

# Building Sustainable Value

Equitix ESG Report 2021

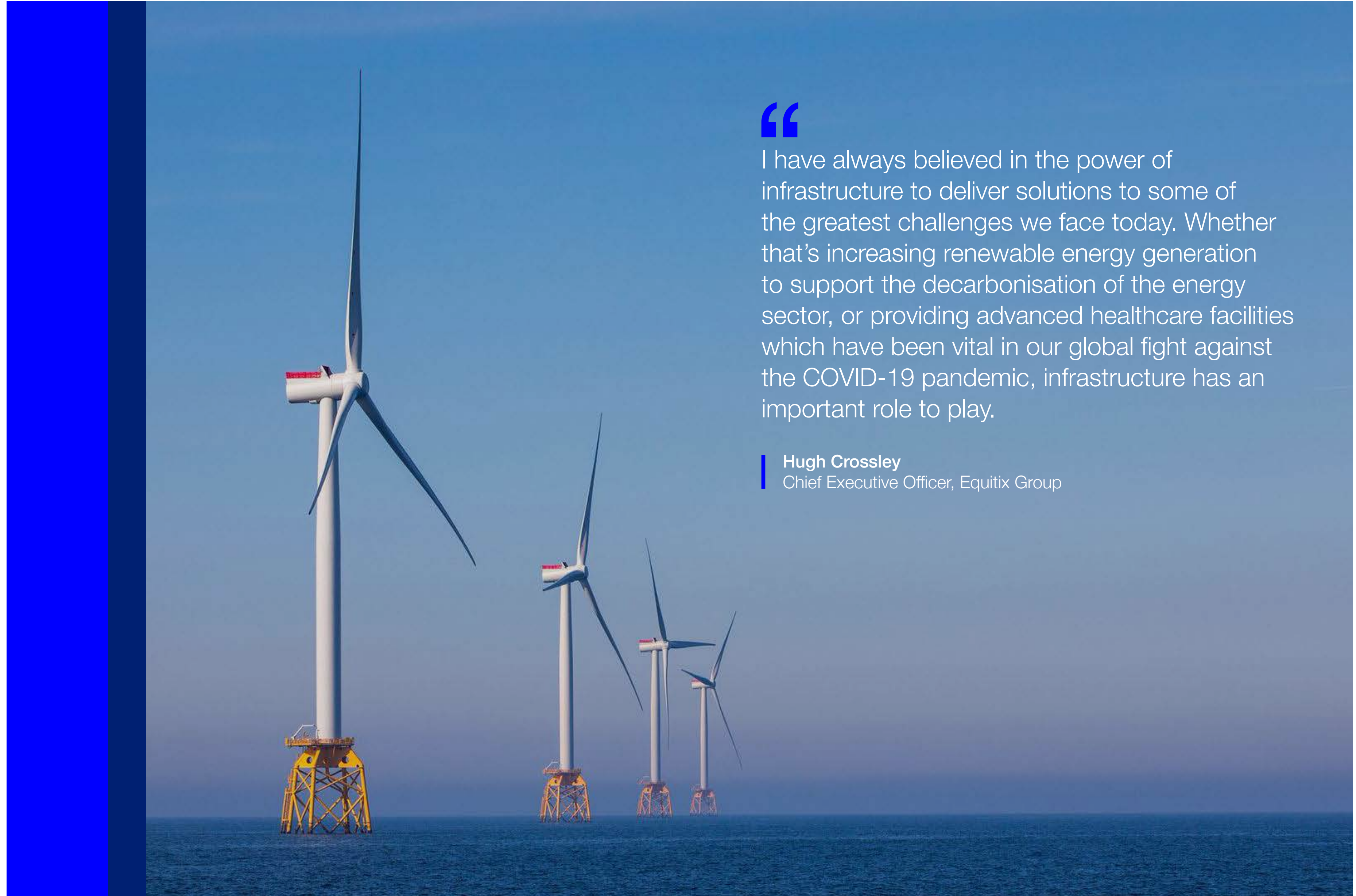
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# 01

## Leading with ESG



“

I have always believed in the power of infrastructure to deliver solutions to some of the greatest challenges we face today. Whether that's increasing renewable energy generation to support the decarbonisation of the energy sector, or providing advanced healthcare facilities which have been vital in our global fight against the COVID-19 pandemic, infrastructure has an important role to play.

**Hugh Crossley**

Chief Executive Officer, Equitix Group

# Introduction



**Hugh Crossley**  
Chief Executive Officer,  
Equitix Group

**I am delighted to introduce the inaugural Equitix Environmental, Social and Governance (ESG) Report which provides a detailed summary on progress throughout 2021 as we continue to strengthen our ESG strategy through responsible investment and sustainable business operations.**

Our talented team of over 200 infrastructure professionals are integral to upholding Equitix's reputation as a leading global investor, developer, and long-term fund manager. I'm immensely proud of the growth our business has seen over the past year, with investments continuing to be made across a diverse range of core infrastructure sectors, channelling institutional capital towards assets which perform a critical role in society.

Climate change is a key issue that investors at all levels of the investment hierarchy are looking to address through enhanced data insights, target setting, and action to maximise climate change opportunities and mitigate climate change risks.

As a private markets fund manager, Equitix recognises the important role it can play in helping to bring greater transparency to investors on key metrics such as greenhouse gas emissions. To enable this, we are introducing data collection tools to help capture the

information our investors are looking for, and continue to work closely with our project partners to build greater understanding around ESG reporting. We want to ensure that the tools we implement are fit for purpose and deliver the insights needed to support the management of ESG improvements over time as well as high quality investor reporting.

In this inaugural ESG report, we will demonstrate how our ESG strategy has developed. I want to ensure that the business continues to clearly define what ESG means for private markets infrastructure, and to identify how we can continue evolving our robust, evidence-based approach which places a strong focus on bringing about positive long-term change.

This is not just a 'tick box' exercise designed to meet the current zeitgeist. We are continuing to work hard on this journey because we believe ESG integration has the potential to enhance the value that our business can deliver for all stakeholders. We look forward to communicating our progress with you and welcome your engagement with us to ensure we are supporting the ESG priorities of our fund investors.



We want to ensure that the tools we implement are fit for purpose and deliver the insights we need to support the management of ESG improvements over time as well as high quality investor reporting.

**Hugh Crossley**  
Chief Executive Officer,  
Equitix Group

## 02

Responsible  
investor,  
active  
steward

## A-rated

investor by Principles for  
Responsible Investment (PRI)

£8bn

AUM invested across  
330+ assets

200+

infrastructure professionals  
dedicated to long-term  
value creation

## Social Infrastructure



£2.3bn  
invested



80k+  
school places



11.5k+  
hospital beds

## Transportation



£1.8bn  
invested



60m+ km  
train fleet travelled in 2021



600+  
trains

## Renewable Power



£1.4bn  
invested



4.2 GW  
Electricity generation  
capacity



1.6 GW  
OFTO capacity

## Environmental Services



£1.1bn  
invested



523 MW  
electricity generation  
capacity



133 MW  
thermal power  
capacity

## Network Utilities



£1.1bn  
invested



56,900km  
of electricity distribution



2.4m+  
smart meters

## Data Infrastructure



£58m  
invested



1  
telecoms project



1,100+  
telecoms sites

The figures provided on this page include projects which at the time of report publication are under construction. As such, some figures include the design capacity of these projects once they become operational.

## The Equitix Mission

**Our aim is to create a lasting legacy for generations. We provide high quality infrastructure assets which support improvements to our environment and provide critical services to communities whilst achieving a financial return for investors.**

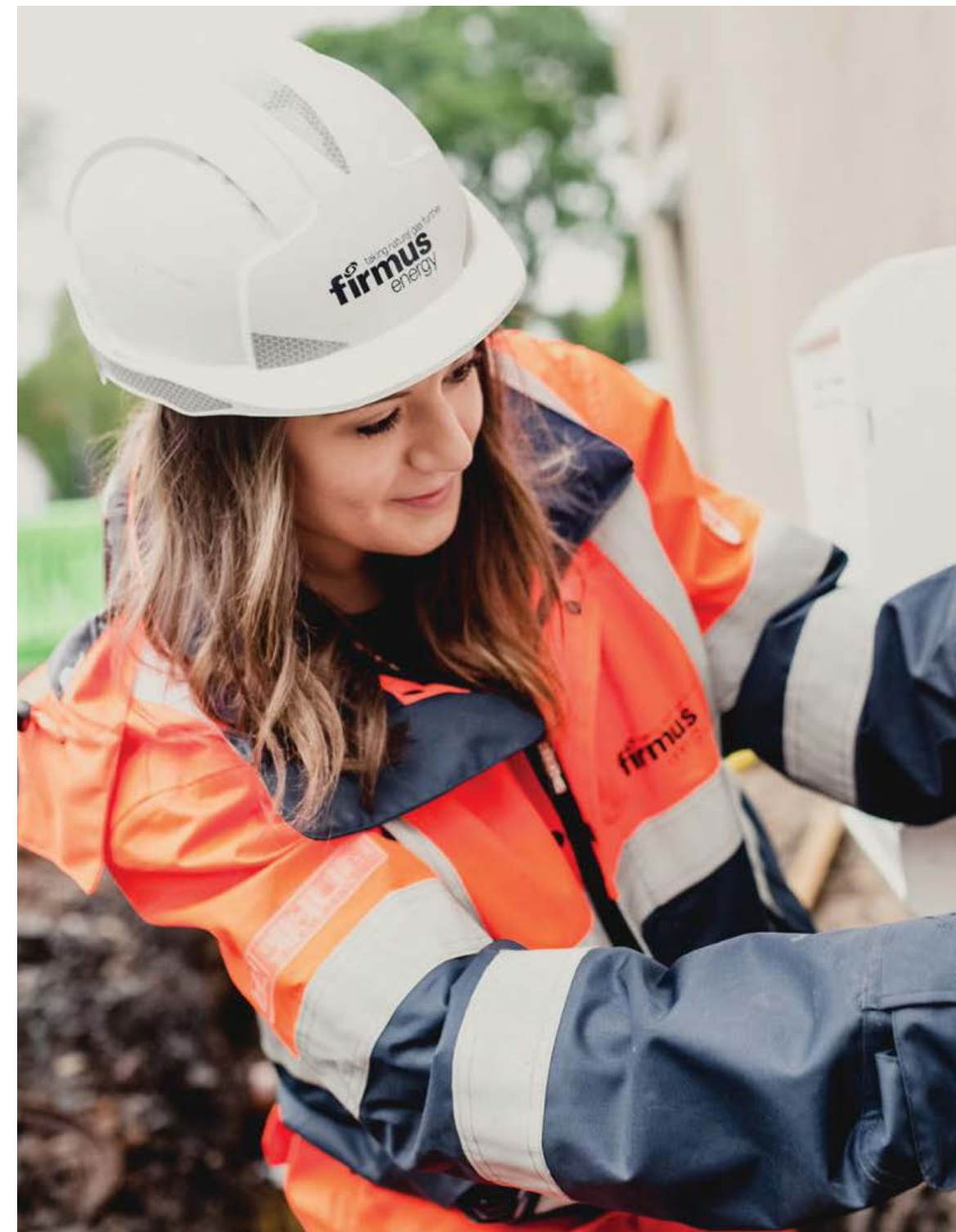
We place a strong emphasis on building long-term partnerships throughout the lifetime of our 25-year funds, ensuring that our government and consortium clients receive the high quality assets they need to deliver critical services to society.

