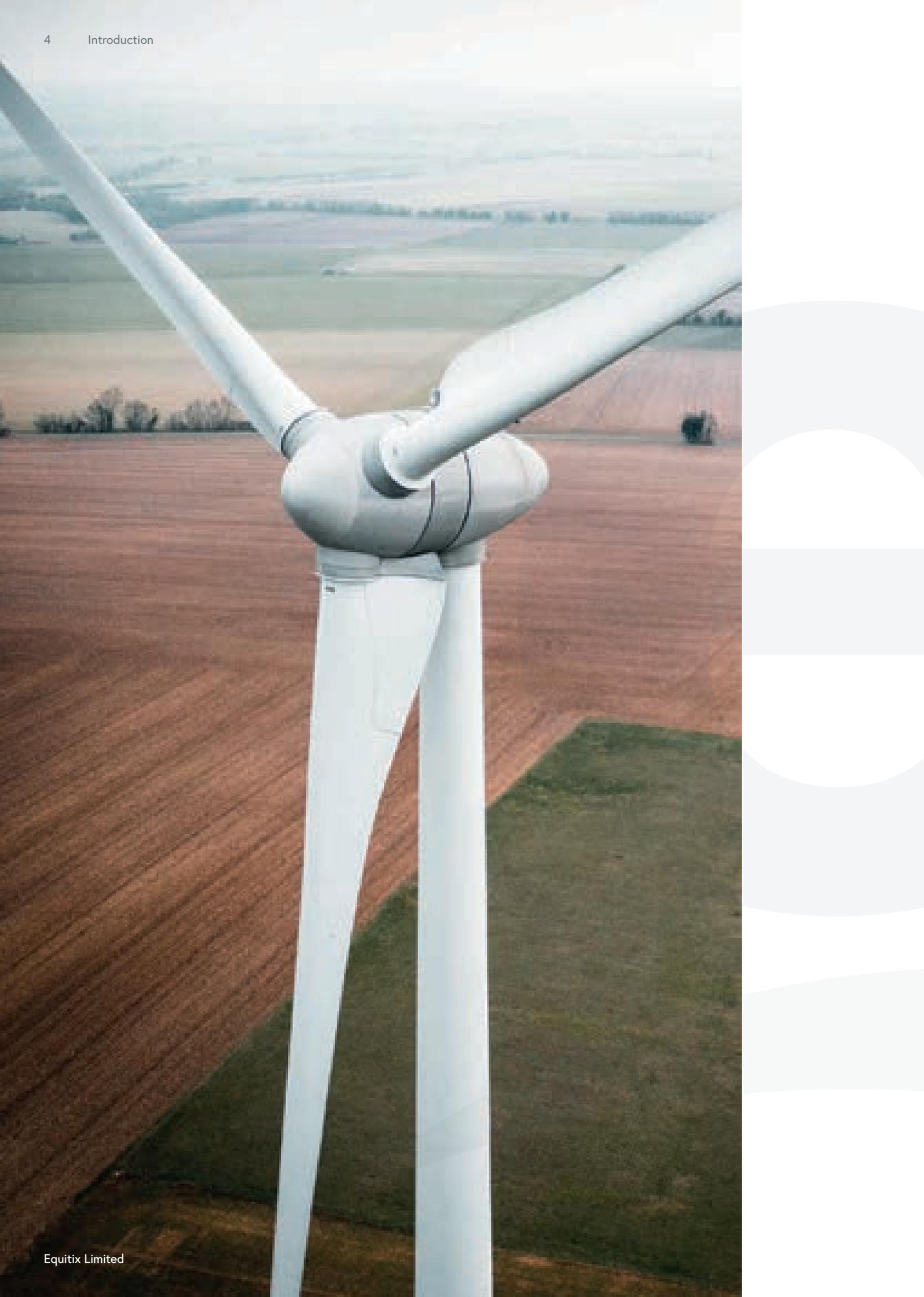


Sustainability has consistently been a core element of our investment and management strategy since the inception of the firm

We have been improving our sustainability goals over the last year.

This report is intended to provide you with an update on those initiatives as well where we will be heading in the future.





As a long-term investor, Equitix considers sustainability to be at the heart of its active management.

It is core to both the pre-investment process and in the ongoing asset management of investments. And over the last 12-months, we have formalised a framework for this process.

