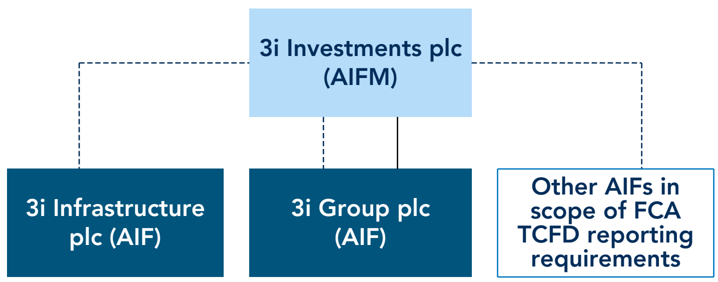
Our TCFD disclosures

These disclosures reflect 3i's response to the TCFD recommendations. They set out how we incorporate climate-related risks and opportunities for our business and portfolio into our governance, strategy and risk management. They also include our direct GHG emissions metrics, climate-related metrics associated with our portfolio, as well as emission reduction targets for our operations and our portfolio.

Regulatory background

3i Group plc is an Alternative Investment Fund managed by 3i Investments plc, a UK Alternative Investment Fund Manager. 3i Investments plc is a wholly-owned subsidiary of 3i Group plc. This TCFD report is published in line with the requirements outlined in the FCA's Environmental, Social and Governance ("ESG") sourcebook. They require 3i Investments plc to disclose publicly specific climate-related metrics and processes as part of a product report for 3i Group plc based on the TCFD recommendations. These disclosures also cover the Group's, including 3i Investments plc's, overall approach to climate change in line with the TCFD recommendations.

The diagram below shows the TCFD reporting requirements for the entities described above.



- Funds with public TCFD product reports
- Funds with on-demand TCFD product report
- AIFM with entity-level report

This TCFD report should be read in conjunction with the 3i Investments plc TCFD entity report, which is available on 3i's website, and with the rest of this Annual report, which contains other relevant information. Specific references are provided where applicable.

Read more
www.3i.com/sustainability

Governance

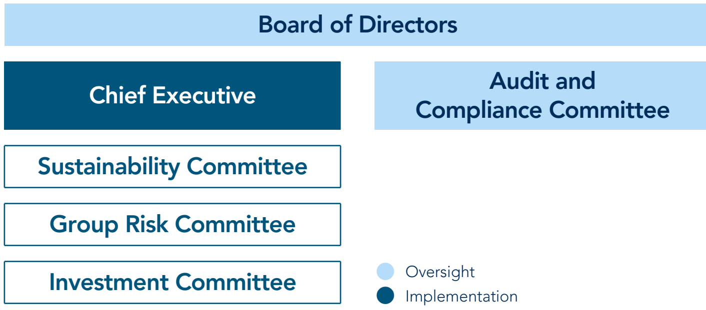
TCFD recommendations

Disclose the organisation's governance around climate-related risks and opportunities:

- Describe the board's oversight of climate-related risks and opportunities
- Describe management's role in assessing and managing climate-related risks and opportunities

The management of climate-related risks and opportunities is integral to our processes and operations, including our investment and portfolio management activities, with oversight by the Board and delegated authority to the Chief Executive. In determining 3i's strategy and approach to climate change, both the Board and the Chief Executive, assisted by a number of committees, consider the laws and regulations of the countries where 3i and its portfolio companies operate, along with the perspectives of relevant stakeholders, such as those identified on pages 110-113. The governance structure is set out in the diagram on the next page.

Our TCFD disclosures continued



Non-executive oversight

The Board as a whole is responsible for the approval of the Group's approach in relation to sustainability matters (including climate-related matters) and has oversight of the Group's sustainability strategy, approach and policies, including our Responsible Investment policy. It is assisted by the Audit and Compliance Committee in the review and consideration of any disclosures related to sustainability matters, including climate-related disclosures.