Launched in 2007, Equitix now operates from 16 global locations, managing c. £8bn AUM across Social Infrastructure, Transportation, Renewable Power, Environmental Services, Network Utilities, and Data Infrastructure. Equitix has developed its reputation as a trusted responsible investor, developer, and fund manager, acting as custodian of core infrastructure assets that provide essential services to communities.

Through our successful integration of bid leadership, long-term investment, construction, and operation, we provide tailor-made solutions for a wide range of sectors that positively impact the lives and futures of the people and communities they serve.

Working to promote a net zero emissions future, we take our responsibility to integrate ESG across the business seriously with strategic initiatives in place to continue evolving our active approach to sustainability and responsible investment. Our ESG strategy aligns business operations with investment practices, ensuring ESG principles are not only reflected in the way we carry out investment activities, but also in the way we run our own business.

We aim to influence and promote the development of ESG through our membership of the Global Infrastructure Investor Association (GIIA) and UK Sustainable Investment and Finance Association (UKSIF). We have also been a signatory to the Principles for Responsible Investment (PRI) since 2010 and continue to hold an A rating. Engagement with local communities remains a priority, with a strong commitment to supporting charities through the Equitix Foundation as well as an ongoing partnership with social mobility organisation, UpTree.



## Principles for Responsible Investment

### ESG Assessment Report

#### Infrastructure

A

#### Strategy & Governance

A

Equitix has been a signatory to the UN Principles for Responsible Investment since 2010 and commits to continuing its support across the following principles:

01

We will incorporate ESG issues into investment analysis and decision-making processes.

02

We will be active owners and incorporate ESG issues into our ownership policies and practices.

03

We will seek appropriate disclosure on ESG issues by the entities in which we invest.

04

We will promote acceptance and implementation of the Principles within the investment industry.

05

We will work together to enhance our effectiveness in implementing the Principles.

06

We will report on our activities and progress towards implementing the Principles.

# 03

## What ESG means for Equitix



## ESG Priorities

Responsible investing has always been at the heart of Equitix's approach to investment. Our ESG strategy has been designed to maximise the opportunities and mitigate the risks for our investors and communities served. We see ESG as a value enhancer to our investment toolkit which plays an important role in the way we identify attractive investment opportunities that deliver long-term, predictable cash flows to investors.

For us, ESG rewards action. We have conducted a detailed review of our portfolio to identify areas of ESG priority for our investment activities, which utilised a range of external research and analysis of our investor priorities to ensure that the outcomes of this exercise aligned with key stakeholders. As a result, we have identified climate, communities, and active engagement as priorities to focus on during the implementation of our ESG strategy.

With a greater emphasis on quantifying the impact of ESG considerations throughout the investment lifecycle, we are seeking to identify ways in which the value of our assets can continue to be enhanced in financial, environmental, and social terms.

## Climate

### Key data sources to drive our ESG engagement:

- Scope 1 GHG emissions
- Scope 2 GHG emissions
- Scope 3 GHG emissions (as best practices develop)
- Physical impacts of climate change
- Transition risks and opportunities of climate change

The message of the Intergovernmental Panel on Climate Change (IPCC) February 2022 report is clear – climate change impacts are already proving difficult to manage, and action is required urgently to use the narrowing window of opportunity to tackle this global issue.

We are clear on the role that Equitix can play in response to this message. Firstly, we will continue to rapidly scale our pool of climate-related data from across the portfolio, in order to set clear targets for reducing GHG emissions at the asset level, where we have sufficient control to do so.

Secondly, we will continue identifying opportunities to accelerate the energy transition through investment in infrastructure that supports the rapid decarbonisation of the energy system. Our approach will incorporate relevant considerations of climate-related vulnerability, and identification of resilience-enhancing measures which support our assets in generating and distributing clean energy.

### Where we are already taking action

- Engaging with portfolio assets to provide guidance and understanding on climate-related data and the calculation of GHG emissions metrics, including scope 1 and scope 2 emissions, in preparation for an enhanced ESG reporting cycle
- Advocating for climate-related data capturing and reporting to drive action in the infrastructure market through company representation at industry panels and participation in working groups
- Delivering internal education on climate-related reporting and disclosure





## Communities

### Key data sources to drive our ESG engagement:

- Water and wastewater management
- Waste and hazardous waste management
- Biodiversity impacts
- Employee health and safety
- Community relations
- Supply chain management

ESG integration is not just about maximising opportunities and minimising risks for our investors, it is also about ensuring our portfolio assets perform well in their own environments and positively impact the communities they serve.

We want to identify ways in which our assets can be improved, particularly where there are benefits to all stakeholders. Where we encourage better management of water and waste, we are likely to see lower costs as well as reduced risk of pollution incidents. If our portfolio asset employees are properly trained and equipped to perform their roles safely and skilfully, we expect to avoid accidents that lead to injuries or lost time. And, by encouraging high standards of supply chain oversight, we want to ensure that goods and services are delivered to our portfolio on time, on budget and without exposure to abuses of human rights or employment standards.

### Where we are already taking action

- Engaging with portfolio assets to provide guidance and understanding on the collection and reporting of data that helps us better understand environmental and social impacts, and to identify where improvements can be made to reduce any negative impacts as far as possible
- Advancing Equitix's action on diversity and inclusion, sustainability, and supporting social impact organisations at the operational level in order to lead by example and create positive change in the community closest to home – our own people

## Engagement

At Equitix, we take an active approach to investment and the management of assets to drive performance optimisation for investors and ensure that we deliver high quality services to our communities. One of the most important and impactful roles we can play is to act as a source of guidance for portfolio assets, improving the quality of ESG reporting, and utilising data to drive improvements over time where we have sufficient control to do so.

Much of our portfolio delivers inherent benefits to society in the form of renewable energy, healthcare facilities, and train rolling stock. However, this does not limit the potential for our assets to deliver best-in-class ESG performance as standards evolve over time. By undertaking internal research and working through our network of advisors, we continue to develop opportunities for ESG engagement and improvement which help to deliver further value in the assets we are invested in.

### Where we are already taking action

- Providing support and understanding to portfolio assets on the collection and reporting of ESG data through workshops and guidance packs
- Identifying material ESG issues and undertaking targeted action with assets to develop objectives for improvement
- Engaging with the investor and policy community in order to identify opportunities for further ESG integration

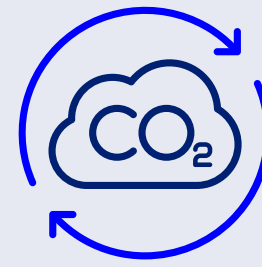


## Our Core ESG Themes

We have selected 11 core ESG themes following a consultative process which incorporated the real-world project experience of our asset management team, regulatory reporting requirements, and the priorities of our investors based on a review of data requests received throughout the year. These themes provide a well-rounded approach to understanding the ESG risks and opportunities associated with the sectors we invest in and ensure that we are not just covering environmental and climate change information, but also important matters related to the supply chain and employee health and safety standards.

For each of these ESG themes, we have undertaken a materiality exercise to identify possible areas of risk and opportunity from a financial, environmental/social, regulatory, and reputational perspective. This exercise has combined our own extensive sector experience with external research sources which were chosen for their reliability and relevance to the infrastructure market, such as the Sustainability Accounting Standards Board (SASB) materiality map, the EU Taxonomy on sustainable activities, and government research.

The outcome of this exercise has enabled us to better assess the level of materiality associated with each theme at the sector level and ensure that our pre-investment due diligence and ongoing ESG engagement prioritises action in these areas. Our ESG team also provides ongoing support in the investment process, including through the development of sector research papers, particularly where there are complex or novel issues to understand.



