Sustainability report

Sustainability report

The Company made a step change in its approach to sustainability in FY23 with a dedicated team now in place.

In FY23 the Investment Manager created a dedicated ESG team with specialist sustainability resource. This has improved the rigour of our assessment of sustainability factors in our investment process and throughout the holding period, enhanced the quality of our engagement with our portfolio companies on sustainability issues, and accelerated the implementation of a range of sustainability initiatives across our investment team and portfolio.

This new team also provides the Company with updates on new regulations and emerging themes around sustainability.

As owners of infrastructure businesses with majority or significant minority holdings and representation on their boards, we recognise our ability to influence our portfolio companies to ensure they act responsibly. We operate with high standards of stewardship.

We see a strong link between companies with good ESG performance and those that can achieve long-term sustainable business growth and we believe that a responsible approach to investment adds value to our portfolio.

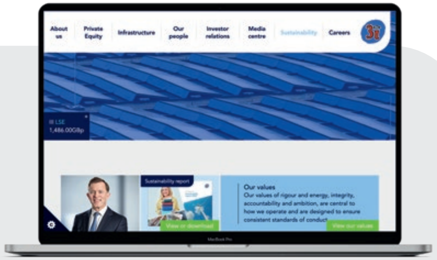
We invest selectively in a small number of businesses every year, giving consideration to the sustainability aspects of investee companies' activities, opportunities and challenges before deploying capital. For example, the decision to invest in Future Biogas considered the UK net zero strategy, biomethane demand, and links to regenerative farming.

Responsible investing

The Investment Manager has been a signatory to the UN Principles for Responsible Investment since 2011. Responsibility starts when we first consider investing in a company.

We screen investment opportunities against 3i's Responsible Investment policy. The policy sets out the type of businesses in which the Company will not invest, as well as minimum standards in relation to ESG matters which we expect new portfolio companies to either meet or commit to meeting over a reasonable time period. The Responsible Investment policy applies to all investments, irrespective of their country or sector.

The Company embeds an assessment of ESG risks and opportunities at all stages of the investment, portfolio management and value creation processes. We seek to identify material ESG risks and opportunities at the point we invest, and we put in place appropriate and robust plans to mitigate the risks or capitalise on the opportunities during ownership and exit.



The Board is responsible for overseeing the Company's Sustainability strategy with day-to-day accountability resting with the Investment Manager.

The Board has reviewed the Responsible Investment and other sustainability policies of the Investment Manager and is satisfied that the adoption of these policies meets the Company's objectives in this area.

To read the Responsible Investment policy and for more information on the Investment Manager's other sustainability policies, please refer to the 3i Group website: **www.3i.com/sustainability**

We proactively engage with our portfolio to create value

The Company seeks to leverage value creation opportunities presented by sustainability considerations, and does not view sustainability in isolation from investment performance.

The ESG performance of the portfolio is discussed periodically by the Investment Manager and the Board. We held a dedicated annual ESG review of the portfolio, which provided a portfolio-level view of ESG performance, emerging trends, priorities and actions.

The ESG review focused on ESG-related levers that can positively influence our ability to realise revenue opportunities and growth, cost optimisation, and value at exit. We also consider reputational and specific ESG risks for each company including health and safety, climate change and cyber security during our ownership.

We see a number of common sustainability-related themes and challenges faced by our portfolio. We facilitate the sharing of best practices, innovation and solutions across our portfolio through ad-hoc connections and through workshops.

We remain focused on the climate agenda

Climate change continues to be a topic of increasing urgency for government, regulators and other stakeholders and will be key to protecting and creating value in our portfolio.

Therefore, this year, our focus has remained on GHG emissions and climate-related risks and opportunities.

69%
of the portfolio have dedicated ESG resources

62%
have a Sustainability strategy

38%
produce a Sustainability report

92%
report on Scope 1 and 2 GHG emissions

Sustainability pathway

We use our influence to encourage our portfolio companies to mature their approach to ESG under our ownership, and we support them via regular interactions that leverage knowledge and best practices across the portfolio.

- Implement full suite of governance policies
- Identify appropriate senior individuals to lead on ESG topics
- Measure GHG emissions and develop decarbonisation roadmap
- Develop a Sustainability strategy sponsored by the CEO
- Fully embed sustainability objectives in the organisation

The Company is embarking on its decarbonisation journey

We supported our portfolio companies to implement a GHG emissions inventory covering Scopes 1 and 2. Next year, we plan to encourage our portfolio companies to obtain third-party assurance for their carbon footprint and to measure Scope 3 GHG emissions.

