

SUSTAINABILITY-RELATED DISCLOSURES

- **Manager:** InfraRed Capital Partners Limited ("InfraRed" or the "Investment Manager")
- **Product name:** HICL Infrastructure PLC ("HICL" or the "Company")
- **Legal entity identifier:** 213800BVXR1E5L7PEV94
- **Date of disclosure:** 22 May 2024

1. Introduction

- 1.1 In November 2023, the UK's Financial Conduct Authority ("FCA") published the final rules on Sustainability Disclosure Requirements ("SDR") and investment labels, with the first requirement, the FCA's anti-greenwashing rule, taking effect from May 2024.
- 1.2 HICL has certain sustainability characteristics ("**E/S Characteristics**", as detailed further below) and therefore InfraRed is required to make certain consumer-facing disclosures in respect of the Company below, in compliance with chapter 5.2 of the FCA ESG Sourcebook.

2. Sustainability Approach

E/S Characteristics

- 2.1 HICL's investment proposition is to deliver sustainable income from a diversified portfolio of investments in core infrastructure. The Company offers investors stable, long-term returns from core infrastructure assets that are essential to communities. HICL's vision is to enrich lives through infrastructure and to promote certain environmental and social characteristics, by:
- (a) Developing Strong Social Foundations, through investments in health, education, law & order, and accommodation;
 - (b) Connecting Communities, through investments in rail and rolling stock, fibre networks and telecom towers; and
 - (c) Supporting Sustainable Modern Economies, through investments in assets that contribute to the energy transition to achieve net zero carbon emissions and deliver climate resilient infrastructure, including water, offshore electricity transmission, district energy and electricity distribution.
- (together, the "**E/S Characteristics**").
- 2.2 For this purpose, InfraRed is responsible for applying HICL's Sustainability Policy ([see here](#)) in respect of new investments as well as the ongoing management of HICL's portfolio. In this way, HICL:
- (a) invests in assets which have a social purpose and proactively engages with its stakeholders to improve sustainability outcomes across the portfolio;
 - (b) promotes environmental initiatives for the benefit of current and future generations;
 - (c) makes a positive overall impact on the communities in which our assets are located; and
 - (d) by doing all of the above, aligns the interests of stakeholder groups of HICL's investments which typically have long asset lives.
- 2.3 Accordingly, the infrastructure in HICL's portfolio supports individuals, communities, societies, and the environment. InfraRed employs a comprehensive sustainability investment framework, based on a foundation of robust guiding principles, ensuring that sustainability is integrated into each stage of the investment process; from negative screening against the firm's exclusion list, deal screening, due diligence, the investment approval, ongoing management and reporting throughout the ownership period until the concession period expires or HICL exits the investment. As part of the investment process, the Investment Manager will conduct extensive

due diligence on portfolio companies to ensure that they are following good governance practices. The Investment Manager also undertakes detailed ESG due diligence based on the specific characteristics of the of the project.

2.4 Today, the Company is a trusted steward of over 100 essential assets and has a responsibility towards the communities that the assets serve and, in many cases, to which the assets will be returned at the end of the defined contractual term. Operating in a sustainable manner lies at the heart of the Company's business model; it is fundamental for the successful delivery of its investment proposition and means ensuring that each portfolio company takes responsibility for its environmental, social and governance impacts, risk and opportunities.

3. Sustainability Metrics

3.1 All HICL portfolio companies are required to complete an annual ESG survey, which enables the HICL team to measure each portfolio company's performance against a set of bespoke sustainability metrics, including principal adverse impact indicators such as GHG emissions, emissions to water and energy consumption. The survey serves as an annual audit of sustainability performance, enabling HICL to create an action plan for areas to improve in the following year. Further detail regarding the latest metrics is available in HICL's Sustainability Report 2024 (see [here](#)), and a summary of certain metrics are set out in the table below.

Metric	Current Year	Previous Year	% Portfolio Reporting	Targets
Total Attributable GHG Emissions (Scopes 1, 2 & 3) for the portfolio	89,559 tCO2e	146,115 tCO2e	100% ¹	90% of emissions to be subject to direct or collective engagement and stewardship actions by 2030
Portfolio companies that gave Charitable contributions to environmental or social initiatives	94%	92%	100%	100% share of portfolio companies to make a voluntary charitable contribution by 2025
Gender Diversity ² at portfolio company boards	23%	27%	99%	1/3 of senior level roles to be held by women by 2028

4. Further information

4.1 Further information regarding the E/S Characteristics and sustainability performance of the Company can be found as follows:

- (a) HICL's AIFMD Pre-investment Disclosure Document (see [here](#)); and
- (b) HICL's 2024 Annual Report (see [here](#)).

4.2 InfraRed will also make available product-level sustainability reports on an annual basis in accordance with chapter 5.5 of the ESG Sourcebook, and which will be included as part of the Company's annual sustainability report (available [here](#)).

¹ 100% of HICL's portfolio by valuation has emissions data reflected in the Total GHG Emissions calculations. For more information on HICL's methodology for estimating and reporting GHG emissions, please see pages 22-23 of the 2024 Sustainability Report.

² For HICL, the Gender Diversity metric relates to the Board of Directors at our portfolio companies.