GHG emissions –  
scope 1, scope 2,  
scope 3



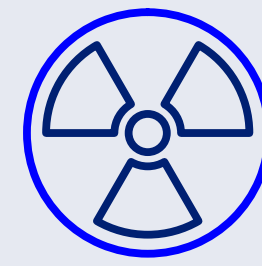
Air  
quality



Energy  
efficiency



Water and  
wastewater  
management



Waste and  
hazardous waste  
management



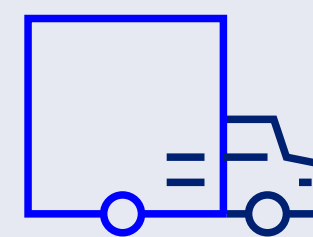
Biodiversity



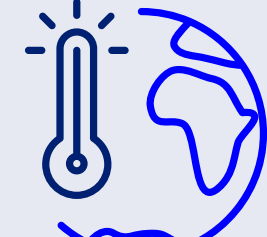
Human rights  
and community  
relations



Employee  
health  
and safety



Supply chain  
standards



Physical impacts  
of climate change



Transition risks  
of climate change

# 04

## Supporting progress on the UN SDGs



# Sustainable Development Goals

Since their adoption by all UN member states in 2015, the 17 Sustainable Development Goals (SDGs) present a framework for global cooperation towards addressing key challenges such as ending poverty, whilst also improving health and education, reducing inequality, and encouraging economic growth alongside tackling climate change and protecting biodiversity at sea and on land.

Each of the SDGs are accompanied by a set of targets and indicators which help to monitor progress. In 2021, we undertook a mapping exercise to identify how the outcomes of our investments in infrastructure assets support progress against these targets. We apply the following steps in order to map assets against the SDGs:

- Collate** capacity metrics across the Equitix portfolio. Sources of capacity metrics include Management Service Agreement (MSA) providers and management teams, as well as internal tools and publicly accessible website material.
- Define** levels of contribution – strategic focus, contributions, commitments – and identify the targets and indicators associated with each UN SDG.
- Map** Equitix capacity metrics against the identified SDG targets and indicators and classify according to the level of contribution made.
- Commit** to monitoring Equitix contributions towards the UN SDGs over time, ensuring that capacity data is maintained, and any material changes communicated to investors and other stakeholders.

## UN SDGs



# Results of our 2021 Mapping Exercise

## Social Infrastructure

Social infrastructure is critical to delivering a wide range of important services, including health and social care, education, government, and policing, as well as social housing. As an investor, Equitix is financing the infrastructure needed to deliver these services. Social infrastructure has been a core part of Equitix's portfolio since inception.



3 GOOD HEALTH  
AND WELL-BEING

11,508

hospital beds

76

hospital projects

320

assisted living beds

14

assisted living and mental health projects



4 QUALITY  
EDUCATION

>80,000

spaces for pupils

33

school projects

15,159

student beds

13

student accommodation projects

The figures provided on this page include projects which at the time of report publication are under construction. As such, some figures include the design capacity of these projects once they become operational.

## Tuscan Hospitals



In 2017, Equitix acquired a 98% stake in a Tuscan hospital project involving the design, build, financing, maintenance, and operation of 4 hospitals which together provide over 1,700 beds.

The hospitals within the portfolio have some of the most advanced facilities in the Tuscan healthcare system, with energy efficiency measures in place which lead to c.700 tonnes of CO<sub>2</sub> avoided annually.

All hospitals use solar panel installations across the rooftop areas of the carports and parking areas to provide an annual renewable energy generation capacity of 1.4 MW.

A moving bed biofilm reactor (MBBR) process is in place to treat around 80 million litres of wastewater produced by the portfolio sites annually. The MBBR process efficiently removes biochemical oxygen demand, ammonia, and nitrogen from the wastewater.

To oversee a culture of workplace safety, the board of directors of the SPV has named a dedicated independent consultant for HSE matters according to Italian law in order to monitor compliance with HSE requirements, conduct sample audits and report to the SPV board twice a year, or as required.

The SPV has named a voluntary Supervisory Board (composed of 3 members), according to Italian law 231/01, aimed at establishing an appropriate organisation and management model to prevent offences and felonies, and strengthen the SPV's governance.

The SPV adopted a company Code of Conduct and implemented a confidential communication channel for whistleblowing.

# Results of our 2021 Mapping Exercise

## Renewable Power Infrastructure

Renewable energy infrastructure has a key role to play in supporting the transition to a lower carbon future by ensuring more people have access to clean energy sources such as onshore and offshore wind, solar, and hydroelectricity. Equitix sees investments in this sector as an important driver of climate change mitigation, with renewable energy playing a central role in decarbonising the energy sector.



### 4.2 GW

renewable energy generation capacity

### 43

renewable energy projects, covering offshore and onshore wind, solar, and hydroelectricity

### 1.6 GW

OFTO capacity

### 4

OFTO projects

## Beatrice Offshore Wind



In 2021, Equitix acquired a 17.5% stake in Beatrice Offshore Wind Farm, one of the largest operational offshore wind farms in Scotland with an installed renewable energy generation capacity of 588 MW. The wind farm's 84 turbines generate enough energy to power up to 450,000 homes.

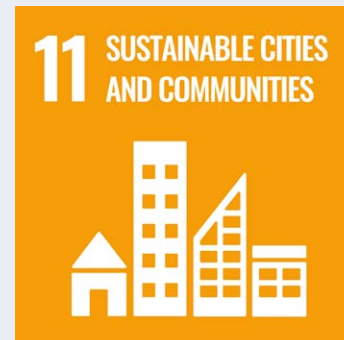
As well as generating renewable energy, Beatrice has established a number of community funds which have supported groups, organisations and projects across areas local to the wind farm.

The Beatrice Partnership Fund was launched in 2017 to support groups and organisations in the Highlands and Moray. By July 2021, the Partnership Fund awarded its final round of grants, bringing the total contribution of this fund to £3m since it first launched. Of the £3m, £2m has been made available to organisations in the Highlands, with the remaining £1m awarded to Moray-based organisations.

# Results of our 2021 Mapping Exercise

## Transportation Infrastructure

Transportation infrastructure provides the rolling stock, railway track, roads, and transit systems required to deliver public mobility across local, regional, and national geographies. Transportation infrastructure also enables the delivery of goods across complex logistics networks.



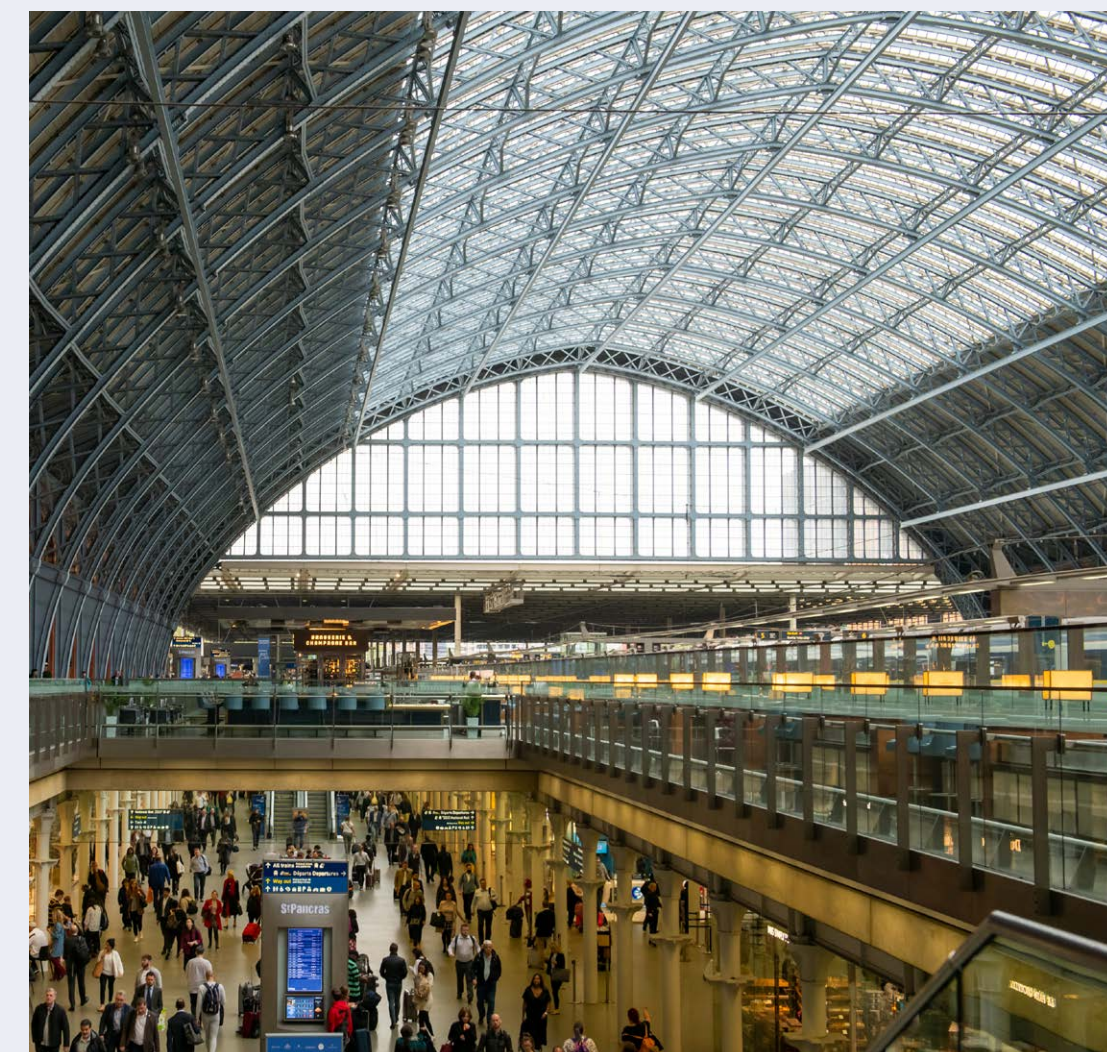
600+  
trains

250km+  
of rail track

78  
stations

134  
platforms

## High Speed 1



HS1 is the operating company that owns, operates, and maintains a 109km high speed rail line between St Pancras International in London and the Channel Tunnel, connecting the UK to cities across Europe, including Paris, Brussels, and Amsterdam. The HS1 line is used by both international and domestic train operating companies which provide sustainable transportation options for passengers.

