Sustainability-related Disclosures

1. Summary

The European Commission adopted a package of measures on sustainable finance in May 2018. One component of this package is the Regulation (EU) 2019/2088 Sustainable Finance Disclosure Regulation (the "**SFDR**") which aims to standardise disclosure requirements on how financial market participants integrate environmental, social and governance factors in their investment decision-making and risk processes. In accordance with the SFDR, the alternative investment fund manager (the "**AIFM**") of a fund such as The Renewables Infrastructure Group Limited's (the "**Company**" or "**TRIG**") is required to make certain website disclosures regarding its promotion of certain E/S Characteristics (defined in section 3 below), in compliance with Article 10 of the SFDR.

TRIG's investment proposition is to generate sustainable returns from a diversified portfolio of renewables infrastructure that contribute towards a net-zero carbon future. The Company focuses on the certain sustainability themes in order to attain the E/S Characteristics (defined in section 3 below).

Climate action is core to TRIG and its Managers' (InfraRed Capital Partners and Renewable Energy Systems, together the "**Managers**") ethos. TRIG has committed to the Science Based Targets Initiative (SBTi) and will be setting emissions reduction targets by the end of 2023, and has long been a supporter of the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), reporting against TCFD recommendations since 2020.

TRIG's Investment Manager, InfraRed Capital Partners (the "**Investment Manager**" or "**InfraRed**") has been investing in infrastructure for over 25 years, its portfolio of investments under management includes 4.2GW of renewables generation capacity, and it has integrated climate change considerations into its investment cycle.

Renewable Energy Systems (the "**Operations Manager"** or **"RES"**) operates a global portfolio of renewable energy assets, has been focused on clean energy generation for 40 years, and has also committed to the SBTi.

TRIG's sustainability investment and management framework (set out in section 4 below) is applied to each potential portfolio company in order to ensure that the Company's investments promote E/S Characteristics. This framework includes the adoption and application of TRIG's Investment Policy and InfraRed's Exclusion Policy (described in section 4 below, and available here).

In addition, TRIG's Sustainability Policy is applied to making new investments and the management of TRIG's portfolio undertaken by InfraRed, as Investment Manager and RES as Operations Manager. This includes the day-to-day monitoring, evaluation and management of risks, including those linked to climate change.

The Company will seek to attain the E/S Characteristics through its commitment to evaluate and assess certain ESG-related attributes of investments prior to and following their acquisition. The Company uses certain Sustainability Indicators (defined in section 6 below) to measure the attainment of the E/S Characteristics, which are monitored by way of the annual ESG Survey (defined in section 7 below). TRIG will develop and introduce additional Sustainability Indicators to measure the attainment of the E/S Characteristics for the Company in the future, as appropriate. While some data can be directly collected and based on real values, other data points, such as GHG emissions, may need to be estimated. The share of estimated data depends on the data

availability for an individual asset. While estimation can lead to a risk of inaccuracy, the Company will endeavour that none of these limitations will negatively affect the attainment of the E/S Characteristics.

TRIG will invest a minimum proportion of 80% of the Company's assets directly in portfolio companies for the purpose of attaining the E/S Characteristics. As a result, a maximum 20% of the Company's assets will relate to investments in "#2 Other" (including derivative contracts for the purpose of efficient portfolio management).

The Managers are currently in the process of reviewing and assessing the Company's investments against the EU Taxonomy technical screening criteria contained in the Taxonomy Climate Delegated Act. This assessment is being conducted as part of the annual ESG Survey, the results of which will be published in TRIG’s annual Sustainability Report. As such, TRIG is not currently in a position to disclose how and to what extent the investments underlying the Company are in economic activities that qualify as environmentally sustainable economic activities (as defined in Article 3 of the EU Taxonomy). In accordance with the European Commission’s Decision Notice of 13 May 2022 (C(2022) 3051), the Managers confirm that the Company's investments are 0% EU Taxonomy-aligned until such a time as when the Managers will be in a position to publish the results of its ongoing review in TRIG’s annual Sustainability Report. Given the inherent nature of the Company's investments in renewables infrastructure that are contributing towards a net-zero carbon future, the Managers expects that a proportion of the Company will be EU Taxonomy-aligned in due course.