The Board and Audit and Compliance Committee receive regular updates on sustainability matters and climate-related issues from the Chief Executive and members of the Sustainability Committee as they become relevant and material. In FY2025, the main updates on climate-related issues included:

May 2024	Review and approval of the FY2024 Annual report by the Audit and Compliance Committee, including the TCFD disclosures and other climate- and sustainability-related disclosures contained elsewhere in the report
June 2024	Update to the Board on the sustainability risk profile and progress of the portfolio, following presentations made to the Group Risk Committee by sustainability professionals within our investment teams on the results of the annual sustainability assessment of portfolio companies in March
September 2024	Update to the Board on Action's progress on its sustainability agenda
November 2024	Update to the Board from the Chief Executive on a number of sustainability-related themes, including the development and setting of science-based targets, the second phase of our portfolio climate change scenario analysis, and the implementation of a portfolio sustainability data gathering tool
December 2024	Update during the Board Strategy Day on progress towards portfolio sustainability objectives and future trends in sustainability

Board skills and training

The Board received dedicated training on sustainability, including climate change, over the past two years. This training has provided the Directors with the tools necessary to improve their oversight of the Group's approach to climate change and the resulting impacts on the portfolio and investment strategy, and to inform the Board's decision making.

During FY2025, some of the Directors attended a learning session on 3i's science-based emissions reduction targets. The session explained how and why we set the targets, the commitments involved in our targets and our plans to achieve them.

Our Directors also regularly attend our semi-annual portfolio company reviews, which include discussions of the material aspects of portfolio companies' climate strategy.

A number of our Directors have experience of assessing climate-related factors and have received training on this topic through other executive and non-executive roles.

Executive responsibility

Day-to-day accountability for sustainability, including climate-related issues, rests with executive management and, in particular, the Chief Executive. The Chief Executive is supported by a number of committees in overseeing and monitoring policies and procedures and addressing issues that arise. These include the Sustainability Committee, Investment Committee and Group Risk Committee.

Sustainability Committee

The Sustainability Committee membership, shown in the diagram below, is drawn from a range of investment and non-investment functions across the Group. The Sustainability Committee also benefits from input from relevant functional areas as required.

The Sustainability Committee focuses on three main areas:

- reporting to the Chief Executive (directly and through the Group Risk Committee and Investment Committee) on relevant sustainability matters, including climate-related risks and opportunities, and developing and reviewing policies, processes and strategies to manage sustainability risks and opportunities for the Group and its investment activities;
- developing and recommending the Group's sustainability approach (including a climate strategy) to the Chief Executive for review by the Board; and
- coordinating and facilitating sustainability-related activities and initiatives across the Group.

The Committee considers relevant legal and regulatory requirements and industry standards, as well as best market practice, and monitors progress against its agenda.

The Sustainability Committee met formally five times in FY2025 and held an additional informal meeting to discuss the outcomes of the COPs on climate, biodiversity and desertification and the UN Plastics Treaty talks. The Sustainability Committee's activities and focus for the year are described throughout this TCFD report.

Investment Committee

The role of the Investment Committee is described on page 82. In performing its activities, the Investment Committee ensures that material sustainability matters, including relevant climate-related risks and opportunities, are properly identified, assessed and managed in the course of our investment, divestment and portfolio management activities.

The Investment Committee is chaired by our Chief Executive and comprises individuals drawn from our central functions (including the Group Finance Director and Chief Operating Officer), as well as from our Private Equity and Infrastructure investment teams (including the heads of Private Equity and Infrastructure and other senior investment team members). It meets on an ad-hoc basis to discuss potential new investments, divestments and significant portfolio activity.

Group Risk Committee

The role of the Group Risk Committee ("GRC") is described on pages 82 and 83. As part of its responsibilities, it identifies the principal risks and new and emerging risks, including climate-related risks, facing 3i, as well as the associated mitigating actions and key risk indicators. During the year, the GRC received semi-annual updates on our sustainability approach and strategy from the Sustainability Committee, as well as semi-annual updates on the sustainability progress of the portfolio and associated risks and opportunities, including climate-related matters.

This committee also maintains oversight of the Responsible Investment policy and considers and recommends to the Board for approval amendments to this policy as required, taking into account legal, regulatory and market developments regarding climate change.

The GRC, which meets four times a year, is chaired by the Chief Executive, and also comprises the Group Finance Director, Chief Operating Officer, the General Counsel and the Chief Human Resources Officer, as well as the heads of our Private Equity and Infrastructure businesses and a number of functional heads drawn from across the organisation, including the Group Compliance, Internal Audit and Investor Relations and Sustainability Strategy Directors.

Dedicated sustainability resource

We have dedicated sustainability resources embedded across the organisation, including:

- a Sustainability Director and a Sustainability Senior Associate in our Private Equity investment team;
- a Sustainability Director and a Sustainability Senior Associate in our Infrastructure investment team; and
- a Sustainability Senior Manager in the Group Investor Relations function to coordinate the Group's work on sustainability and implement Group-wide projects.