The objective of this framework is to provide greater transparency, monitoring and accountability of the firm and our assets. This will prepare Equitix for changes in regulation, particularly in Europe and the UK, as well as providing a greater level of comparability and accountability to our investors, the communities we serve and other key stakeholders.

Equitix has updated its Responsible Investment Process in its Responsible Investment Policy to outline the 'IMTA Framework', which stands for 'Identify, Manage, Target, Achieve'.

The IMTA Framework is applied throughout the investment process, from pre-investment through to the asset management lifecycle of the asset. The Responsible Investment Policy sets out for the first time

A list of excluded investments

- A 6-gate investment process throughout which ESG risks and opportunities are considered. This includes:
 - Pre-investment platform (PIP Tool) used at gate 1 to review the investment against the exclusion list and consider any foreseeable ESG risks and opportunities. The investment team are also required to confirm that any ESG considerations have been added to advisory engagement scoping letters.
 - Pre-investment ESG assessment at gates 2-3 to update ESG information and, where necessary, review external consultant reports in areas of specialism such as environmental surveys, or financial and audit reviews.
- Mandatory completion of a full pre-investment ESG assessment at gate 4, prior to final approval to invest. The investment team complete the most suitable ESG assessment from a selection of 18 sector-specific templates for both primary and secondary investments and add a completed copy as an appendix to the Investment Memorandum.
- For operational investments, which are handed over to the asset management team at gate 5 and managed from gate 6, we are beginning to undertake formal annual ESG and sustainability assessments as part of our asset management process. This will both capture key ESG data as well as give us the basis to set non-financial ESG performance targets for which we can actively manage our investments. Given Equitix assets cover more than 900 sites, more than any other infrastructure manager in the world, this is an extensive process. The end results of this data collection will create tens of thousands of metrics to be collated and processed each year.

So, what does this mean in practice?

Equitix Sustainability

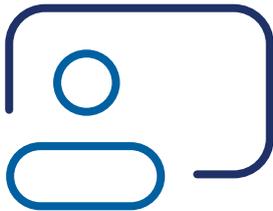


Equitix views sustainability both from an investment perspective, defined under the Responsible Investment Policy for our funds, as well as from a corporate perspective as outlined in our Corporate Social Responsibility Policy.

Under both, we consider ESG risks, opportunities and outcomes specific to the asset or business, and also consider second order impacts on the community and environment.

We have set five Sustainability goals:

1



To adopt a strong culture of sustainability and responsible investment by providing all staff with sustainability and ESG training by 2022.

Already we have enrolled 52 senior staff in the UNPRI Academy course on Advanced Responsible Investment Analysis and have undertaken numerous internal infrastructure specific training sessions for the investment team.

We have hired a dedicated Sustainability and ESG Manager and as part of this role, we will also be looking at rolling out a more formal training program appropriate to each Equitix team.

2



To improve equality and diversity across the organisation by 2025

All colleagues have already completed unconscious bias training in 2021 and our Diversity and Inclusion committee has also been working on new initiative to ensure Equitix celebrates and embraces differences in our workforce.

Over the course of the last year we have established a partnership with Uptree, an entity focused on helping young people from deprived neighbourhoods to gain career opportunities. As part of this program, Equitix has already run several information sessions and we hope that in the future, post COVID, we can extend this into work placements and mentoring opportunities.

3



All corporate offices to have a plan to enhance Equitix's contribution to global sustainability, include all Equitix offices to be carbon neutral by 2025.

4



A commitment to implementing the Taskforce for Climate Change Financial Disclosure (TCFD) recommendations by 2022.

5



By 2025, ensuring where possible, that suppliers incorporate sustainability plans into their businesses as part of our value chain management.

In November 2020, Equitix signed up as a supporter of the TCFD and we have begun to work towards the collection of data that is needed for the reporting and climate change scenarios under our commitment to this framework.

We have also developed our first Climate Change statement to demonstrate our commitment to cutting emissions. This can be found on our website

As a corporate entity, we have committed to being carbon neutral under scopes 1 and 2 and will seek to influence our value chain under scope 3, so that our suppliers too can work towards minimising their carbon footprint. We are aiming to have investment-specific sustainability plans in place by 2025.

With respect to corporate sustainability, our key offices are already powered by renewable energy and we seek to minimise waste and maximise recycling in all aspects of our corporate operations. We do not operate corporate vehicles and are focused on minimising corporate domestic and international travel when possible. Equitix is also exploring initiatives to offset the emissions we do have through tree planting, cycle schemes and other projects.