A reference benchmark has not been designated for the purpose of attaining the E/S Characteristics.

2. No sustainable Investment Objective

This financial product promotes environmental or social characteristics (in accordance with Article 8 of the SFDR) but does not have as its objective sustainable investment (in accordance with Article 9 of the SFDR).

3. Environmental or social characteristics of the financial product

TRIG's investment proposition is to generate sustainable returns from a diversified portfolio of renewables infrastructure that contribute towards a net-zero carbon future. The Company focuses on the following sustainability themes:

- mitigating climate change;
- preserving the natural environment;
- impacting positively the communities in which the Company works; and
- maintaining ethics and integrity in governance.

(together, the "**E/S Characteristics**").

Climate action is core to TRIG and its Managers' ethos. TRIG has committed to the Science Based Targets Initiative (SBTi), the leading standard for corporate emissions reduction targets, and is a supporter of the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

InfraRed has been investing in infrastructure for over 25 years and renewable energy generation for over 13 years. InfraRed's portfolio of investments under management includes 4.2GW of renewables generation capacity. InfraRed is a member of the Net-Zero Asset Managers initiative, and the impact of adverse climate change is integrated in its investment cycle.

RES has been focused on clean energy generation for 40 years and operates a global portfolio of renewable energy assets that avoids more than 23 million tonnes of CO2 annually. RES is also committed to the SBTi to ensure that business activity will not cause or result in the net release of greenhouse gases into the atmosphere.

In addition, the Managers take an active approach to long-term sustainability, both pre-investment and during TRIG's ownership, which is based on a foundation of robust ESG principles. Environmental criteria are used to assess how effectively portfolio companies steward the natural environment, assist with the transition to a low carbon economy and comply with relevant laws and regulations. Similarly, an asset-specific approach is taken to evaluate *inter alia* health & safety, labour standards and working conditions as well as the relationships held with stakeholders and surrounding communities.

TRIG actively contributes to multiple United Nations (UN) Sustainable Development Goals (SDGs). The nature of TRIG's investment proposition means that, primarily, the Company's portfolio contributes towards SDG 7 *Affordable and clean energy*, and SDG 13 *Climate action*.

4. Investment Strategy

The Managers adopt a rigorous investment and management process which comprises of pre-investment screening, due diligence and asset management. TRIG's sustainability investment and management framework is set out below:

- ***Negative Screening:*** Checks are made against TRIG's Investment Policy and InfraRed's Exclusion Policy (as detailed below);
- ***Deal Screening:***
  - Counterparty searches are completed to assess the relevant companies sustainability performance;
  - An initial identification of sustainability risks and opportunities is undertaken;
- ***Due Diligence:***
  - Sustainability performance is assessed in line with InfraRed's sector guidelines and various regulatory requirements;
  - Climate change risk assessments are completed;
  - Due diligence findings are incorporated into investment valuations and/or risk mitigation plans;
  - A sustainability action plan is created for post-investment implementation;
- ***Investment Approval:*** Due diligence findings and sustainability action plan are presented to the Investment Committee for consideration and approval;
- ***Management:***
  - Oversight of project governance and active management of sustainability aspects through board representation by the Operations Manager;
  - Implementation of the sustainability action plan developed in the Due Diligence phase;
  - An annual ESG survey is used to collect data against key metrics (including regulatory requirements) and monitor key elements of ESG performance;
  - Best practices is shared across TRIG's portfolio companies through guidance documents and case studies;
  - Engagement with key stakeholders on key sustainability themes, via bi-annual workshops, industry collaborations and targeted surveys;
- ***Reporting:*** Transparent disclosure of the Company's sustainability performance and incidents via periodic reporting; and
- ***End of Investment Life:***

- For divestments, counterparty searches are completed on acquirers and asset sustainability performance data is shared; and

- Environmentally and socially responsible approach is implemented for asset handback / decommissioning.

TRIG Sustainability Policy

TRIG has adopted a sustainability policy (the "**Sustainability Policy**"). The application of TRIG's Sustainability Policy in making new investments and the management of TRIG's portfolio is undertaken by the Managers. This includes the day-to-day monitoring, evaluation and management of risks, including those linked to climate change.

