TCFD Product Report

for 3i Infrastructure plc, published by 3i Investments plc for the year ending 31 March 2025

Introduction

3i Infrastructure plc ("3i Infrastructure") is an Alternative Investment Fund managed by 3i Investments plc ("3i Investments", or the "Investment Manager"), a UK Alternative Investment Fund Manager. 3i Investments plc is a wholly-owned subsidiary of 3i Group plc ("3i Group").

This product report is published by 3i Investments in line with the requirements of the FCA's Environmental, Social and Governance ("ESG") sourcebook. They require 3i Investments to disclose publicly specific climate-related metrics and processes as part of a product report based on the Task Force on Climate-Related Financial Disclosures ("TCFD") for funds such as 3i Infrastructure.

This report should be read in conjunction with 3i Investments' TCFD entity report 2025 and 3i Group's TCFD report available as part of the 3i Group plc Annual report and accounts 2025.

Throughout this report, the words "we", "us" or "our" apply to 3i Investments.

3i Investments's TCFD entity report 2025

3i Group plc Annual report and accounts for 2025

Governance

The Investment Manager's governance of its funds is described on pages 58-60 of the 3i Group plc Annual report and accounts 2025.

3i Infrastructure also has an independent Board of Directors (the "Board"). The Board is responsible for overseeing the overall approach to sustainability, including climate change, and related policies. It delegates day-to-day responsibility for sustainability, including climate-related issues, to 3i Investments.

The management of climate-related risks and opportunities is embedded in the Investment Manager's processes and operations, including investment and portfolio management activities.

Board oversight

The Board receives a formal update from the Investment Manager on 3i Infrastructure's performance on relevant sustainability risk matters, including climate change, once a year as part of an annual review of sustainability factors impacting the portfolio. In addition, the Investment Manager regularly updates the Board on its sustainability approach and on the progress of 3i Infrastructure's portfolio towards agreed priorities for the year, including climate-related matters.

The Board's Audit and Risk Committee is responsible for:

- maintaining oversight of risks relating to sustainability matters insofar as they are relevant to 3i Infrastructure, and
- reviewing and considering 3i Infrastructure's non-financial statements and disclosures relating to sustainability matters, including climate change, which are then approved by the Board.

Climate scenario analysis

Climate change scenario analysis can be a useful tool to assess the potential future exposure of a portfolio to climate-related risks under different climate warming scenarios.

We did not perform an updated portfolio-wide climate change scenario analysis in FY2025, in light of the substantial scenario analysis work performed in the previous two financial years, and considering the fact that our portfolio developed only incrementally through investment and divestment activity during the year.

Instead, this year, we asked all 3i Infrastructure portfolio companies to report on their top drivers of physical and transition risks, and to confirm their level of maturity in the identification and assessment of climate-related risks. Seven portfolio companies reported that they actively manage these type of risks.

For completeness, and in compliance with TCFD requirements, we report below on the key elements of the findings of our most recent climate scenario analysis, which we carried out in FY2024. These were already reported in full in the TCFD disclosures we made last year.

The climate change scenario analysis we conducted in FY2024, with the support of a specialist consultancy, used the scenarios described in detail below and was carried out in two stages. As an initial step, we analysed eight of 3i Infrastructure's portfolio companies. For each of these companies, we assessed potential physical and transition risks using sector information and the geolocation of their main operations and suppliers. This first step helped us to identify potential hot spots of inherent climate-related risks within this part of the 3i Infrastructure portfolio and to select two portfolio companies for the second step, "deep dive" analysis of the work.

As a second step, using additional data and in-depth interviews with investment teams, we carried out a more detailed assessment of inherent and residual physical and/or transition risks for these two portfolio companies. This allowed us to improve our assessment of the residual risk levels for each risk driver significant to the portfolio companies analysed, and to identify additional engagement levers that we can use, as significant shareholders, to drive progress. We communicated the results of this analysis to the relevant portfolio companies.

Building on the analysis above, and using some of its outputs as a guide, in FY2024 we asked all 3i Infrastructure portfolio companies to consider and report to us the most significant climate-related risks and opportunities affecting their businesses (both direct operations and their value chain) under three scenarios similar to those used in the analysis described above, over two time horizons (to 2030 and 2050).

The commentary below is based on the insights gained from the climate scenario analysis described in this section and from the reports made to us by the portfolio companies.