This resource is key in implementing the Sustainability Committee's many activities.

Participation in industry working groups

We are part of the Initiative Climat International ("iCI"), a global, practitioner-led community of private markets investors that seek to understand and manage climate-related risks better. As of March 2025, the iCI had 290 members globally, representing more than US$4 trillion in AUM. iCI members share a commitment to reduce the carbon emissions of private companies and secure sustainable investment performance by recognising and incorporating the materiality of climate risk. We participate in iCI's Net Zero working group.

In March 2025, we signed up to the ESG Data Convergence Initiative ("EDCI") which facilitates the effective collection and reporting of ESG data across the private equity industry and enables us to benchmark our performance across a broad peer set.

As members of the BVCA, we contribute to the BVCA's engagements with relevant bodies on relevant sustainability topics, including climate change.

Executive remuneration

The Executive Directors receive, in addition to their salary, an annual bonus and long-term share incentive awards based on the achievement of a number of performance conditions. For FY2025, annual bonuses for executive management were awarded based on a balanced scorecard of both financial and strategic measures agreed by the Remuneration Committee of the Board, alongside a consideration of the wider context of personal performance (including values and behaviours), risk, market and other factors.

Among the strategic and qualitative measures included in the balanced scorecard to determine the FY2025 annual bonus award, up to 5% of the maximum annual bonus opportunity was tied to progress against a number of sustainability targets. The Remuneration report on pages 135 to 147 sets out the Remuneration Committee's assessment of the performance of the Executive Directors against the scorecard's sustainability objectives. This TCFD report and the broader Sustainability section of this Annual report describe the measures taken by the Group to make progress against these objectives.

Pages 80-84
Risk management

Page 101
Governance framework

Pages 135-147
Directors' Remuneration report

Strategy

TCFD recommendations

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material:

- Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term
- Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning
- Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

Our investment strategy is to make a small number of new investments each year in our Private Equity and Infrastructure businesses, selected within our target sectors and geographies on the basis of their compatibility with our return objectives. We screen investments against our Responsible Investment policy, which has been in place for many years and is reviewed as appropriate, and most recently in May 2025. We believe that the careful assessment and management of sustainability factors, including climate-related risks and opportunities, can be an important lever for value preservation and, at times, for value creation in our portfolio. We therefore integrate this assessment into our investment screening and portfolio management processes and provide the necessary training and guidance to our investment professionals. These processes are described on pages 43 to 44 of this Annual report.

Resilience of our strategy to climate-related risks

Our business model is simple: we invest our proprietary capital and manage a small number of third-party funds, mainly in our Infrastructure business. We do not manage products with specific sustainability mandates or labels. Our investment and portfolio construction approach is flexible and not constrained by overly prescriptive investment mandates or by limited duration funds, given the permanent nature of our proprietary capital. The third-party funds we manage in our Infrastructure business are either permanent or of very long duration. We make majority or, in a small number of cases, significant minority investments in our portfolio companies, and exert influence on their boards.

This flexibility in mandates and holding periods is a considerable strength. It supports our ability to manage climate-related risks and opportunities and pivot our investment towards sectors and niches that can benefit from sustainable growth trends. Combined with the influence we exert on portfolio companies this has allowed us, for example, to build a good track record of investment in renewable energy generation and the energy transition theme in our Infrastructure portfolio over the last few years. It has also allowed us to approve investments within our portfolio companies that support climate change resilience, for example, through a reduction in their GHG emissions or the development of products and services with lower associated emissions.

We do not invest directly in extractive industries (including coal, oil and gas), albeit a small number of our investments do have exposure to some of these sectors.

Climate change 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.

We are aware that there are political differences in relation to the climate transition, with diverging regional approaches. This could result in some delay to transition measures in the markets in which we and our portfolio operate. If that were the case, the focus of climate risk management in future years could therefore shift from transition risks to physical risks. Any such developments would have an impact on the risk models which we would need to use in future climate change scenario analyses. We therefore procured a physical risk assessment tool in April 2025 to facilitate the evaluation of physical risks in our portfolio through updated climate models on an ongoing basis (see page 62).

During the year, we did, however, consider potential climate-related risks and opportunities for new investments where relevant and material as part of our ordinary due diligence activities described on page 43.

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 overleaf and was carried out in two stages. As an initial step, we performed an analysis of approximately half of our portfolio companies by number. For each company, 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 our portfolio and to select a small number of portfolio companies for the second step.