InfraRed Exclusion Policy

InfraRed has identified product-level and conduct-based exclusions listed below in its 'Exclusion Policy'. These matters are excluded from investment by the Company in order to help attain the E/S Characteristics that the Company promotes.

***Product-level exclusion*:**

- Coal
- Oil
- Gas if unaligned with net zero trajectory
- Supporting infrastructure which directly facilitates the above activities
- Weapons
- Combat-related contracts
- Alcoholic beverages
- Tobacco

***Conduct-based exclusion*:**

- Biodiversity and habitat loss
- Breaches of fundamental human rights
- Resettlement
- Pornography and adult entertainment
- Gambling
- Failure to uphold and business ethics and compliance

A copy of InfraRed's Exclusion Policy can be found here.

Prior to any investment made by the Company, the Investment Manager will conduct screening and extensive due diligence on each investment under consideration as outlined above. Following investment, the Operations Manager will ensure the implementation of bespoke policies in portfolio companies to ensure compliance with TRIG's standard policies and local regulations. These policies include:

- Health and Safety;
- Anti-bribery;
- Conflicts of Interest;
- Tax;
- Cyber-security;
- Diversity and Inclusion;
- Whistleblowing; and
- Modern Slavery.

Good governance practices

As noted above and outlined in InfraRed's Exclusion Policy, as part of the investment process the Investment Manager will conduct extensive due diligence of potential portfolio companies to ensure that they are following good governance practices. Prior to acquisition, in line with the Exclusion Policy, InfraRed's Origination & Execution team is required to complete public data searches on the portfolio companies and other relevant counterparties to identify the existence of any material sustainability breaches or incidents, as well as responding to mandatory sustainability questions on relevant sustainability risks and opportunities such as climate change impact and positive contribution to the UN SDGs.

5. Proportion of Investments

TRIG will invest a minimum proportion of 80% of the Company's assets directly in portfolio companies for the purpose of attaining the E/S Characteristics. As a result, a maximum 20% of the Company's assets will relate to investments in "#2 Other". In relation to "#2 Other" investments – Currency, interest rate and power price hedging may be carried out to seek to provide protection against foreign exchange risk and increasing costs of servicing Group Debt (as defined in the Prospectus) drawn down to finance investments. However, hedging transactions will only be undertaken for the purpose of efficient portfolio management and will not be carried out for speculative purposes.

As noted above, the Managers plan that a maximum of 20% of the Company's assets will be in "#2 Other" investments for the purposes of efficient portfolio management. This planned asset allocation will be subject to fluctuations in the market, for instance in relation to foreign exchange, and therefore will be subject to external market factors beyond the Managers control. Therefore, to the extent that more than 20% of the Company's assets will be in "#2 Other" investments, this will be accounted for in the periodic disclosures (and, if necessary, reflected by future amendments to the pre-contractual disclosures).

The Managers are currently in the process of reviewing and assessing the Company's investments against the EU Taxonomy technical screening criteria contained in Taxonomy Climate Delegated Act. This assessment is being conducted as part of the annual ESG Survey, the results of which will be published in TRIG's annual Sustainability Report. As such, TRIG is not currently in a position to disclose how and to what extent the investments underlying the Company are in economic activities that qualify as environmentally sustainable economic activities (as defined in Article 3 of the EU Taxonomy). In accordance with the European Commission's Decision Notice of 13 May 2022 (C(2022) 3051), the Managers confirm that the Company's investments are 0% EU Taxonomy-aligned until such a time as when the Managers will be in a position to publish the results of its ongoing review in TRIG's annual Sustainability Report. Given the inherent nature of the Company's investments in renewables infrastructure that are contributing towards a net-zero carbon future, the Managers expects that a proportion of the Company will be EU Taxonomy-aligned in due course.

6. **Monitoring of Environment or Social Characteristics**

TRIG uses the following key performance indicators to measure the attainment of the E/S Characteristics that the Company promotes:

- Environmental: Renewable electricity generated, homes (equivalent) powered, carbon emissions avoided, percentage of UK portfolio sourcing electricity under Renewable Electricity Supply Contracts and Scope 1, 2, 3 emissions; and
- Social: Number of community funds within the TRIG portfolio, community contributions per annum in £, and number of sites that have any outstanding issues with the local community.