Orderly transition – We used an orderly transition scenario, which assumes that policies to mitigate the impacts of climate change are introduced early and become gradually more stringent, culminating in the achievement of global net zero CO_2 emissions in around 2050 and likely limiting global warming to below 2°C on pre-industrial averages.

Under this orderly transition scenario, 3i Infrastructure's portfolio is potentially exposed to a number of inherent risk drivers and respective opportunities in the categories described on the next page.

Disorderly transition – A disorderly transition scenario assumes that climate policies are delayed or divergent, requiring sharper emissions reductions, achieved at a higher cost and with increased physical risks in order to limit the temperature rise to below 2°C on pre-industrial averages by 2050.

Under this scenario, the risks identified as part of the orderly transition scenario are delayed but amplified in the run-up to 2050, with a higher potential impact on portfolio companies. For example, carbon prices could be higher and regulations could have much quicker implementation timeframes, resulting in higher costs to achieve compliance. However, the mitigation strategies and opportunities remain broadly the same and would include investment in low-carbon products and more resilient and efficient supply chains, as well as the active monitoring of and compliance with upcoming regulations and a proactive approach to developing transition plans. Additionally, slower implementation or delays in the transition could reduce opportunities for businesses aligned with a low-carbon economy in the short term.

Hot-house world – A hot-house world scenario assumes that no new climate change mitigation policies are introduced and that only those that have been implemented already are preserved, that current commitments are not met and that emissions continue to rise, resulting in a failure to limit temperature increases, as well as in high physical risks and severe social and economic disruption.

For our deep dive physical risk analysis, we used a >4°C SSP5-8.5 2050 climate scenario, which shows an end-of-century temperature rise of 4.5°C and is considered to be the worst-case hot-house scenario.

The climate change scenario analysis we have performed to date has not identified significant medium-term physical risk drivers for the two 3i Infrastructure portfolio companies assessed, with inherent physical risks driven principally by flooding, chronic temperature changes and drought. Consistent with this analysis, the impact drivers most frequently reported to us by 3i Infrastructure portfolio companies were flooding and other extreme weather events. Potential impacts of extreme weather events can include write-offs and early retirement of existing assets, and challenges surrounding health and safety. These impacts may reduce revenue and increase costs due to their negative consequences on the infrastructure and workforce of 3i Infrastructure portfolio companies.

In FY2025, we continued to engage with the 3i Infrastructure portfolio companies on the assessment of the risks identified and on the mitigation of these risks. In addition, three companies have worked with a third party on a climate risk assessment.

We refine our approach to climate scenario analysis on a regular basis. This iterative process builds on our understanding and on market and scientific developments over time. To support the consistent assessment and ongoing monitoring of climate-related risk and opportunities under different warming scenarios, we selected a specialist climate risk assessment software tool in April 2025. Once implemented, this tool will draw on third-party models, data and expertise and improve our ability to identify and track potential exposures to both physical and transition climate-related risks across the portfolio over time. The tool will be updated on an ongoing basis.