As a second step, using additional data and in-depth interviews with portfolio companies or investment teams, we carried out a more detailed assessment of inherent and residual physical and/or transition risks for these 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.

Pages 42-51
Invest responsibly

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, our 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.

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.

The climate change scenario analyses we have performed to date have not identified significant physical risk drivers for the majority of the portfolio companies assessed in the medium term, with moderate to low inherent physical risks driven principally by chronic temperature changes, heatwaves and flooding. A few companies, however, were identified as having medium or high physical risks in relation to their own operations or key suppliers. We focused our attention in the deep dive analysis on some of the companies identified as having higher risks and have engaged with them with the results of that assessment.

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 results of this climate change scenario analysis work were used to develop a more detailed climate change assessment framework, which was then incorporated into our overall sustainability risk and opportunity assessment processes.

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 risks 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 climate-related risks across the portfolio over time.

The tool will be updated on an ongoing basis.

Additionally, we expect more of our portfolio companies to perform their own climate scenario analysis as they grow and mature in this space, or in response to regulatory requirements. In 2024, Action, our largest portfolio company which represented approximately 70% of our portfolio at 31 March 2025, carried out its climate risk assessment covering both physical and transition risks using the IEA Net Zero Emissions by 2050 and IPCC SSP5-8.5 scenarios. This analysis identified Action's material physical (increased severity and frequency of extreme weather events and increasing heat and precipitation stresses) and transition risks (increased product and activity cost due to regulation and supply chain changes and non-compliance with reporting requirements), which will ensure that they are adequately managed.

Value at risk

Following careful consideration, we decided not to conduct an analysis of value at risk from climate change impacts. Current climate models to determine value at risk are at an early stage of development, and do not yet provide sufficiently reliable results for a concentrated portfolio like ours. Where relevant and possible, we embed certain climate-related considerations in the valuations of our portfolio companies. 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, we have been assessing the potential financial impact of climate change on our portfolio as a whole for some time through the work we do to conduct our annual viability assessment (see pages 128 and 129). When preparing our Viability statement, we carry out a number of tests which consider the impact on the Group of multiple severe, yet plausible individual and combined stress scenarios, including the impact that climate change might have on the value of a number of our potentially more vulnerable assets through changes in regulation, in consumer preferences, an increase in physical risks and other business risks. 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. Because of the diverse exposures of our current portfolio companies and the flexibility we have in portfolio construction, our analysis showed that a climate-related stress scenario is unlikely to impact the viability of the Group over the three-year time period.

Transition to a low-carbon economy

Last year, the Sustainability Committee established that the most appropriate approach to align 3i and its portfolio to the UK's net zero ambitions was to set SBTs, which were validated by the SBTi in March 2024. We made significant progress towards our portfolio engagement and electricity generation targets this year. Information on our SBTs and on the progress we have achieved to date can be found within the Metrics and targets pillar of this report on page 68.

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	Short and medium term	**Potential impact** • Non-compliance with regulations and commitments could result in reputational damage for 3i and its portfolio as well as in legal fees and fines. **Mitigation** • 3i and its portfolio companies actively monitor the evolution of the regulatory landscape to ensure that they are prepared for compliance. • Minimum sustainability requirements within our RI policy include compliance with applicable laws and regulations. **Opportunities** • Proactivity and early action on compliance with regulations facilitates the exit process.
	• Carbon pricing mechanisms	Medium term	**Potential impact** • The introduction of carbon pricing could increase the operating costs of our portfolio companies directly or through their supply chain. **Mitigation** • Where material, 3i has begun to engage with portfolio companies to identify those at risk from the introduction of carbon pricing mechanisms, and understand the potential impacts before addressing next steps. **Opportunities** • Portfolio companies subject to carbon pricing mechanisms could develop low-carbon processes and products to reduce this impact.
Technology	• Increased investment required in sustainable or green technologies and low-carbon processes • Competitor innovation	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 and market share. **Mitigation** • Portfolio companies monitor their markets to identify potential technology risks and, with the support of 3i on their boards, 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 • Changes in job market	Medium and long term	**Potential Impact** • Changes in consumer preferences in response to climate change (eg preference for products and services with a lower carbon impact) could result in decreased revenues for portfolio companies. • An increasing employee focus on sustainability could make it harder for portfolio companies to retain and attract talent if they are not perceived to be responding adequately to the challenges posed by climate change. **Mitigation** • Portfolio companies monitor their offerings against evolving consumer preferences and employee/potential employee expectations. **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 and increased operating costs for certain portfolio companies operating in sectors perceived as having a high impact on climate change. **Mitigation** • Where material, 3i has begun working with portfolio companies to develop transition plans and develop their business models to ensure that they 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.