To summarise, looking towards the future:

Equitix has hired a dedicated individual to operationally head up sustainability and ESG for the firm.

Mindful of our commitments and changes to regulatory reporting requirements, particularly out of Europe and the UK, we are also developing an enhanced system for capturing sustainability and ESG metrics. This will allow us to not only meet our regulatory reporting requirements, but also to provide more open and transparent reporting to investors. These metrics will also allow us to benchmark our ESG asset performance year-on-year, both with investments within our own funds as well as with the broader market.



Case Study:

Full Circle Generation

Full Circle Generation is a £107 million energy from waste plant adjacent to Bombardier's Wing facility in Belfast Harbour Estate. FCG processes waste-derived fuel to produce energy and heat.





£107m

The £107m development allows the region to have its own, local, waste to energy facility

1,000+

The facility now supports well over 1,000 jobs across this sector within Northern Ireland

The recovery of energy from waste is now an accepted part of the waste management process across Europe. The technologies form an important sustainable component of any country's fossil fuel reduction policy as well as a means of reducing the levels of greenhouse gas emissions created from the landfilling of waste.

FCG operates in line with the Department of Environment's waste management strategy and produces over 100,000MW of energy each year which goes a long way to ensuring Northern Ireland's renewable energy targets are met.

It addresses the needs of Northern Ireland's councils in meeting their landfill diversion targets as well as their local and European recycling targets. FCG also provides greater transparency of waste movements, allowing Northern Ireland Environment Agency (NIEA) to track waste from households to its end destination.

The development allows the region to have its own local, gasification, waste to energy facility capable of recovering 160,000mt of refused derived fuel each year.

The infrastructure to treat the waste required to feed the plant already exists within Northern Ireland. Consequently, the development is seen as bolt on to Northern Ireland's already well-developed waste management sector.



FCG's plant is located adjacent to Bombardier's Wing facility and provides the company with a predictable, long-term energy source.

The project has been financed without the need for public investment and as such, the development represents a meaningful level of inward investment, particularly given the all-equity nature of the project. It is regarded as one of Northern Ireland's largest ever pure equity transactions.

The facility created up to 250 jobs during construction with an additional 20 employees now that it is operational. It supports well over 1,000 jobs within Northern Ireland's waste management and environmental services sectors.

Case Study:

Our Partnership with Uptree

Uptree was born out of an urgent need to help more qualified students gain access to potential employers.

Uptree





65k+

The platform currently reaches around 65,000 students through its school engagement.

67%

Promoting diversity, with 67% of students from Black, Asian and minority ethnic backgrounds.

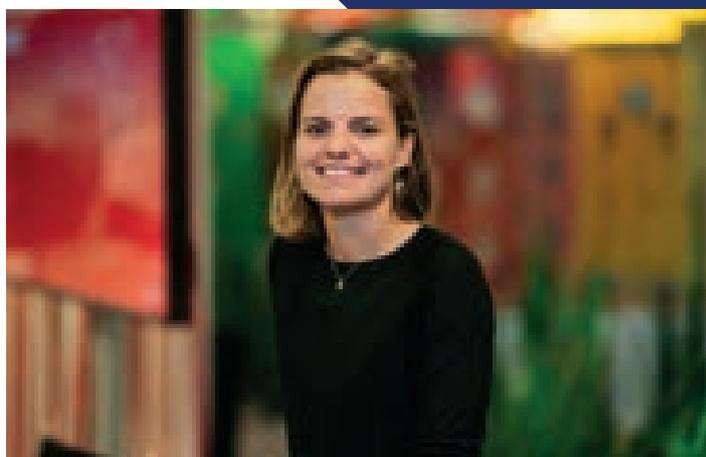
Having worked as a teacher in secondary education for 10+ years, Uptree CEO Tamsin was hugely disheartened by how many students would walk away with top exam grades but end up in under-skilled jobs.

Uptree was founded to give young people and employers the support they need to succeed in the future of work and her goal is to enable a million young people to access better careers education in schools by 2026.

As of 2016, only 10% of secondary schools visited by Ofsted inspectors demonstrated an effective approach to careers education and work experience. Uptree connects a community of schools and employers to create exposure to employment opportunities for 16-20 year olds who wouldn't otherwise have access to these networks.

They equip schools with the tools to provide students with careers education and the skills to succeed in the workplace.

They also promote partners' content and upskill students through various education programmes, including workshops, careers resources and opportunities.