After HS1 commissioned an independent report into the sustainable outcomes of operations on the network, it was found that:

- Travel on the line removes 60,000 flights from the skies every year, equivalent to 750,000 tonnes of CO<sub>2</sub>
- Domestic services on the line remove 6,000 lorries and cars from the roads every year

In 2021, HS1 Ltd published an ESG report to establish its 6 sustainability priorities and approach to reporting on climate-related risks and opportunities under the Task Force on Climate-related Financial Disclosures (TCFD) framework. The 6 sustainability priorities are:

- Climate change
- Energy use
- Resource use and waste impacts
- Social impacts
- Biodiversity
- Transparency

The company is taking an evidence-based approach to the implementation of initiatives surrounding these priority areas. For example, HS1 undertook a number of energy efficiency projects in 2020/21 to reduce energy consumption across its stations and buildings. With an investment of GBP 50,000 in these initiatives, HS1 expects to achieve a total cost saving of GBP 197,000 per year, as well as a 1,217 MWh saving in annual electricity consumption and a 285 MWh saving in annual gas consumption. The company has also set a commendable target to become fully carbon neutral by 2030.

By engaging with its investors on the development of a periodic ESG reporting cycle, HS1 has demonstrated initiative and a commitment to further embed sustainability into its operations, which Equitix continues to be highly supportive of.

## Results of our 2021 Mapping Exercise

### Network Utilities Infrastructure

Network utilities infrastructure forms the backbone of electricity and gas distribution, connecting sources of power generation with suppliers. Energy distribution has an important role to play in enabling access to cleaner energy sources, including renewable electricity, natural gas, and over time, hydrogen.



25.4 TWh/year

of electricity distributed in 2021

173m therms

of gas volume distributed in 2021

3,500+

employees

### Firmus Energy



In 2019, Equitix acquired 100% ownership of Firmus Energy, a natural gas distribution and supply company in the 'Ten Towns' and Greater Belfast region of Northern Ireland, currently with 2,000km of mains pipes in its network, and approximately 110,000 customers. Firmus is playing an important role in supporting Northern Ireland's transition to a lower carbon future and towards the UK's legislated target to achieve net zero emissions by 2050. There are two key stages to reducing the emissions associated with the Firmus Energy network, which continue to be supported by Equitix as owner of this asset.

Firstly, Firmus is still actively building out its network across many neighbourhoods currently unconnected to the distribution network, where homes and buildings historically relied upon oil or kerosene boilers for their heating needs. Natural gas is a cleaner fuel than oil, resulting in 50% less CO<sub>2</sub> and lower particulates emissions.

Secondly the injection of renewable gases such as biomethane and blending up to 20% hydrogen into the network where permitted reduces CO<sub>2</sub> emissions further, without the need for households to replace their gas appliances and boilers. The relatively new distribution network utilises pipes made from 99% polyethylene, which makes it well suited to handling the introduction of blended renewable gases such as biomethane and hydrogen. In comparison, the majority of gas distribution pipes across Great Britain are steel and cannot accommodate fuels such as hydrogen on the basis that the steel is liable to degrade, and consequently require extensive replacement programmes.

We are highly supportive of the business working with its local partners to facilitate hydrogen blending pilot projects in Northern Ireland. Plans are underway for a small-scale blending trial which will include a number of domestic customers (1,675 connections) on an isolated section of the Firmus gas network within the next 2 years. Firmus management is working with the Department for the Economy (DfE) and the Northern Ireland Utility Regulator on this project and has a portion of the funding in place from Action Renewables and from Equitix. Following a successful small-scale domestic trial, it would be the intention to carry out a more substantial longer-term trial on the network.



## Results of our 2021 Mapping Exercise

### Environmental Services Infrastructure

Environmental services are vital to managing waste resources in a safe and regulated way to extract energy and heat, whilst avoiding landfill disposal. Our assets operate across a range of environmental services sectors, including energy from waste, anaerobic digestion, and clinical waste.



100,000,000m<sup>3</sup>  
annual wastewater treatment

267 GWh  
of thermal power generated in 2021

1,036 GWh  
of electricity generated in 2021

### Viridor Energy



Viridor Energy operates 11 high quality energy from waste (EFW) plants across the UK which divert over 3 million tonnes of waste from landfill sites to generate more than 2,600 GWh of energy in heat and power. The company also process 1.15 million tonnes of recyclable waste which returns 777,000 tonnes of materials to the economy for further use.

The company has developed a decarbonisation strategy focused on reducing emissions where it has control to do so. The strategy is formed of 5 steps:

1. Reduce direct emissions from all core operations
2. Maximise the amount of waste that is recycled
3. Capture and store carbon emissions from strategic sites, targeting 90% of emissions from EFW plants by 2040
4. Generate negative emissions by expanding carbon capture to national network of sites

5. Supply more homes and businesses with clean heat

By applying this strategy to the development of its EFW operations, Viridor Energy Ltd has demonstrated clear recognition of the role it can play in supporting the UK's decarbonisation efforts. Whilst the company does not have control over the waste it receives, its recycling and EFW plants are reducing the UK's reliance on waste exportation and diverting residual waste away from landfill disposal.

Importantly the company has designed a clear ESG governance structure formed of a Board ESG Committee which holds responsibility for overseeing the implementation of decarbonisation initiatives, as well as to drive further progress where needed. With the largest share of the UK's EFW market in 2021, Equitix sees Viridor Energy as well positioned to continue driving positive change in the way our waste is managed.

# 05

## Taking action on ESG



## ESG Embedded in the Investment Process

We are committed to taking action on ESG throughout the investment lifecycle, and this starts at the pre-investment stage.

The pre-investment stage typically utilises a range of internal and external resources, with more emphasis placed on attaining external advisory support in particularly complex deals. Our team of 200+ infrastructure professionals brings extensive experience investing in and managing assets which operate in closely regulated markets, where there are typically clear frameworks in place to monitor compliance with environmental and social standards. Alongside ongoing internal ESG research into thematic sector issues, we continually seek to ensure that our pre-investment ESG considerations are driven by the objective of discovering what is most material to the asset.

Post-investment, we ensure that newly acquired assets are onboarded into our ongoing ESG reporting cycle, which takes place on an annual basis. The ESG data collection and reporting cycle is integral to establishing a baseline performance metric, from which to identify targets and drive a programme of continual improvement. Furthermore, high quality, reliable data is important for our investors who are seeking to collect ESG data in support of their own reporting requirements. We are preparing to provide the relevant reporting and disclosures required under the Task Force on Climate-related Financial Disclosures (TCFD) and Sustainable Finance Disclosure Regulation (SFDR), with data collection already underway across the portfolio.

Throughout the hold period, our dedicated team of asset managers takes an active approach to stewarding portfolio assets by using board representation, asset specific KPIs, and ongoing dialogue as important governance tools.

With ESG-related data collection set to take place across the entire portfolio, our ESG and asset management teams will be collaborating to carry out targeted ESG engagements where we have sufficient control and influence to do so. This includes the use of internal benchmarking to identify examples of best practice and development of ESG action plans to drive improvements in any assets found to fall below this standard.

## Portfolio Engagement

We are committed to undertaking engagement activities across the portfolio by identifying opportunities for improvement and ensuring our assets are strong ESG performers for the benefit of all stakeholders.

ESG engagement starts with the collection of decision-useful data, and we're excited at the pace of progress we have seen in this regard over the past year. Our portfolio is highly diverse, with investments made across a wide range of sectors, project types, and asset sizes. This has challenged us to develop an effective strategy for scaling our portfolio ESG data, which we have responded to with a pilot data collection survey and reporting workshop for management services providers in order to produce a proof of concept that can be scaled-up across the portfolio.

We have also worked closely with our larger assets to shape and influence the development of their ESG strategies and reporting, which we will use to monitor performance and identify areas for improvement over time.

Alongside the deeper pool of quantitative ESG data we continue to collect from across the portfolio, we also undertake internal knowledge sharing to identify examples of best-in-class approaches to ESG integration within the portfolio. Our monthly sector meetings include ESG as a standing item on the agenda, with teams requested to bring forward examples of how their assets are tackling our ESG themes and priorities. The best-in-class examples provide an ongoing source of internal knowledge, from which we intend to start developing benchmarks and identifying how value-enhancing ESG initiatives can be rolled out more widely.

Our engagement activities for the next 12 months will be focused on furthering progress in the following 3 key areas:

1. Promote and share further examples of best practice initiatives across the portfolio
2. Identify value-enhancing improvement opportunities
3. Establish KPIs to track progress on an annual basis

## Progress on Data Collection and Reporting

We have seen a significant improvement in ESG data collection and reporting across the portfolio, with assets which collectively represent more than GBP 1.1bn of our invested capital providing data across our 11 ESG themes. This has been achieved through a combination of ESG-related reporting at the asset level, or participation in our ESG data collection survey pilot.