TRIG will refine existing and develop additional sustainability indicators, as appropriate, to measure the attainment of the E/S Characteristics of the Company in the future.

7. **Methodologies for environmental or social characteristics**

Prior to acquisition of an investment, the Managers consider performance against the Sustainability Indicators, to the extent that relevant data is available from each potential portfolio company.

Post-acquisition, the Managers will ensure assessment of the mandatory and selected voluntary principal adverse impacts on an ongoing basis through an annual ESG Survey which portfolio companies will be asked to complete. The results of the ESG Survey are published in TRIG's Sustainability Report in calendar Q2 each year. The ESG Survey provides a tool to manage and monitor the ongoing position of the ESG impact at each of the portfolio companies. The ESG Survey output also acts as an annual assessment of sustainability performance which informs the development of an action plan for each portfolio company to improve its ESG performance. The Operations Manager seeks to engage with the portfolio companies to improve data quality and progress relevant action plans. This feedback loop provides confidence in reported sustainability factors.

8. Data Sources and processing

As noted above, the Company ensures monitoring of its portfolio companies through the use of the ESG Survey, collating asset level data to assess each Sustainability Indicator. Whilst the Managers undertake checks on data received from the portfolio companies, the Managers ultimately rely on these portfolio companies to provide relevant and accurate performance data, which is generally not subject to third-party verification.

While majority of the data can be directly collected and based on real values, a number of other data points, such as GHG emissions, may need to be estimated. The share of estimated data depends on the data availability for an individual asset. Where practicable, estimates will be subject to plausibility checks, relying on general market standards and typical values for similar investments.

9. Limitation to Methodologies and Data

As noted above, some of the data will be based on estimates, and the availability of some data will depend on cooperation with the portfolio company concerned. In such cases, the Managers uses their own internal processes to calculate performance against the Sustainability Indicators, and these figures are estimated where actual data is unavailable (as noted above). While estimation can lead to a risk of inaccuracy, the Managers employs practices in relation to the recording of Sustainability Indicators in order to improve reliability.

The Company will endeavour that none of these limitations will negatively affect the attainment of the E/S Characteristics. Where necessary, the Managers will seek to take corrective measures in respect of any concerns identified during data collection and verification.

10. Due Diligence

The Managers adopt a rigorous investment and management process which comprises of pre-investment screening, due diligence and asset management.

If the screening or due diligence findings indicate that an investment opportunity is inconsistent with the Manager's expectations in relation to the E/S Characteristics, TRIG's Investment Committee will not pursue the opportunity further. In addition, the Managers take a proactive approach to portfolio and asset management to ensure that environmental awareness and best practice is being promoted, as well ensuring environmental risks and opportunities are considered and measured.

As noted above, TRIG's Investment Policy clearly outlines that the Company invests principally in assets which generate electricity, from renewable energy sources, with a particular focus on wind farms and solar parks. Further information on TRIG's Investment Policy, including the investment limits can be found here.

In addition, InfraRed's Exclusion Policy prescribes further exclusion criteria which would be inconsistent with the Company's E/S Characteristics. Details regarding InfraRed's Exclusion Policy are set out above and further details about the investment process are available upon request.

11. **Engagement Policies**

As noted above, as part of their active asset management, the Managers will engage with key stakeholders on the key sustainability themes. This is done through portfolio company board meetings, bi-annual ESG summits, industry collaborations and targeted surveys.

Following acquisition, typically, the asset management team from TRIG's Operations Manager has board representation with governance rights to ensure sufficient controls and protections are in place for portfolio companies. This ensures the portfolio companies are aligned with standard policies and local regulations in relation to good governance (e.g. anti-bribery and health and safety). The team will also ensure environmental awareness and good practices are promoted, as well as ensuring environmental risks and opportunities are considered.

12. **Designated reference benchmark**

A reference benchmark has not been designated for the purpose of attaining the E/S Characteristics.

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