporting under TCFD since early 2020. ▶ Physical and transition risks have been assessed for all assets and reported as part of the TCFD disclosures in this report. ▶ The Company's full TCFD report, prepared by InfraRed in accordance with section ESG 2.3.5 of the FCA Handbook, can be found in its 2026 Annual Report.
UK Sustainability Disclosures Requirements (SDR)	<ul style="list-style-type: none"> ▶ At this time, HICL has chosen not to apply a sustainable investment label, but the Company will continue to monitor the FCA's approach to labels. ▶ InfraRed's Compliance team is working to ensure that HICL is complying with the anti-greenwashing rules as part of applicable SDR requirements. ▶ The Investment Manager's consumer-facing and pre-contractual disclosures in respect of the Company can be found here. ▶ This report constitutes the Company's public product-level sustainability report in line with the requirements set out in section ESG 5.5 of the FCA Handbook.
Sustainable Development Goals	<ul style="list-style-type: none"> ▶ HICL contributes to several of the UN Sustainable Development Goals (SDGs) – see page 7. ▶ HICL's contribution to the SDGs can be found earlier in this Sustainability Report and outlines our direct and indirect alignment.
The Corporate Sustainability Reporting Directive	<ul style="list-style-type: none"> ▶ InfraRed has undertaken an initial assessment of HICL's portfolio to understand which assets will be impacted by the Corporate Sustainability Reporting Directive. This will likely not be applicable to any HICL assets before 2028.
International Sustainability Standards Board (ISSB)	<ul style="list-style-type: none"> ▶ InfraRed is tracking the developments of ISSB's reporting standards development work that is expected to consolidate sustainability-related disclosures in the coming years.
Principles for Responsible Investment (PRI)	<ul style="list-style-type: none"> ▶ InfraRed has been a signatory to PRI since 2011 and has reported under this framework since 2014. ▶ InfraRed latest assessment report is available on its website: https://www.irpc.com/sustainability/
Task Force on Nature-related Financial Disclosures (TNFD)	<ul style="list-style-type: none"> ▶ InfraRed is monitoring the TNFD framework releases and is currently working to develop an approach to better understand HICL's dependencies, risk exposure and impact on nature and biodiversity.
Partnership for Carbon Accounting Financials (PCAF)	<ul style="list-style-type: none"> ▶ HICL discloses its financed/attribution emissions in line with the PCAF standard.
GHG Protocol	<ul style="list-style-type: none"> ▶ HICL discloses its Scope 1 and 2 emissions, and material Scope 3 emissions in line with the relevant standards and guidelines of the GHG protocol.

SFDR Principal Adverse Impact (“PAI”) Disclosures

In line with Article 7 of SFDR, the Company has reported in line with all 14 mandatory PAIs and seven voluntary PAIs to provide a high level of transparency and to enable HICL’s shareholders to meet their own regulatory and voluntary reporting requirements.

All PAI indicators have been calculated in accordance with the requirements of Annex 1 of the SFDR Regulatory Technical Standards (RTS) and as indicated in the notes below.

Mandatory indicators¹

Adverse sustainability indicator	Metric	Unit	Metric as at 31 March 2026	Portfolio coverage	
Greenhouse gas emissions	1. GHG emissions (attributable)	Scope 1 GHG emissions	tCO ₂ e	24,330	99.6%
		Scope 2 GHG emissions	tCO ₂ e	25,551	99.6%
		Scope 3 GHG emissions	tCO ₂ e	59,611	100%
		Total GHG emissions	tCO ₂ e	109,493	99.6%
	2. Carbon footprint	Carbon footprint	tCO ₂ e/£m invested	36	99.6%
	3. GHG intensity of investee companies	GHG intensity of investee companies	tCO ₂ e/£m revenue	158	99.6%
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	%	0	100%	
5. Share of non-renewable energy consumption and production ²	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	%	85%	99.6%	
6. Energy consumption intensity per high impact climate sector ³	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	GWh/£m	0.23	99.6%	
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas ⁴	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	%	0%	99.7%
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	Tonnes/£m	0	99.6%

¹ Calculated using valuation information as at 31 March 2026

² Calculated as the average of each investee companies’ share of non-renewable energy as a proportion of its total energy consumption

³ As per our interpretation of the material sectors based on NACE code categories A-H and J-L, the following sectors would be considered as high impact climate sectors: road, rail, power transmission and water treatment

⁴ This reflects the SFDR requirements where negative impacts are only reported if they are not being mitigated in accordance with environmental planning approvals

⁵ This metric refers to Affinity Water and Altitude Infra only, as these are the two assets in HICL’s portfolio with the required number of employees to meet the criteria of this PAI. Portfolio coverage for this metric is shown as a proportion of the valuation of portfolio companies which have direct employees

⁶ Calculated as the average of each investee companies’ board gender diversity

⁷ For the purposes of this metric we have assessed whether a project undertakes training and audit procedures in respect to the UK Modern Slavery Act 2015 or equivalent

Adverse sustainability indicator		Metric	Unit	Metric as at 31 March 2026	Portfolio coverage
Waste	9. Hazardous waste and radioactive waste ratio ³	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	Tonnes/£m	0.75	100%
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises ⁴	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	%	0%	99.7%
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance / complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	%	0.3%	99.7%
	12. Unadjusted gender pay gap ⁵	Average unadjusted gender pay gap of investee companies	%	12%	45%
	13. Board gender diversity ⁶	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	%	26%	93%
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	%	0%	100%

SFDR Principal Adverse Impact (“PAI”) Disclosures continued

Voluntary climate and other environment-related indicators

Adverse sustainability indicator	Metric	Unit	Metric as at 31 March 2026	Portfolio coverage
Greenhouse gas emissions 4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	%	6%	99.7%
Water, waste and material emissions 7. Investments in companies without water management policies	Share of investments in investee companies without water management policies	%	2%	96%

Voluntary indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

Adverse sustainability indicator	Metric	Unit	Metric as at 31 March 2026	Portfolio coverage	
Social and employee matters	1. Investments in companies without workplace accident prevention policies	Share of investments in investee companies without a workplace accident prevention policy	%	0.3%	99.7%
	2. Rate of accidents	Rate of accidents in investee companies expressed as a weighted average	LTAFR (Lost Time Accidents/ 100,000 hours worked)	0.28	99.7%
	6. Insufficient whistleblower protection	Share of investments in entities without policies on the protection of whistleblowers	%	0.3%	99.7%
Human rights	11. Lack of processes and measures for preventing trafficking in human beings ⁷	Share of investments in investee companies without policies against trafficking in human beings	%	0%	99.7%
Anti-corruption and anti-bribery	15. Lack of anti-corruption and anti-bribery policies	Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption	%	0%	99.7%

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