## Electricity North West

Electricity North West (ENW) invests in, operates and maintains the electricity distribution network which carries electricity from the national grid to homes and businesses across the north west of England.

Carbon Footprint (including losses)	Lost Time Incident Frequency Rate <sup>1</sup>	Gender Diversity (total employees)
<b>2020/2021 tonnes CO<sub>2</sub>e</b>	<b>2021</b>	<b>2021</b>
297,299 (-22% y-o-y)	0.0012	75% male 25% female
<b>2019/2020 tonnes CO<sub>2</sub>e</b>	<b>2020</b>	<b>2020</b>
311,844	0.024	75% male 25% female
<b>2018/2019 tonnes CO<sub>2</sub>e</b>	<b>2019</b>	<b>2019</b>
367,427	0.047	75% male 25% female

<sup>1</sup> Total reportable incidents divided by number of hours worked by employees and contractors' employees multiplied by 100,000 hours

ENW continues to develop its ESG-related activities as a core component to overall business strategy, particularly due to the role that electricity distribution networks have to play in the low carbon transition. This includes:

- Voluntary production of a Climate Change Adaptation Report, assessing the impact of climate change on the business and actions underway to mitigate those risks with results contributing to the UK's national Climate Change Risk Assessment
- Review of policies and processes related to modern slavery and supply chain oversight to ensure appropriate due diligence is undertaken to avoid slavery or human trafficking
- Continuing to embed a community transformation framework, recognising the critical social role that ENW has to play as a major regional employer and customer-driven business

## HS1

HS1 Ltd has the 30-year concession to own, operate and maintain High Speed 1 (HS1), the UK's only high-speed railway, and the stations along the route: St Pancras International, Stratford International, Ebbsfleet International.

Carbon Footprint	Fatalities and Weighted Injuries <sup>2</sup>
<b>2020/2021 tonnes CO<sub>2</sub>e</b>	<b>2021</b>
10,209 (-29% y-o-y)	0.028
<b>2019/2020 tonnes CO<sub>2</sub>e</b>	<b>2020</b>
14,468	0.027
<b>2018/2019 tonnes CO<sub>2</sub>e</b>	<b>2019</b>
19,265 (excluding traction power)	0.4

<sup>2</sup> Fatalities and weighted injuries per 1,000,000 hours worked

HS1 has committed to managing and reducing its environmental impact and has developed an ESG reporting cycle to assist shareholders and interested stakeholders in tracking and monitoring progress against its sustainability ambitions, including:

- Production of an annual ESG report which has been developed with input from shareholders to ensure that the content aligns with investor reporting requirements
- Application of an Environment and Sustainability Policy, outlining six priority areas for the business with specific targets to improve on by 2030

## Connect Plus

Connect Plus is the consortium that holds the 30-year contract to design, build, finance, and operate elements of the M25 motorway network, and additional connecting motorways and trunk roads, orbiting Greater London.

The contract was awarded by the Highways Agency (now Highways England) in May 2009. The period of capital investment, which included the widening of approximately 102km of network, amongst other works, was completed in 2013.

Total Gross Scope 1 and Scope 2 Emissions	Lost Time Injury Frequency Rate <sup>3</sup>	Contractor Lost Time Injury Frequency Rate <sup>4</sup>
<b>2021 tonnes CO<sub>2</sub>e</b>	<b>2020</b>	<b>2020</b>
2,378	0.0	1.75
<b>2020 tonnes CO<sub>2</sub>e</b>	<b>2019</b>	<b>2019</b>
2,121	0.0	3.3

<sup>3</sup> Employee lost time injury frequency rate per 1,000,000 hours worked

<sup>4</sup> Contractor lost time injury frequency rate per 1,000,000 hours worked

Connect Plus has developed an ESG framework which seeks to actively identify ways of reducing negative impacts arising from emissions, water, waste, and maintenance. The Chief Executive of Connect Plus is responsible for implementing the ESG policy.

- Maintains accreditation under ISO 14001 (environmental management) and 44001 (collaborative business relationship management with the M25 community)

## Viridor Energy

Viridor Energy Ltd operates 11 Energy Recovery Facilities (ERFs) facilities in the UK and plays a critical role in supporting the UK's circular economy ambitions and waste management needs. Viridor Energy's fleet of ERFs divert over 3 million tonnes of waste from landfill each year, which is processed for recycling and energy recovery.

Total Gross Scope 1, Scope 2, and Scope 3 Emissions (energy from waste portfolio)	Carbon Intensity (tCO <sub>2</sub> e/Tonnes of Waste Processed)
<b>2020/2021 tonnes CO<sub>2</sub>e</b>	<b>2020/2021</b>
1,866,099	0.45
<b>2019/2020 tonnes CO<sub>2</sub>e</b>	<b>2019/2020</b>
2,118,845	0.48

Viridor is actively embedding an ESG framework that supports shareholder data collection requirements whilst also delivering real-world change across operational sites.

- Achieved ISO 50001 energy management accreditation (energy efficiency)
- Production of an annual ESG report
- Net zero commitment by 2040 in line with the Science-Based Targets initiative (SBTi)

## Pilot Data Collection

Our pilot data collection survey covered all 11 ESG themes, and was accompanied by a workshop for management services providers, as well as a guidance pack to aid completion. The pilot survey provides the basis for us to scale up data collection across the portfolio ahead of formal data reporting requirements set out under the Sustainable Finance Disclosure Regulation (SFDR) and Task Force on Climate-related Financial Disclosures (TCFD).

### 98%

of assets surveyed have signed health and safety policies in place

### 48%

of assets surveyed screen subcontractors for alignment with workplace health and safety policy

### 20%

of assets surveyed undertook community engagement activities in 2021



# Supply Chain Engagement

We are the major private sector shareholder in hub South West, which is a leading long-term development partnership between public and private sector organisations that work together on innovative, sustainable and cost-effective solutions for infrastructure projects throughout the south west region of Scotland. Since its establishment in 2012, hub South West has overseen the development of more than £1bn in social infrastructure projects across the region.

The partnership has placed a strong emphasis on supporting the development of projects aligned with net zero, including through increasing focus on energy efficiency in project design, as well as avoiding embodied carbon emissions which arise during construction by identifying opportunities for refurbishment, adaptation, upgrading, and remodelling.

Local construction firms are actively encouraged to become involved in the delivery of hub projects in order to recycle the local pound and support local, inclusive economic growth. To deliver this, hub South West facilitates a Supply Chain Institute and Skills Academy programme which aim to strengthen the skills and capabilities of local firms. Through the Supply Chain Institute, hub South West works closely with local businesses upskilling and helping them become involved in the delivery of hub projects and maximising their potential in securing contracts. And through its Skills Academy, hub South West generates opportunities for local people to obtain work experience, apprenticeships, graduate recruitment, as well as return to work schemes.

Over the next 5 years, it is anticipated that the majority of the GBP 500m construction spend on hub projects will deliver contracts for local companies and jobs for local people.



£545m

projects open and operational

580

jobs created

742

training events delivered

£174m

projects in construction

119

community benefit days

437

educational events

£286m

projects in development

431

work experience days

223

local supply chain engagement events

£249m

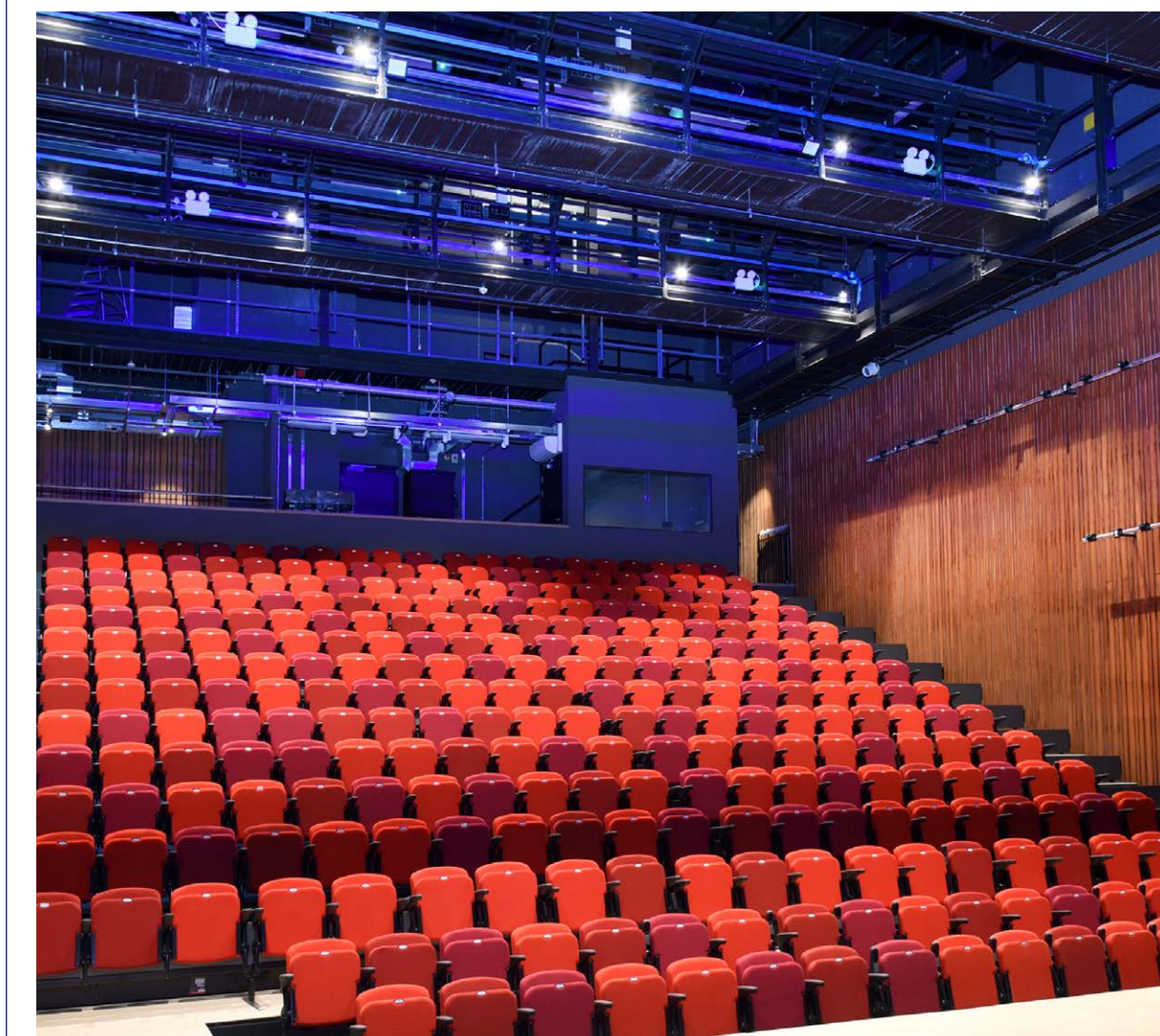
of work packages awarded to companies in the territory