Principal climate-related transition risks under the Orderly transition scenario

Risk category	Risk drivers	Time horizon	Potential impact, mitigation and opportunities
Policy and legal	• New regulations and commitments • Carbon pricing mechanisms and other relevant fees and permits	Short and medium term	**Potential impact** • Compliance with new regulations that could limit the provision of specific services could lead to lower revenue. • The introduction of carbon pricing and other relevant fees and permits could increase the operating costs of the portfolio companies to which they apply. • Non-compliance with regulations and commitments could result in reputational damage for the Investment Manager, 3i Infrastructure and its portfolio as well as in legal fees and fines. **Mitigation** • The Investment Manager and 3i Infrastructure's portfolio companies monitor the evolution of the regulatory landscape to ensure that they are prepared for compliance. • Minimum sustainability requirements within our Responsible Investment (RI) policy include compliance with applicable laws and regulations. • Where material, we have begun to engage with portfolio companies to identify those at risk from the introduction of carbon pricing and other relevant fees and permits mechanisms, and understand the potential impacts before addressing next steps. • We are working with 3i Infrastructure's portfolio companies on decarbonisation plans where relevant. **Opportunities** • Proactivity and early action on compliance with regulations facilitates the exit process. • Portfolio companies subject to carbon pricing mechanisms and other relevant fees and permits could develop low-carbon processes and services to reduce this impact.
Technology	• Substitution of existing products/ services with low carbon alternatives (competitor innovation) • Increased investment required in sustainable or green technologies and low carbon processes	Medium and long term	**Potential impact** • Increased investments in new technology and processes to reduce carbon emissions may result in higher costs. • Successful competitor innovation could result in reduced revenue, market share and in stranded assets. **Mitigation** • Portfolio companies monitor their markets to identify potential technology risks and, with the support of the Investment Manager on their board, assess the new investments required to stay abreast of developments. **Opportunities** • Investment in lower-emissions products and services could lead to improved revenues and profitability over time.
Market	• Changing consumer and investor preferences • Unexpected shifts in market	Long term	**Potential Impact** • Changes in consumer preferences in response to climate change (e.g. preference for products and services with a lower carbon impact) could result in decreased revenues and in stranded assets for portfolio companies. **Mitigation** • Where material, we have begun to engage with 3i Infrastructure's portfolio companies to identify those at risk from market demand shifts and adjust their business strategies accordingly. **Opportunities** • Portfolio companies could invest in innovation to ensure that their products and services align with evolving consumer preferences.
Reputation	• Stigmatisation of the sector • Increased stakeholder concerns	Short and medium term	**Potential impact** • Stigmatisation and stakeholder concerns may result in decreased revenue, reduced access to loan capital and increased operating costs for certain portfolio companies operating in sectors perceived as having a high impact on climate change (e.g. Oil and Gas). **Mitigation** • The Investment Manager is working with portfolio companies to develop transition plans and, where material, develop strategies to ensure portfolio companies transition away from carbon intensive sectors or end markets. **Opportunities** • Portfolio companies that adopt a proactive approach to climate transition could strengthen their market position, particularly in a disorderly transition scenario.

Value at risk

Following careful consideration, we did not conduct an analysis of value at risk from climate change impacts on the 3i Infrastructure portfolio. Current climate models to determine value at risk are at an early stage of development, and do not yet provide sufficiently reliable results for funds like 3i Infrastructure, with a very concentrated portfolio of only 11 economic infrastructure investments and with limited sector exposures. Given that the 3i Infrastructure portfolio companies have some level of exposure to high emitting sectors through their value chain, we have started to integrate some considerations of climate-related transition risks into our valuation processes. We will continue to assess climate modelling tools as they develop and will report on this annually.

Viability statement

In addition to the climate change scenario analyses described above, the Board has been assessing the potential financial impact of climate change on the 3i Infrastructure portfolio as a whole for some time through the work we do to conduct the annual viability assessment. When preparing 3i Infrastructure's Viability statement, we carry out a number of tests which consider the impact on the 3i Infrastructure portfolio of multiple severe, yet plausible, individual and combined stress scenarios, including the impact that climate change might have on a number of 3i Infrastructure's potentially more vulnerable assets through impacts on demand/pricing for fossil fuel assets. This analysis is carried out over a three-year timeframe, and is different to climate change scenario analysis, which analyses the impacts of climate change over a much longer time period. We presented this analysis to the Board and the Board concluded that, based on the results of the assessment, 3i Infrastructure would be able to withstand the impact of the stress scenario over the three-year timeframe.

Resilience of 3i Infrastructure to climate-related transition risks

3i Infrastructure's investment strategy is to make a limited number of new investments each year, selected within the fund's target sectors and geographies on the basis of their compatibility with 3i Infrastructure's return targets and fit with the existing portfolio. We do not operate a sustainability-driven investment strategy for 3i Infrastructure. However, we seek to identify investments for 3i Infrastructure's portfolio that benefit from long-term trends, including the transition to a low-carbon economy.

Overall, a number of 3i Infrastructure's 11 portfolio companies operate in sectors that are aligned with the transition to a low-carbon economy. These include Joulz, Future Biogas and Infinis.

Some of 3i Infrastructure's portfolio companies that serve carbon-intense end markets, such as aviation, maritime or oil and gas, support customers in their transition and/or are transitioning their business models towards a low-carbon economy. These include TCR, ESVAGT, Tampnet and Advario Singapore.

For the remainder of 3i Infrastructure's portfolio companies, we have not identified significant transition risks or opportunities. In particular, Ionisos appears insulated from transition risk due to the essential and relatively low-emissions nature of its operations. SRL is broadly similarly positioned, albeit customers are likely to seek low-emissions options for traffic management systems as technology allows. FLAG (previously known as GCX) and DNS:NET also appear to be at limited risk as they provide low-emissions connectivity through crucial and sub-sea or underground infrastructure, respectively.