Risk management

TCFD recommendations

Disclose how the organisation identifies, assesses, and manages climate-related risks:

- Describe the organisation's processes for identifying and assessing climate-related risks
- Describe the organisation's processes for managing climate-related risks
- Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management

We recognise the increasing importance of climate-related risks and monitor them as we do other risks through our comprehensive risk governance framework, both on a portfolio company level and for the Group as a whole. The framework is detailed on pages 80 to 84, and our portfolio sustainability assessment process (which covers an assessment of material climate-related risks for each portfolio company) is described on page 43 of this report.

3i's own operations are not in themselves exposed to material physical climate risks. We employ 223 people across six offices, all of whom can work remotely if needed. Nevertheless, the business is affected directly by climate-related legal, regulatory and reporting risks, as well as by the related reputational risks.

The majority of 3i's climate risk exposure is through its portfolio. We describe our processes to identify and manage climate-related risks and opportunities in detail under the Strategy pillar above.

Identification, assessment and management of climate-related risks

We consider climate-related risks on the Group and the portfolio through our risk management framework, which is coordinated by the Group Risk Committee and implemented across the organisation as described in the Risk review. Specifically, in relation to the management and mitigation of climate-related risks in the portfolio, we rely, over the life of the investment, on:

- **a pre-investment assessment**: material climate-related risks are assessed internally and reviewed as appropriate by external specialists. This can lead to the Investment Committee requiring further due diligence to be performed or in investments being declined. Our climate change assessment framework was enhanced following the second stage of our climate scenario analysis in FY2024 and was implemented in our investment process in FY2025;
- **our ongoing portfolio monitoring process**: this involves, in addition to the monthly monitoring of bespoke financial and operational KPIs and in-depth semi-annual portfolio company reviews, a detailed annual sustainability assessment, which covers a number of climate factors. This annual sustainability assessment was also enhanced with the benefit of the outputs of our climate change scenario analysis;
- **Investment Committee oversight**: the Investment Committee manages portfolio risks, including climate-related risks;
- **our influence on portfolio companies**: we make majority or significant minority investments in our core portfolio companies and exercise influence through membership of their boards;
- **GHG emissions measurement**: the measurement of portfolio company GHG emissions (see "Metrics and targets" on the next page) and engagement with portfolio companies on abatement, mitigation and adaptation strategies; and
- **climate change scenario analysis**: described under "Strategy" on pages 61 to 63.

Our investment processes are described on page 43 of this Annual report. We further mitigate climate-related risks by improving our understanding of climate change and refining our processes over time. These processes involve an increasing number of employees. We have been encouraged by the level of staff engagement on this topic and intend to continue to provide forums for employees to provide their input and views on how to improve our performance.

Portfolio data collection and management

To support the assessment and management of portfolio sustainability risks, including climate-related risks, in FY2025 we continued to work on improving the quality of the annual sustainability data (including GHG emissions) we collect from portfolio companies by refining our sustainability assessment questionnaires to ensure that they reflect our improved understanding of climate drivers across the portfolio, as well as evolving disclosure requirements, market practice and other stakeholder needs. We continue to work on the consistency and comparability of portfolio GHG emissions data, as this will underpin the quality of our portfolio emissions disclosures. See "Metrics and targets" on the next page for more information on portfolio emissions data.

Page 43
Assessment and management of sustainability factors in our investment and portfolio management processes

Metrics and targets

TCFD recommendations

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

- Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process
- Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas emissions, and the related risks
- Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets

3i Group's portfolio climate metrics

The metrics below provide information on the GHG emissions from our portfolio companies. These metrics cover 99.6% of the portfolio value[1] of 3i Group plc 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) 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[2].	**228,936**	**323,539**
Carbon footprint (tCO_2e/£m invested) Carbon footprint is total portfolio emissions (Scope 1 and 2) normalised by the value of the portfolio[2], expressed in tonnes of CO_2e/£m invested.	**9.0**	**15.0**
WACI (tCO_2e/£m revenue[3]) 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 relative weight of each portfolio company in the reporting boundary.	**24.4**	**42.5**

1 Note that 3i Investments plc manages a number of co-investment vehicles whose investors are employees or former employees of 3i. For the purpose of this calculation, we have included these co-investment vehicles within the 3i Group scope.
2 Sourced from 3i's finance systems.
3 Sourced from portfolio companies.