205

existing apprentices

280

supply chain development workshops



## External Engagement and Advocacy

### November 2021: COP26 and the World Climate Summit

In November 2021, Equitix ESG Manager Joe Robinson attended the World Climate Summit in Glasgow. The World Climate Summit is an investment-focused forum organised by the World Climate Foundation as an official side event to the annual COP negotiations. A strong emphasis is placed on convening public and private sector stakeholders to address the key issues involved in transitioning to a low carbon economy in line with the Paris Agreement.

Equitix is highly supportive of collaboration across the infrastructure market and beyond in order to identify actionable solutions that support investment in line with the goals of the Paris Agreement. The transition to a lower carbon future is a complex one, and engaging with investors, policymakers, advisors, and companies to identify examples of best practice as well as shared challenges will continue to be an important exercise.

### March 2022: UK Energy from Waste Conference

With an established presence in the UK energy from waste market, Equitix provided insight on investor considerations related to the sector, including from an ESG perspective in light of upcoming regulatory reporting and disclosure requirements. This was an important opportunity to engage with key stakeholders in the sector, including lenders, plant operators, supply chain partners, and industry bodies.

### April 2022: Decarbonising Transport Panel

Equitix's expertise in the transportation sector supported the firm's contribution to an industry event on decarbonising land-based transportation, particularly from the perspective of identifying suitable sustainability-related retrofits and improvements. Equitix's experience stewarding portfolio assets through decarbonisation initiatives brought key first-hand insight to this panel discussion.

### May 2022: International Union of Railways – Rail Sustainability Index Launch Event

Following engagement with rail sector stakeholders at the World Climate Summit during COP26, Equitix continued to provide support to the International Union of Railways in the development of a sustainability-related data capturing tool for rail infrastructure and rolling stock operators. The tool is designed to support members of the international organisation in submitting quantitative data covering issues such as GHG emissions and energy efficiency, as well as alignment with the UN SDGs. Equitix demonstrated its support for this initiative by presenting the investor perspective on ESG-related considerations as part of the tool's launch.

### June 2022: Eurelectric Power Summit

Contributing to the plenary session panel of the 2022 Power Summit, Equitix joined top-level policy makers and industry leaders to discuss the power sector's climate transition. Our experience of investing across all aspects of power, including generation and distribution, and the implications of climate change for assets in this sector supported the firm in making a valuable contribution to the discussion on ways in which investment can support the delivery of climate-related policy objectives.



### Membership of Industry Bodies and Working Groups

#### Global Infrastructure Investor Association (GIIA)

Equitix joined GIIA in January 2022 following a review of the opportunities available to support the further development of ESG integration through participation in working groups and contribution to thought leadership, sector research and consultation responses aligned with our responsible investment beliefs.

We look forward to tracking our engagement and evidencing our commitment to the further advancement of ESG integration, as well as other key matters, throughout the year.

#### UK Sustainable Investment and Finance (UKSIF)

Equitix continues to demonstrate its commitment to supporting a sustainable and responsible finance industry in the UK. Where relevant to private infrastructure investment, Equitix will engage on targeted initiatives and evidence these throughout the year to provide investors with insight into how we are focusing our external engagement and advocacy activities.

#### Infrastructure Projects Authority Net Zero Working Group

Equitix has become a member of the Infrastructure Projects Authority (IPA) Net Zero Working Group which convenes major investors in UK public finance initiatives (PFIs) and aims to address the challenges and opportunities of decarbonising PFI projects in line with net zero by 2050. We will continue to work closely with government and other private investors to support the tools and initiatives required to decarbonise PFI projects.

# 06

## Addressing climate- related risks and opportunities





## Equitix and Climate-Related Considerations

The UK Government is in the process of implementing a roadmap towards mandatory disclosures aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Full implementation of the roadmap is planned to take place between 2021 and 2025, with a gradual increase in the number of organisations required to make disclosures throughout that period.

In preparation for future reporting requirements, Equitix has started to integrate consideration of climate-related risks into the governance, strategy, risk management, and metrics and targets across business operations and investment activities.

The business has a solid foundation from which to continue tackling one of the most pressing and complex global issues. The following tables provide an overview of how Equitix is addressing climate-related risks and opportunities in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Our work across these areas of focus will continue to evolve, with updates provided on an annual basis.

### The IPCC and Infrastructure Investment

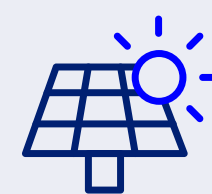
The Intergovernmental Panel on Climate Change (IPCC) Working Group III report, published in February 2022, is clear in its message that deep and immediate emissions reductions are required across all sectors in order to limit global warming within 1.5 degrees Celsius.

To support this significant cut in emissions, the IPCC has highlighted the importance of further investment in the energy transition, electrification of the energy system, improved energy efficiency standards, and use of alternative fuels.

Equitix is well placed to make further investment into the solutions highlighted by the IPCC Working Group III report by building on its established track record in the renewables sector, across onshore and offshore wind, solar, hydro, and offshore transmission infrastructure.



£1.4bn  
invested in  
renewable power



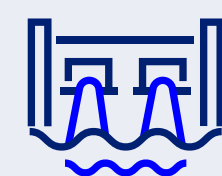
417 GWh  
solar production  
(2021)



1,053 GWh  
onshore wind  
production (2021)



3,019 GWh  
offshore wind  
production (2021)



256 GWh  
hydroelectricity  
production (2021)



1.6 GW  
offshore transmission  
capacity

## Governance

Equitix's governance of climate-related risks and opportunities

### Business Operations

- The Equitix Board of Directors hold overall responsibility for the oversight of climate-related risks and opportunities.
- As director responsible for ESG and Sustainability, the Chief Operating Officer (Corporate) communicates regular updates to the Board on any climate-related issues identified by the ESG Manager.
- In 2021, this included approving the recommendation for the business to work towards business certification with Planet Mark, which entails the collection and reporting of GHG emissions data from business operations, as well as setting absolute annual emissions reductions in line with reaching net zero by 2050 or sooner.
- The Board will use annual emissions reporting data to monitor progress against targets.

### Investments

- The Fund Investment Committee (FIC) evaluates each investment proposal presented by the investment team and reaches its final approval decision by assessing the full range of potentially material risks and opportunities associated with an investment.
- Where pre-investment due diligence has identified such risks and/or opportunities, the FIC will ensure sufficient scrutiny is applied to determine how best these can be properly managed.
- The ESG team remains abreast of climate-related regulatory reporting and disclosure requirements and ensures that processes are in place to incorporate relevant requirements into investment activities as well as ongoing reporting.

## Strategy

How the actual and potential impacts of climate-related risks and opportunities affect Equitix's business operations and investment strategy

### Business Operations

- Based on the UK Government's 2022 Climate Risk Assessment<sup>5</sup>, Equitix operations in the UK – where the majority of Equitix employees are based – will keep the following potential risk areas under review:
  - Climate-related collapse of supply chains and distribution networks
  - Climate-related failure of the power system
  - Risk to human health, wellbeing, and productivity from increased exposure to heat in homes and other buildings
- Equitix has identified that introducing a Sustainable Operations Policy will benefit the business by developing solutions to the key risks facing the countries in which it is active, whilst also creating cost savings from a resource efficiency perspective.
- The Sustainable Operations Policy is facilitating the following steps to tackle key climate risks:
  - Equitix is actively seeking to engage with local businesses which offer competitively priced goods with short transportation distances, minimising exposure to global supply chains.
  - Equitix is working to identify ways in which its energy consumption can be reduced following certification from Planet Mark.

### Investments

- Equitix sees infrastructure as playing a critical role in supporting the transition to a lower emissions future. Its diversified portfolio of investments in small to mid-sized core infrastructure assets incorporates a sizeable presence in the renewable energy sector, as well as related activities in the environmental services sector.
- Equitix is invested in renewable power (including offshore and onshore wind, solar, and hydro) infrastructure with an installed generation capacity of 4.2 GW. Equitix is also invested in offshore transmission infrastructure with 1.6 GW of installed transmission capacity.
- Equitix sees its investment activities to be well placed in supporting government policy and legislative commitments to decarbonise the energy system whilst also strengthening grid resilience.
- For investments in assets outside of the renewable power and environmental services sectors, Equitix continues to see that it has an important role to play in supporting the governmental and public sector organisations, which are often end users of Equitix infrastructure, to reduce their environmental footprint and strengthen climate resilience where possible.