For more information on these companies, please refer to pages 24 to 36 and 54 to 55 of the 3i Infrastructure Annual report and accounts 2025 and 3i Infrastructure's website.

Metrics and targets

3i Infrastructure's portfolio climate metrics

The metrics below provide information on the GHG emissions of 3i Infrastructure's portfolio. These metrics cover 100% of 3i Infrastructure's portfolio value as at 31 March 2025 and are calculated in line with the TCFD recommendations implementation guidance.

Definitions of climate metrics	FY2025	FY2024
Portfolio emissions (tCO_2e)	**172,316**	**181,473**
Total portfolio emissions is the absolute Scope 1 and 2 GHG emissions associated with a portfolio. We are allocating GHG emissions for each portfolio company using 3i Group's fully diluted equity ownership[1].		
Carbon footprint (tCO_2e/£m invested)	**45.5**	**47.2**
Carbon footprint is total portfolio emissions (Scope 1 and 2) normalised by the value of the portfolio[1], expressed in tonnes of CO_2e/£m invested.		
WACI (tCO_2e/£m revenue[2])	**188.0**	**172.4**
Weighted Average Carbon Intensity ("WACI") is a portfolio's exposure to carbon-intensive companies, expressed in tonnes CO_2e/£m revenue. It is calculated using the carbon intensity for each portfolio company (Scope 1and 2 emissions/revenue) apportioned based on the weight of each portfolio company within the whole portfolio.		

1 Sourced from the Investment Manager's finance systems.
2 Sourced from portfolio companies.

The change in portfolio emissions and carbon footprint is primarily driven by the reduction of emissions associated with Infinis, due to fewer requirements to use power response engines during the reporting period.

The change in WACI is primarily driven by the sale of Valorem and subsequent change in the weight of each portfolio company within the portfolio.

Methodology and data source

We request Scope 1 and Scope 2 (location and market-based) GHG emissions data from all of 3i Infrastructure's portfolio companies on an annual basis. This data is provided directly to us from portfolio companies through an ESG data collection tool. If a company provides Scope 2 market-based data, this is used for the climate metrics calculation. If Scope 2 market-based data is unavailable, location-based data is used.

Estimations and data gaps

Where current year data is not available, but previous year data is available, we estimate the current year data using data from the previous year, adjusted based on year-on-year changes in revenue.

Where the data is not available, it is noted as a data gap. The significance of the data gap is disclosed through the data coverage indicator (100% of the portfolio value provided above).

Data quality

As 3i Infrastructure invests in private companies that are at different levels of climate-related risk maturity, we have decided to add a data quality score to the data that we are disclosing to ensure that readers understand the reliability and quality of the data provided.

We have used a custom scale to reflect overall data quality using the Partnership for Carbon Accounting Financials ("PCAF") methodology as a guide and adjusting it to reflect the specificities of the 3i Infrastructure portfolio:

Characteristics of the data	Data quality
Emissions of the company are available and reported by the portfolio company as being verified by a third party and calculated using activity-based data or through direct monitoring	1
Emissions of the company are available and reported by the portfolio company as being verified internally and calculated using activity-based data or through direct monitoring	2
Unverified emissions of the company are available and calculated using activity-based data or through direct monitoring; or emissions of the company are available and reported by the portfolio company as being verified by a third party and calculated using spend-based data	3
Emissions of the company are available and reported by the portfolio company as being verified internally and calculated using spend-based data	4
Unverified emissions of the company are available, including those calculated using our sustainability data collection tool	5

We engaged in a partnership with a third-party carbon emissions auditor to support companies to obtain assurance to ISO-14064-3 standard where feasible. In 2024, five of the 11 companies in the portfolio provided assured emissions data to this standard, in comparison to six in 2023.

The data quality score for the 3i Infrastructure portfolio is 1.97. It is derived by assigning to each portfolio company a data quality score, weighted by that company's emissions as a percentage of the portfolio emissions reported on this page.

Scope 3 emissions

We also request Scope 3 emissions from all of 3i Infrastructure's portfolio companies on an annual basis. In FY2025, 10 of the 11 portfolio companies provided Scope 3 emissions to us. While some companies performed a comprehensive inventory of their Scope 3 emissions, covering all material categories, others have not done so and, therefore, we have decided not to disclose Scope 3 emissions data this year.