The significant reduction in portfolio emissions was driven by: (i) refinements in the methodologies used by certain portfolio companies to calculate their emissions; (ii) changes in portfolio composition; and (iii) reductions in the portfolio emissions of some portfolio companies. We continue to work with our portfolio companies to improve the quality of the GHG emissions data they report to us. At times, this may mean that GHG emissions data for an individual portfolio company is not comparable year on year. We do not ask portfolio companies to restate prior-year data as they improve the quality of the data they report to us.

Methodology and GHG emissions data source

The reporting boundary includes all companies in the portfolio at the balance sheet date. As a private equity and infrastructure asset manager and owner, 3i is able to collect data from its portfolio companies. 3i requests Scope 1 and Scope 2 (location and market-based) GHG emissions data from all portfolio companies, excluding a small number of legacy minority investments, on an annual basis. This data is provided directly to 3i from portfolio companies through a sustainability data collection tool, or via emails in rare cases, and typically covers the year to 31 December. 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. Portfolio companies provide their Scope 3 GHG emissions data to us where available and we are working with the portfolio to improve this data further before we are able to disclose it.

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 (99.6% of the portfolio value for FY2025).

Data quality

As we invest in private companies that are at different levels of climate maturity, we have decided to add a quality score to the data that we are disclosing to ensure that readers understand the reliability and quality of the data provided. Some of our portfolio companies have only just started to estimate their GHG emissions, while others have robust processes in place to calculate and assure the data. We have used a custom scale to reflect the overall data quality using the Partnership for Carbon Accounting Financials ("PCAF") methodology as a guide and adjusting it to reflect the specificities of our business model:

Characteristics of the data	Data quality	Certain
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	

Uncertain

The data quality score for 3i Group plc is 1.85. It is derived by assigning to each portfolio company a data quality score, weighted by that company's emissions as a percentage of total portfolio emissions.

Portfolio net zero alignment scale

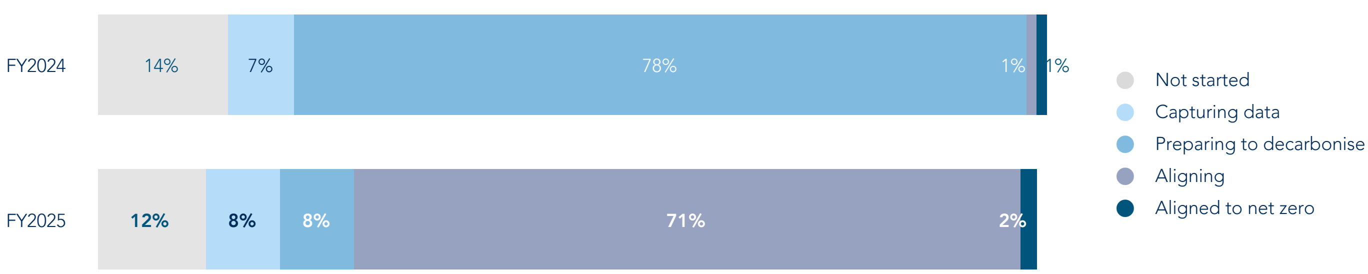
iCI and the Sustainable Markets Initiative's Private Equity Task Force have developed the Private Markets Decarbonisation Roadmap to enable private markets firms to drive their transition to a low-carbon economy. The metric used within this roadmap is based on the climate maturity of each portfolio company rather than on an implied temperature rise metric which is the methodology suggested by the FCA for climate disclosures. We are using the Private Markets Decarbonisation Roadmap metric because it aligns best 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 pathway

3i Group plc categorised portfolio companies covering 99.6% of its 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.

The PMDR alignment scale requires companies to capture and report all material Scope 3 data in order to be included in the "capturing data" category. While all of our portfolio companies measure and report their Scope 1 and 2 emissions to us, many are not yet in a position to measure and report to us all their material Scope 3 emissions categories and, as a result, we have had to include them in the "not started" category.

We have categorised companies that have set science-based targets using the SBTi's SME target setting process as "aligning" or "aligned to net zero", even though some of them have not yet reported all material Scope 3 categories to us. The year-on-year changes in the portfolio alignment scale are due in large part to Action having set SBTi-validated near-term science-based targets in February 2025.