We asked our portfolio companies to identify GHG emissions reduction initiatives and to develop a five-year decarbonisation plan for Scope 1 and 2 GHG emissions.

With support from a specialist consultancy, we undertook an initial assessment of each portfolio company's GHG emissions and decarbonisation pathway in relation to the Science Based Target initiative ('SBTi'). This assessment highlighted which companies are positioned to set science based targets ('SBTs') for either the near or long term, and the extent of further work required to apply for appropriate accreditation.

Interactive workshops were held to train the Investment Manager's team on the SBTi framework, giving them confidence to engage with portfolio companies on setting decarbonisation strategies and SBTs.

Similar training sessions were also conducted with a subset of portfolio companies this year.

Developing our approach to climate-related risks and opportunities

The assessment of both the risk and financial impact of climate change over the short, medium and long term, promotes more informed investment and strategic decisions.

Following an initial, top-down climate scenario analysis, the Investment Manager has engaged a specialist consultancy to help it design and carry out a second phase of this work. The objective in this second phase will be to perform a more detailed, bottom-up analysis on a number of our portfolio companies to inform our engagement with them on climate-related factors. As best practice and modelling tools evolve, the work in this area will be iterative in nature and develop over time. Please refer to our voluntary climate-related disclosures for more information.

Key actions taken by the Investment Manager this year

Category	Outcome
Governance and resources	The new ESG team supported each portfolio company on its sustainability journey and consideration of the Company's objectives at portfolio company level. The team also led the ESG reporting for the Company and delivered the annual ESG review of the portfolio.
Portfolio data collection and management	The Investment Manager improved the quality of the sustainability and GHG emissions data collected from the portfolio by refining the ESG questionnaires completed by portfolio companies. The Investment Manager selected a new software tool which will be used to gather, organise and analyse ESG data from the portfolio with better consistency. This tool will be rolled out during the next financial year.
GHG emissions	For the second year, the Investment Manager worked with our portfolio companies to measure, refine and report Scope 1 and Scope 2 GHG emissions. We made progress in the collection of Scope 3 data from the portfolio. We worked with a third-party specialist firm to review data collection governance and controls at each portfolio company and suggest areas for improvement.
Transition plans and targets	We worked with portfolio companies to consider and implement opportunities to reduce their Scope 1 and 2 GHG emissions over time, where possible developing decarbonisation plans. With support from a consultancy, we assessed the ability of portfolio companies to set near-term targets aligned with the objectives of the Paris Agreement. On 5 April 2023, the Investment Manager wrote to the SBTi to indicate its commitment to set up science-based targets. That commitment will require the Company's portfolio companies to set SBTs over time.
Climate scenario analysis	This year, the Investment Manager carried out its initial, top-down scenario analysis to model the impact of climate change on our portfolio companies, in line with TCFD recommendations. It is currently refining and improving its approach to scenario analysis to better understand climate physical and transition risks in our portfolio.

Contributing to a low-carbon future

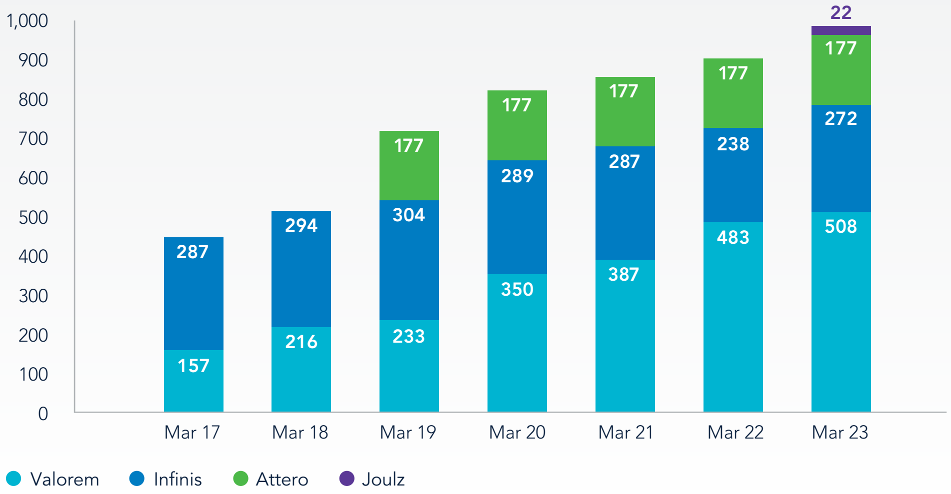
The Company has invested in several businesses that support the transition towards a low-carbon economy in different ways.

The Company has invested in businesses which contribute directly to the energy transition through the production of renewable and low-carbon energy.