Portfolio net zero alignment scale

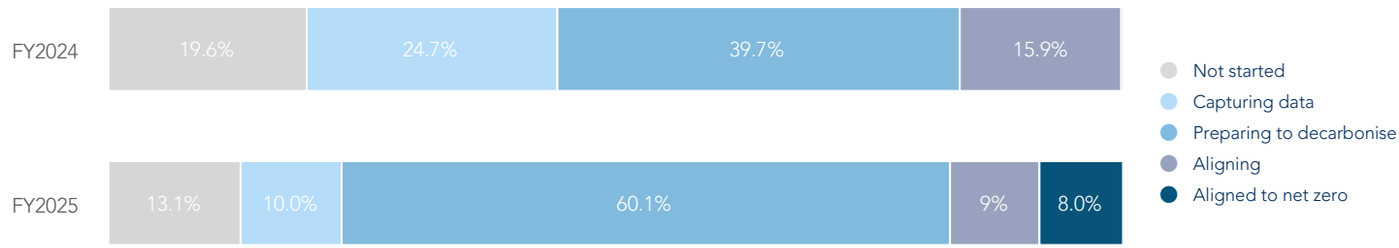
Initiative Climat International ("iCI") and the Sustainable Markets Initiative's Private Equity Task Force have developed the Private Markets Decarbonisation Roadmap ("PMDR") to enable private markets firms to drive their transition to a low-carbon economy. The metric used within this roadmap is based on the climate maturity of each portfolio company rather than on an implied temperature rise metric which is the methodology suggested by the FCA for climate disclosures. We are using the PMDR metric because it better aligns with our science-based targets. The Alignment Scale of the Roadmap (as published by the leaders of the initiative) is summarised in the table below:

	Not started	Capturing data	Preparing to decarbonise	Aligning	Aligned to net zero
Definition	Not started to measure emissions or plan how to reduce them	Reporting emissions data but currently no plan in place to reduce emissions	Planning to reduce emissions in-line with an approach agreed with the GP	Committed to a decarbonisation plan aligned to a transition pathway	Delivering against a net zero plan and operations aligned to science-based target
Criteria	• Minimal or no emissions data • No decarbonisation plan in place	• Measuring Scope 1 and 2 emissions from operations, alongside material Scope 3 emissions, and making data available to fund	• Decarbonisation plan in place but level of ambition not aligned to net zero pathway	• Committed to near-term science-based target aligned to a long-term net zero pathway	• Demonstrated YoY emissions profile in line with net zero pathway

We categorised portfolio companies covering 100% of the investment portfolio value as at 31 March 2025 in line with the roadmap's Alignment Scale. The current alignment of the portfolio based on total portfolio emissions is set out in the chart below.

While the majority of 3i Infrastructure's portfolio remains in the "preparing to decarbonise" category, we still have had to categorise a number of portfolio companies in the "not started" category. Some of these companies have only recently begun to calculate their Scope 3 GHG emissions, but are not yet in a position to report all material Scope 3 categories to us.

We have categorised companies that have set science-based targets using the Science-Based Target Initiative's ("SBTi") SME target setting process as "aligning" or "aligned to net zero", even if they have not yet reported all material Scope 3 categories to us. In 2023, two companies, Joulz and Ionisos, set near-term science-based reduction targets using the SBTi's pathway tailored for small and medium-sized enterprises. Both companies have pledged to deliver an absolute reduction in Scope 1 and 2 GHG emissions of 42% by 2030, from a predefined base year. Additionally, they have committed to measure and reduce their Scope 3 emissions. In 2024, Ionisos reduced its GHG emissions in line with its science-based target, in spite of increased activity at two new plants and therefore we categorised it as "aligned to net zero" while Joulz remained in the "aligning" category.



GHG emissions reduction targets

The SBTi validated 3i Group's near-term emissions reduction science-based targets ("science-based targets") in March 2024. 3i Group's science-based targets cover its direct Scope 1 and 2 emissions and the Scope 3 emissions associated with its portfolio and have been formulated in line with the guidance published by SBTi for the private equity sector. The boundary of the targets for portfolio emissions includes all eligible assets managed by 3i Investments and other asset managers owned by 3i Group, including 3i Infrastructure's assets. Two portfolio companies, representing 17.2% of 3i Infrastructure's in-scope invested capital, have set science-based near-term emissions reduction targets, contributing to the progress towards 3i Group's portfolio engagement target. For more information and progress towards the targets, please refer to page 68 of the 3i Group Annual report and accounts 2025.