3i Group's emissions from its own operations

This section has been prepared in accordance with our regulatory obligation to report GHG emissions pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2019 which implement the government's policy on Streamlined Energy and Carbon Reporting. During the year to 31 March 2025, our measured Scope 1 and 2 emissions (market-based) totalled 187.5 tCO_2e. This comprised:

GHG emissions (Scope)	FY2025 (tCO_2e) UK	FY2025 Rest of the world	FY2025 Total	FY2024 (tCO_2e) UK	FY2024 Rest of the world	FY2024 Total
1	**63.9**	**26.7**	**90.6** Δ	101.0	34.7	135.7
2 – location-based	**112.0**	**94.5**	**206.5** Δ	92.2	118.7	210.9
2 – market-based	**–**	**96.9**	**96.9** Δ	–	97.1	97.1
Total 1 and 2 (location-based)	**175.9**	**121.2**	**297.1**	193.2	153.4	346.6
Total 1 and 2 (market-based)	**63.9**	**123.6**	**187.5**	101.0	131.8	232.8
3	**n/a**	**n/a**	**3,800.3** Δ	n/a	n/a	4,211.9 [1]

Δ FY2025 Total data above marked with the Δ symbol has been subject to independent limited assurance by KPMG LLP in accordance with ISAE (UK) 3000 and ISAE 3410. Please refer to www.3i.com/sustainability/sustainability-reports-and-data-library/ for the Reporting Criteria and KPMG's limited assurance report.

1 FY2024 Scope 3 data has been restated. Please refer to the explanation below.

This is equivalent to 0.8 tCO_2e per full-time equivalent employee, based on an average of 237 employees (2024: 1.0 tCO2e; 244 employees). Overall, our Scope 1 and 2 (market-based) emissions decreased by 20% year-on-year. Most of the decrease can be attributed to the move of our Amsterdam office to a renewable electricity contract and the resolution of an air conditioning cooling liquid leak at the London premises we occupied for the entire financial year while preparing our new office for a move in February 2025.

Our measured Scope 3 emissions totalled 3,800.3 tCO_2e. We restated our FY2024 Scope 3 emissions from 9,612.8 tCO2e to 4,211.9 tCO_2e in accordance with this year's methodology that uses more widely available emissions factors. Please see our reporting criteria, available on our website, for more information.

Our total energy consumption was 1,404.1 MWh (1,404,100 kWh) in FY2025, 63% of which was consumed in the UK. The split of energy consumption is shown in the table below.

Energy consumption (kWh in 000s)	FY2025 UK	FY2025 Rest of the world	FY2025 Total	FY2024 UK	FY2024 Rest of the world	FY2024 Total
Electricity	**540.8**	**239.5**	**780.3**	445.5	297.2	742.7
Fuels[1]	**349.2**	**99.8**	**449.0**	378.1	155.1	533.2
District heating, cooling, steam	**–**	**174.8**	**174.8**	–	175.5	175.5

1 Natural gas and transportation fuels (petrol and diesel).

Methodology

We quantify and report our organisational GHG emissions in alignment with the World Resources Institute's Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and in alignment with the Scope 2 Guidance. Scope 3 emissions are calculated in line with the World Resources Institute's Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard as well as the World Resources Institute's GHG Protocol Technical Guidance for Calculating Scope 3 emissions. We consolidate our organisational boundary according to the operational control approach, which includes all our offices. The GHG sources that constituted our operational boundary for the year to 31 March 2025 are:

- Scope 1: natural gas combustion within boilers, fuel combustion within leased vehicles and use of refrigeration and air-conditioning equipment;
- Scope 2: purchased electricity and heat, cooling and steam consumption for our own use, including leased vehicles;
- Scope 3: purchased goods and services, capital goods, fuel- and energy-related activities, waste generated in operations, business travel and employee commuting and emissions associated with working from home.

In some cases, where data is missing, for example, due to the timing of invoices from our utilities providers, values have been estimated either by using data from the previous year as a proxy in the first instance, or extrapolation of available data.

The Scope 2 Guidance requires that we quantify and report Scope 2 emissions according to two different methodologies ("dual reporting"): (i) the location-based method, using the average emissions intensity of grids for the country in which the reported operations take place; and (ii) the market-based method, which reflects the emissions from purposefully chosen energy (eg bundled electricity, supplier-specific rates, direct electricity contracts).