Tamsin Dewhurst, Founder and CEO at Uptree, the professional network connecting young people and employers

Uptree has over 20,000 students signed up to its platform and reaches around 65,000 through its school engagement. Its network is on average: 67% from Black, Asian and minority ethnic backgrounds; 38% in receipt of free school meals; 54% women.

Equitix partnered with Uptree in early 2020 to inspire students from all backgrounds to explore a career in investment management. To date, they have achieved this through online promotion, workshops delivered across London, the Uptree Careers Curriculum, two online work experience days and one #FuturesUP event.



Meet Zoe:

Zoe is an impressive student currently studying economics, maths and geography with a wide range of interests: not only is she the Deputy Head Girl at her school but she's also sporty and musical!

Zoe was already familiar with Equitix having met them at FuturesUP so when she saw the opportunity to apply for their work experience day, she was keen to attend. There was high competition for this event (over 200 applicants) but her clear passion for this industry shone through and Zoe was delighted to meet Equitix again in April 2021.

How did you prepare to meet Equitix?

About a month before the event, I attended the FuturesUP Festival organised by Uptree. Through this session, I had the opportunity to talk to existing apprentices and employees at Equitix about their work and experiences leading up to their current job at the company. I was familiarised with Equitix as a company - their culture, what they do and what job roles are available.

Uptree emailed us all a video to watch introducing us to Equitix, as well as some basic networking questions to guide us in creating our own.

Before the event I also utilised LinkedIn by reaching out to existing employees at Equitix to talk about their current role at the company.

As a student, I think LinkedIn is a great tool to get yourself into the corporate world, people are always happy to talk with you and help out students willing to learn.

After the event, I also wrote a short write up on LinkedIn to say thanks publicly to the company.

How did you find the event?

I found the session very interactive. We were all encouraged to put up our cameras, raise our hands and ask questions throughout the session.

During the networking session and the industry task we were put into smaller breakout rooms of 7, which was a great opportunity to talk to the professionals and get actively involved in the activity.

It was really exciting to hear about the wide variety of projects Equitix has worked on - big projects, small projects and projects abroad. I had heard about many of these projects prior to the event such as The Elizabeth Line and HS1.

It was also very interesting to hear about how Equitix is committing to more sustainable projects and how they manage their environmental impact throughout the whole investment process.

" It was really exciting to hear about the wide variety of projects Equitix has worked on - big projects, small projects and projects abroad."

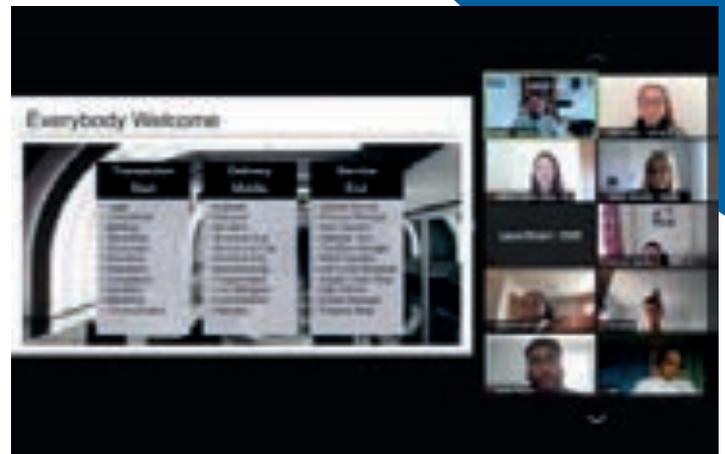
Do you have any advice for students with similar interests to you?

My advice for other students would be to be proactive and open minded. During this strange time where offices are closed and everyone's working online, it's easy to get concerned about how to get exposure and experience in your industry of interest.

Use a platform that offers virtual work experience, like Uptree, to get experience and guidance - you just have to take the steps to find those placements and apply.

In that process, you might come across other work experience opportunities in different sectors or industries but I suggest seizing those opportunities and going into them with an open mind.

Finally, keep your options open. You never know what people you will meet or what advice they could share with you.



An example of one of the breakout rooms, which was a great opportunity to talk to the professionals and get actively involved in the activity.



Uptree emailed us all a video before the event, giving us the ability to find out more in advance.

Case Study:

Firmus Energy

Firmus Energy (Distribution) Limited owns and operates a fast-growing, modern, regulated natural gas distribution network across the Ten Towns area of Northern Ireland. It distributes over 60 million therms of natural gas through its network each year.