<sup>5</sup> UK Government (2022), 'UK Climate Change Risk Assessment 2022', available at: UK Climate Change Risk Assessment 2022 - GOV.UK (www.gov.uk)

## Risk Management

How Equitix identifies, assesses, and manages climate-related risks

### Business Operations

- By collecting data to calculate and report on GHG emissions metrics associated with its business operations, Equitix is assessing relevant climate-related risks in order to support decision making on how to mitigate, transfer, accept, or control those risks.

### Investments

- Equitix is running engagement activities at the individual asset level by working with MSA providers and management teams to identify, collect, calculate, and report climate-related data in preparation for upcoming regulatory reporting requirements.
- This engagement activity is supporting improved understanding amongst MSA providers and management teams about what information is required to calculate GHG emissions metrics, as well as enabling Equitix to further its own understanding of how to assess climate-related risk.
- Consideration of climate-related risks also forms a dedicated section of the pre-investment ESG assessment developed in 2021 and introduced in January 2022.

## Metrics and Targets

The metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material

### Business Operations

- Equitix is engaging with Planet Mark to collect data required to calculate its GHG emissions footprint for 2021.
- The outcome of this process will enable Equitix to establish emissions reductions targets for its business operations over time.

### Investments

- Equitix will be providing information on the scope 1 and scope 2 emissions of each fund falling 'in scope' of regulatory reporting requirements expected to apply from 1 January 2023.
- This information will be provided to investors through fund reporting in the format required under relevant regulatory technical standards.



# 07

## Sustainability in our operations



## ESG is Integral to Running our Business with Sustainability at its Core

Our global team of investment professionals and support staff are passionate about fulfilling the Equitix mission in a way that prioritises people, place, and purpose.

The Equitix sustainability framework has 5 key focus areas, ranging from absolute emissions reductions to social impact. Operational colleagues apply the principles of this strategy throughout their work to support the business in its management of offices, IT, corporate finance, and human resources.

### 5 Continuing to learn

- Continual review of standards, information, and practices to inform and adapt its approach and deliver on Equitix's sustainability principles

### 4 Social impact

- Furthering social impact initiatives and continually striving to make a positive difference
- Reporting on annual social impact initiatives to monitor progress and ensure accountability

### 3 Supporting our people

- Ensuring people are central to the implementation of sustainability principles
- Providing opportunities for staff engagement in the further development of this policy



### 1 Resource efficiency

- Maximising resource usage before replacement
- Reducing waste and prioritising supplies with higher recyclable content
- Improving energy efficiency by considering EPC ratings in purchasing

### 2 Emissions reductions

- Calculating, monitoring, and reporting on greenhouse gas (GHG) emissions arising from business operations
- Identifying and implementing ways to reduce these in absolute terms

## People – Equality, Diversity and Inclusion

**We are a people-focused business, built on strong partnerships and trust. The culture of entrepreneurialism and dynamism that has helped to define Equitix as an investment manager starts with how well our people feel motivated to make a difference and empowered to make it happen.**

We believe that diversity of thought and experience has the power to drive better decision making and innovation. Our team is formed of passionate people who bring skillsets from a wide variety of backgrounds – financial, technical, and sector-specific – and it is the responsibility of Equitix to ensure we continue to actively support diversity and inclusion across the business.

In 2020, Equitix introduced a Diversity and Inclusion Committee and accompanying Diversity and Inclusion Policy to support its commitment to creating a safe, supportive, and inclusive work environment.

The Committee is formed of a broad range of colleagues in different roles across the business, including our CEO, and works to develop new initiatives to further embed diversity and inclusion across the ways in which we operate, continuing to further our progress in areas where we are strongest, and working to accelerate change where it's needed.

Remaining accountable to the ambitions and commitments we set ourselves is an important part of the process. For this reason, Equitix joined the Employers Network for Equality and Inclusion (ENEI) in 2020 to report and track progress against the network's Talent, Inclusion and Diversity Evaluation (TIDE) framework.

The ENEI use the TIDE framework to measure an organisation's progress on equality, diversity and inclusion. There are 5 levels of progression, ranging from 'prepare' which is the initial starting point, through to 'sustain' which is the highest level of equality, diversity, and inclusion integration.

Equitix is currently scored in the middle of the integration levels, otherwise referred to as the 'realise' stage. We are pleased to see that our approach to equality, diversity and inclusion is recognised as being a good foundation – but we know we can go even further.

We are therefore working to improve our TIDE score over the next 12-24 months, with the aim of further embedding equality, diversity and inclusion into our operations.

“

At Equitix we take equality, diversity and inclusion very seriously. We want our staff to feel part of a culture of belonging, where we encourage discussion about diversity, promote equality of opportunity, and make sure everyone can reach their full potential in a safe and supportive environment.

**Tracey Newman**  
Group HR Manager



## People – Supporting Young People

We have established a partnership with Uptree, a professional network connecting employers and young people, many of whom are from low income or BAME backgrounds.

Uptree's mission is to provide students with access to first-hand careers advice, to build their confidence and to connect them directly with industry professionals. Talking to professionals outside of a school setting, in a professional environment, helps to raise awareness of careers and the aspirations of young people.

We wanted to build a partnership with Uptree as its social mission is well aligned to our people-focused approach and ambition to drive positive change throughout the way we do business.

Our partnership has proven to be highly effective to date, with the outcomes of our 2 key engagements undertaken throughout 2021 as follows:

### March 2021 Online Work Experience Day

- 34 students attended from 34 schools
- 43% identified as women
- 33% were in receipt of free school meals
- 76% were from Black, Asian or Minority ethnic backgrounds
- 50% of parents did not attend university

### November 2021 Work Experience Day

- 32 students attended from 21 schools
- 40% identified as women
- 31% were in receipt of free school meals
- 84% were from Black, Asian or Minority Ethnic backgrounds
- 54% of parents did not attend university

## 100%

of students said they are definitely or are considering applying to work at Equitix in the future

## 100%

of students said the event was very or extremely useful in helping them understand careers in Asset Management

## 100%

of students said the event was very or extremely useful in improving their confidence when talking to professionals



## Place – Understanding our Impact

As the world seeks to transition towards a lower emissions future, it is important for businesses to understand how their environmental impacts can be reduced over time.

Equitix has chosen to partner with Planet Mark to understand the environmental impact of its business operations and establish annual emissions reductions targets which will support the business with aligning to net zero.

Planet Mark is a leading sustainability certification firm, which will be working with Equitix to support us in identifying new, science-based sustainability targets designed to drive positive change, both for our environment as well as the way we run our business.



### Equitix has Obtained Planet Mark Certification

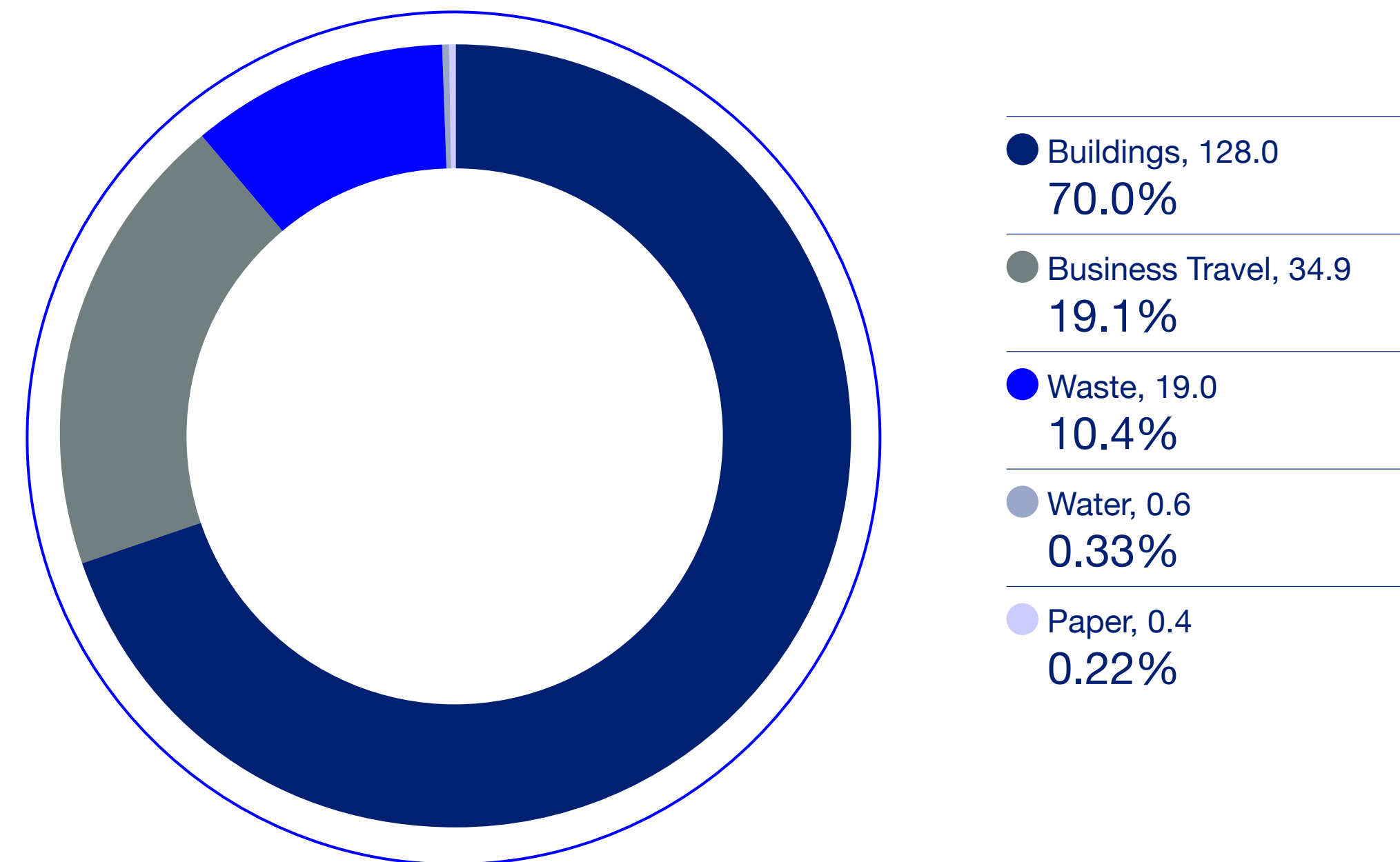
Our operational carbon footprint has been calculated using the GHG Protocol for Corporate Emissions Reporting<sup>6</sup> and enables us to identify opportunities to reduce absolute emissions on an annual basis in line the transition to net zero.