Although we have a relatively low environmental footprint, we are committed to reducing it further in line with the science-based targets described on the next page. We purchased our electricity from 100% renewable sources during FY2025 for our London, Paris and Frankfurt offices, as well as for the premises we previously occupied in New York, which we leased until the end of March 2025. Together, these offices accounted for over 80% of our overall electricity consumption. We switched to renewable electricity in our Amsterdam office in January 2025, bringing the total renewable electricity consumption to approximately 85%. The landlord of our new office in New York is working on delivering green energy, but it relies on initiatives to be implemented by the New York state government to achieve that objective. In February 2025, our London office moved to new premises that use only renewable electricity and are not connected to the gas supply. As a result, we expect a further reduction in GHG emissions in FY2026.

A more detailed description of our methodology can be found in the reporting criteria published on our website.

Third-party assurance

GHG emissions figures marked with a "Δ" symbol on this page have been subject to independent limited assurance by KPMG LLP in accordance with ISAE (UK) 3000 and ISAE 3410.

Reporting criteria and KPMG limited assurance opinion
www.3i.com/sustainability/library

Science-based targets

During FY2024, we set SBTi-validated near-term science-based targets that cover our direct Scope 1 and 2 emissions, as well as the Scope 3 emissions associated with our portfolio. These were formulated in line with the guidance published by SBTi for financial institutions and the private equity sector.

Operational emissions target

3i has committed to reducing its absolute Scope 1 and 2 (market-based) GHG emissions by 42% by FY2030 from a FY2023 base year.

While our emissions slightly increased by 3.2% from FY2023 (our base year), we have done the work that will allow us to reduce operational emissions in the future, involving mainly the reduction in gas consumption and the number of leased vehicles provided as a benefit to employees.

Our strategy to meet this target involves engaging with our landlords on the energy efficiency of our premises and on using less carbon-intensive energy sources. We are also engaging with energy suppliers directly or through our landlords on the procurement of renewable electricity.

Financed emissions targets

3i's portfolio engagement target commits us to ensuring that 31% of our listed and eligible portfolio by invested capital sets SBTi-validated targets by FY2028 and 100% by FY2040. We have made significant progress against this target this year, with 23.3% of our portfolio by invested capital setting SBTi-validated targets. The companies with validated targets include Action, BoConcept, ten23, Ionisos, Joulz and BCA. WaterWipes, a portfolio company which we acquired in January 2025, already has validated targets, but we have excluded it from our progress chart, as we apply a two-year grace period for all new investments.

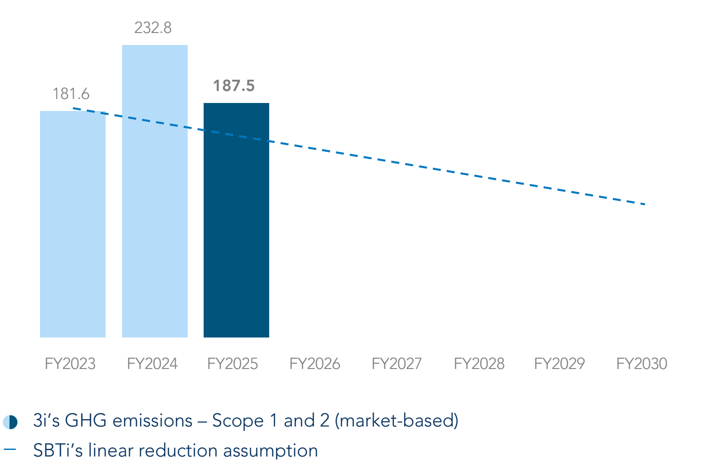
3i also committed to reducing GHG emissions from the electricity generation sector within its eligible portfolio by 68% per MWh by FY2030 from a FY2023 base year. 3i achieved a 51% per MWh reduction towards that target, mainly due to the sale of Attero, a waste treatment company which was held in one of the Infrastructure portfolios.

Our strategy to meet the portfolio targets remains consistent with last year's and includes the following actions:

1. As a majority or significant minority investor in our core portfolio companies, we will continue to use our influence and engage with portfolio companies to support them to:
   - (i) measure and report on Scope 1 and 2 GHG emissions at least annually;
   - (ii) measure and report on material Scope 3 GHG emissions at least annually when appropriate; and
   - (iii) develop decarbonisation plans and set science-based targets.
2. We will manage our electricity generation portfolio to reduce its GHG emissions intensity as a whole.
3. We will facilitate knowledge sharing between portfolio companies in relation to formulating decarbonisation plans and setting science-based targets.

GHG Operational emissions

Scope 1 and 2 (market-based) – tCO2e



Portfolio engagement target

% of invested capital