60m+

Firmus Energy distributes over 60 million therms of natural gas through its network each year

CO₂ savings

Maximising the conversion of heating from oil to natural gas has the potential to deliver 1.1m tonnes of CO₂ savings per year by 2022

Firmus Energy (Supply) Limited supplies natural gas under both a regulated and an unregulated regime. The unregulated market covers domestic customers in the Greater Belfast area and industrial and commercial customers across the whole of Northern Ireland. The regulated market covers domestic customers in the Ten Towns area of Northern Ireland. Firmus has more than 100,000 supply customers and supplies over 80 million therms of natural gas to them each year.

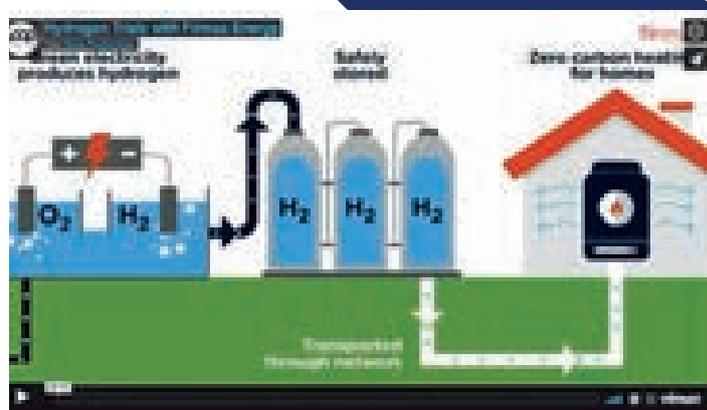
Energy

Energy users switching from home heating oil to natural gas reduce their carbon emissions by 50%. This is achieved through the introduction of a carbon cleaner fuel and the associated efficiencies of a highly efficient natural gas boiler and controls.

These carbon savings complement lifestyle and convenience benefits and make moving to natural gas a desirable home and business improvement.

The natural gas industry recognises the importance of energy efficiency in delivering a low carbon economy as well as the importance of continually educating the public on the role both technical innovation and behavioural change can have on reducing energy use.

Maximising the conversion of heating from oil to natural gas has the potential to deliver 1.1m tonnes of CO₂ savings per year by 2022.



Click the image above to hear details of the Hydrogen trials which are currently taking place

Hydrogen Trials

Opportunities also exist to further improve the carbon footprint of natural gas by facilitating the blending of hydrogen into the existing network.

This video takes a closer look at hydrogen and its potential to tackle the hard-to-decarbonise sectors – heavy industry and domestic heating.

Its key points are:

- Most net zero forecasts envisage a considerable growth in hydrogen use across sectors, from 150 terawatts to almost 600 terawatts by 2050.
- HyDeploy is the first project to successfully inject a blend of up to 20 vol% of hydrogen into a gas network in the UK.

Case Study:

Sheringham Shoal

In December 2017 Equitix acquired a 40% stake in Sheringham Shoal, a 317 MW operational offshore wind farm off the Norfolk coast. Waters here are relatively shallow at between 17 to 22 metres, wind speeds are high and consistent, and access is good for construction, operation and maintenance phases.





719MW 1:1

Sheringham Shoal's expansion, combined with its neighbour Dudgeon wind farm, will create a combined generating capacity of 719MW

Every unit of electricity generated from the wind saves a unit generated from fossil fuels, reducing emissions of greenhouse gases, pollutants and waste products

The wind farm comprises 88 turbines, two offshore substations, two 132 kV submarine export cables of about 22km each, as well as a 21.6km onshore cable and new inland substation. The turbines are positioned less than a kilometre apart and supported by foundations secured to the seabed.

Benefits of offshore wind energy

The UK has the largest offshore wind energy resource in the world, estimated to be more than a third of the total European potential. Every unit of electricity generated from the wind saves a unit generated from fossil fuels, therefore reducing emissions of greenhouse gases, pollutants and waste products as well as our reliance on international supplies of coal, gas and oil.

Britain's relatively shallow waters and strong winds extend far into the North Sea. This unlimited natural resource, combined with government support and an established offshore regime, put the UK in a good position to achieve our renewable targets. The offshore wind energy industry also provides thousands of jobs in the construction of components, installation process or longer-term operations and maintenance phases. There are currently 26,000 people directly and indirectly working in the UK offshore wind industry according to research by the Offshore Wind Industry Council.