The carbon footprint takes account of scope 1, scope 2 and scope 3 emissions across 10 locations – 6 in the UK and 4 internationally. However, financed emissions from the investment portfolio are not yet in scope of this exercise.

By working with Planet Mark on the calculation of our operational carbon footprint, we have also protected 1 acre of Peruvian rainforest through a partnership with Cool Earth. 1 acre of rainforest is estimated to store around 260 tCO<sub>2</sub>e, and Cool Earth is helping to protect nearly 100,000 hectares of rainforest across 3 continents.

We are proud to be making a contribution to this effort. Furthermore, 5% of the business certification fees paid to Planet Mark have been donated to the Eden Project, an educational charity which works to build the relationship between people and nature.

## Equitix Carbon Footprint by Emission Source for Year Ended 31 December 2021 (tCO<sub>2</sub>e)



182.9 tCO<sub>2</sub>e

Carbon footprint

0.7 tCO<sub>2</sub>e

Per employee

5%

Annual reduction target

### Emission Sources

**Scope 1 (41.6 tCO<sub>2</sub>e, 22.7%)**

- Natural gas

**Scope 2 (79.1 tCO<sub>2</sub>e, 43.2%)**

- Electricity (location based)

**Scope 3 (62.4 tCO<sub>2</sub>e, 34.1%)**

- Transmission and distribution losses
- Paper procurement
- Business travel
- Waste
- Water

<sup>6</sup> Available to read at: Corporate Standard | Greenhouse Gas Protocol (ghgprotocol.org)

## Purpose – Supporting our Communities

Through our investments in infrastructure assets, we are closely connected to communities around the world. This has influenced our commitment to support charitable organisations working to tackle important issues across these communities.

In 2020, Equitix established a charitable foundation. All colleagues are encouraged to engage with the Equitix Foundation by presenting ideas for causes which are:

- Important to our people and tell a personal Equitix story
- A smaller charity, rather than a big name, where the Foundation's donation can make a really big difference
- Related to the communities served by our investments

The Foundation is overseen by a committee, which is composed of representatives from across each of the Equitix teams. The role of the Committee is to select charities which meet the Foundation's goals and to encourage colleagues to raise charitable ideas for the Foundation to support. Equitix matches charitable donations made by employees, up to 1% of the total Equitix payroll.

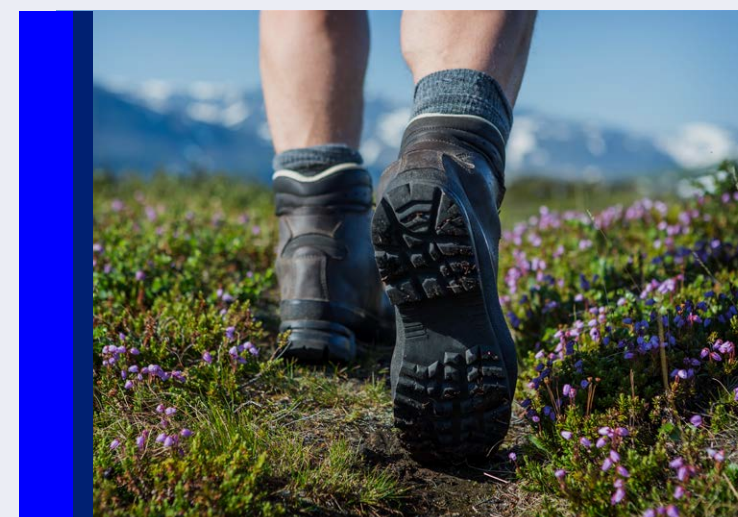
We are immensely proud of the achievements made by the Equitix Foundation to date, with a significant level of donations raised for charities that are important to our staff and communities. The Foundation will continue to raise funds for more important causes under the stewardship of committee members throughout 2022.

### Causes Supported in 2020

- **British Exploring Society** – wilderness expeditions and workshops for young people from deprived backgrounds in schools within the Equitix portfolio
- **Student Minds** – working with students, service users, professionals and academics to develop new and innovative ways to improve the mental health of students
- **Little Miracles** – sensory play, education, life-skills sessions, and training in bereavement counselling for children with additional needs, disabilities or life-limiting conditions and their families

## £130,000

Approximate 2020 fundraising total

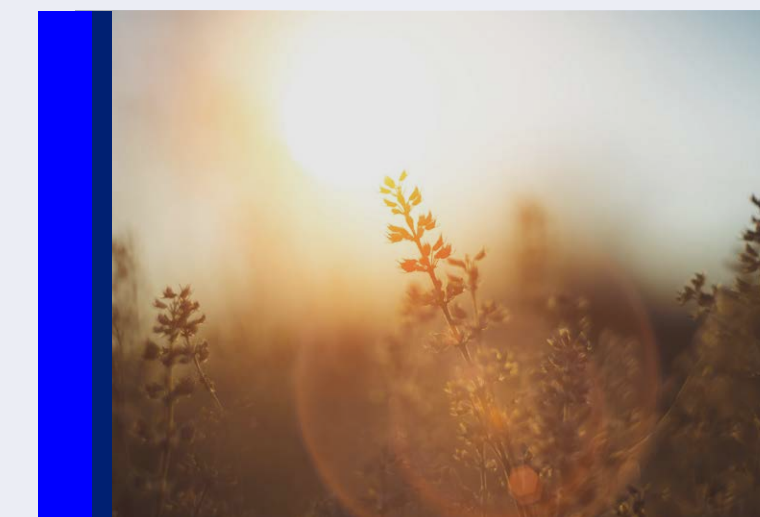


### Causes Supported in 2021

- **Queenscourt Hospice** – Queenscourt Hospice is a charity that provides support for the people of West Lancs, Southport and Formby. The hospice cares for patients with serious illnesses, enabling them to achieve the best possible quality of life
- **Simpsons Special Care Babies** – Simpsons Special Care Babies is an entirely voluntary run charity, founded in Edinburgh in 1985. Its primary objective is to support the specialist care that the Simpson Neonatal Unit provide to babies born prematurely or sick, both within Edinburgh and throughout the country
- **Manchester Young Community Champions** – Manchester Young Community Champions is a Community Interest Company not for profit. It comprises of a Sports Foundation that facilitates multi-sports skills for the community and Primary schools Key Stage 1 and Key Stage 2 thereby providing a platform for young people to engage and develop, creating many opportunities such as volunteering and youth initiatives

## £93,000

Approximate 2021 fundraising total





# 08

## Looking ahead



## Accelerating Progress

**2021 has been a year of great progress for our ESG programme at both the investment and operational level. We have built on our long-standing track record and reputation as a responsible investor through targeted actions which have already started to unlock the value that we see in taking an active approach to ESG integration.**

Over the course of 2022, we expect to see continued progress on our market's understanding of ESG and how it applies to infrastructure assets, including the implications for different types of investment such as private finance initiatives (PFIs), public private partnerships (PPPs), greenfield projects, and secondary acquisitions, and how these affect the application of ESG considerations. We will be positioning ourselves to actively contribute to progress in this area by continuing to engage with industry groups, collaborating with our stakeholders, and contributing to consultations where appropriate.

Infrastructure has a vital role to play in decarbonisation, and we will pursue core infrastructure opportunities which support the transition to a low emissions future. We will also continue to scale our ESG-related data in order to derive deeper insights on current performance and identify opportunities to accelerate improvements where we have sufficient control to do so.

The importance of engagement with our portfolio is also not to be underestimated. We are well positioned to help support our MSA providers and the management teams of larger assets to strengthen their understanding of ESG considerations. We will continue to deliver support on the completion of ESG-related reporting, as well as the development of asset and sector-specific ESG strategies where appropriate to do so.

ESG will continue to play a critical role in our approach to responsible investment. We will always take a long-term view to our investment decision making, and ESG forms a core aspect of how we approach this time horizon with proper consideration afforded to our most important stakeholders, including the communities served by our infrastructure.

We look forward to accelerating the delivery of the Equitix ESG programme and building sustainable value across the portfolio throughout the year ahead.



**Belinda Berkeley**  
COO (Corporate)



**Joe Robinson**  
ESG Manager



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