On the 25 April 2018, the board of directors of Sheringham Shoal approved a human rights policy setting out a specific commitment to oppose forced and compulsory labour and illicit forms of child labour in the project's value chain. The management team are required to report annually

to the Board the measures that have been taken to that effect, including in relation to the prevention of modern slavery from occurring in the project's business and supply chains.

Extension

A lease agreement has been granted to develop an extension to the wind farm and therefore to increase the generating capacity of Sheringham Shoal.

Its expansion will be to the north and east of the existing site and will be combined with that of another nearby wind farm (Dudgeon) to create a combined generating capacity of 719MW. The new extensions will add 61 turbines between them and share transmission infrastructure. A joint offshore substation will be located on the Sheringham Shoal site. Once complete, this project will make an important contribution to the UK's target of 30GW of electricity generated by offshore wind by 2030.

Community Outreach

In 2010, the project established the Sheringham Shoal Community Fund to provide grant funding to North Norfolk community groups including schools and NGOs. Eligible initiatives seeking financial assistance need to have a focus on renewable energy, marine environment and safety, sustainability, or education.

Since its establishment, the Sheringham Shoal Community Fund has made grant awards totalling £881,642 to groups including the Hawk and Owl Trust, Every Child Trust and the Sea Cadets in Wells-next-the-sea.

Case Study:

Thameslink

In 2019, the Government committed to achieving a net zero carbon emissions target by 2050, which is a great opportunity for the rail industry. As one of the most sustainable means of mass transport, the role rail can play in helping reduce the nation's carbon footprint is huge.





As an investor in the Government's £7 billion Cross London Trains (Thameslink) programme, Equitix believes that passengers expect cleaner, greener and environmentally responsible travel options.

One of the biggest differences we can make is in the amount of energy our trains need to operate. The new rolling stock units on the Thameslink network have enabled a number of breakthroughs in terms of energy use, management and efficiency which was one of the reasons behind our investment into the programme.

On-board intelligence systems allow us to monitor, record and analyse the fleet's energy, enabling us to better understand the demand pattern on the railway system whilst working with our delivery partners to always improve our services.

Using an innovative regenerative braking system, our trains recycle energy used and give it back to the line, as well as improving our braking performance. This, alongside further enhancement in future Automatic Train Operation (ATO) with improved acceleration and deceleration rates, will allow for enhanced timetable introduction.

Our new Class 700 and Class 717 units are also roughly 20% lighter than the previous generation. This significant weight reduction of the trains creates less wear and tear on tracks.

The 717s have also brought a 50% increase in regeneration per kWh, thanks to the new braking system. In their first year of operation, they have already generated enough electricity (17 million kWh) through their brakes to power the equivalent of all the households of Welwyn and Hatfield for 32 days, potentially saving more than 4,000 tonnes of carbon dioxide emissions.



Other initiatives that Thameslink has delivered on throughout 2020 include:

- Operated a more reliable and punctual service than at any time in recent history, recording a 94.5% Public Performance Measure (PPM) between April and July
- 57% increase in life saving interventions on the GTR network
- In 2020, satisfaction levels for passengers travelling on the Class 717 trains operated by Great Northern increased by 22%
- Delivered Caring for the Vulnerable – suicide prevention training to over 900 colleagues
- Opened the largest dedicated EV charging hub in rail in the UK at Hatfield Station



+50%

Thameslink's new Class 717 units have brought a 50% increase in regeneration per kWh, thanks to their new braking system

4k tn. CO₂

The new Class 717 units' braking systems have already generated enough electricity to save more than 4,000 tonnes of carbon dioxide emissions

- Contacted over 600 schools to raise awareness during lockdown of the dangers of trespassing on the railway
 - Our engineering team are delivering a £55m train modernisation programme on 270 trains that will last five years
 - Over 4,000 pairs of socks donated to homeless partners
 - Donated 107 bikes to NHS workers in spring and summer
 - Over 8,000 children educated in railway safety
 - First train company to sign the Rough Sleeping on Rail Charter
 - Wrapped three trains with a message of thanks for NHS workers
- The project has earned recognition for the improvements it has made and been awarded:
- Recommendation for Certification to ISO14001, the international standard for environmental management
 - Recommendation for Certification to ISO 50001, the international standard for energy management
 - Environment Award for our ground-breaking 'Towards a One Planet Railway' Strategy at the Rail Industry Innovation Awards 2016
 - A member of the Thameslink team was highly commended for an Outstanding Personal Contribution at the National Rail Awards 2016