More recently this includes Joulz, which has broadened its service offering to include rooftop solar development and operations.

The total renewable energy installed capacity across these businesses is now 979MW, enough to power almost two-thirds of the households in London.

Renewable energy installed capacity (at 31 March, MW)



The chart below shows the growth in our portfolio companies' renewable energy generating capacity over the past seven financial years.

We invest in businesses that can be agents of change within their own industries by addressing the decarbonisation challenges of their customers through innovation and the provision of low and zero-emission infrastructure assets.

For example, in the maritime sector, ESVAGT is pioneering the transition to green support operation vessels in partnership with renewable energy company Ørsted.

We also support our businesses in transitioning towards more resilient and future-proof business models, for example, diversifying from oil and gas and building tomorrow's low-carbon infrastructure. For example, Tampnet is increasingly serving offshore wind customers and ADS is moving into storage and blending of sustainable aviation fuel.

VALOREM
opérateur en énergies vertes

Valorem has grown its operational renewable assets base from 157MW at acquisition in 2016 to 508MW, with a further 270MW under construction. This includes onshore wind, solar and hydro-electric generation. The business is also making investments into green hydrogen, battery storage, and floating offshore wind.

Sustainability in action continued

Supporting safety and good health

A number of the businesses we invest in contribute to a healthy and safe society through the provision of safe services and, for one business, Ionisos, through direct support of the medical and pharmaceutical industries.

For most of our businesses, safety is key to their social licence to operate. Many of our businesses facilitate safe operations for their customers through the provision of appropriate equipment and services.

Through our influence on the portfolio company boards, we support all of our businesses in upholding high health and safety standards in their operations to protect their employees, contractors and customers.

IONISOS

The business supports public health by providing essential services to the medical and pharmaceutical industries through cold sterilisation. This ensures medical devices are safe for all to use. In 2022, 65% of its revenues were derived from customers in these industries.

ESVAGT

Making the sea a safe place to work has been ESVAGT's mission from day one. The business has a strong track record of health and safety supported by a comprehensive programme of initiatives for employees and customers. In 2022, the business experienced zero lost time incidents – a significant achievement.

SRL traffic systems

Its temporary traffic solutions enable greater segregation and control of traffic flows, in turn improving safety and reducing congestion around roadworks. On a congested junction, SRL's system reduces average journey times by up to 22%. This improves satisfaction for road users and local communities, enabling more sustainable cities.

Sustainability report continued
Sustainability in action continued

Fostering inclusive growth

Our businesses often support economic growth where they operate, for example through job creation and increased investment. In 2022, our portfolio companies collectively employed over 5,400 people.

We expect our businesses to have high governance standards in place with policies that protect employees, promoting safety, fairness and appropriate working conditions.

Many of our portfolio companies have identified being an employer of choice as a key pillar of their sustainability strategies, promoting an inclusive culture and engagement with local communities.

We facilitate the sharing of best practices and support our businesses in pursuing continuous improvements to become more inclusive.

VALOREM
opérateur en énergies vertes

The business is a mission-driven company that aims to support local and inclusive economic growth and job creation, with a particular focus on the long-term unemployed with a certain number of on-site working hours reserved for them each year. In 2022, 12% of working hours on Valorem's solar PV sites were reserved for the long-term unemployed.

tampnet

The company has launched a "Women in Tech" programme dedicated to attracting female employees, and has public targets to improve the representation of female employees across its business and in management by 2025.

TCR

TCR operates across 180 airports in over 20 countries. Its workforce comprises over 56 nationalities and speaks over 48 languages. English has been adopted as TCR's working language.

Sustainability report continued
2023 voluntary climate-related disclosures

This section of the Annual report sets out how we incorporate climate-related risks and opportunities into our governance, strategy, risk management, metrics and targets, and is guided by, but is not intended to comply with, the recommendations of the TCFD.

The Company continues to make good progress in its voluntary climate-related financial disclosures as recommended by the TCFD. For a listed investment company, these are not required by the UK Listing Rules, but will be a disclosure responsibility of the Investment Manager.

We have cross-referenced the relevant sections under each of the headings below. For an investment company, the majority of the disclosures relate to the Company's portfolio of investments rather than to the Company itself.

We expect that the Company's reporting of TCFD disclosures will continue to evolve over time, consistent with the requirement for the Investment Manager to publish a TCFD product report in respect of the Company by June 2024.

The following should be read in conjunction with the rest of the Annual report and accounts and 3i Group's disclosures under the TCFD framework, available in their annual reports.

Governance

The management of climate-related risks and opportunities is embedded throughout the Company's processes and operations, including investment and portfolio management activities, with clear oversight by the Board and delegated authority to the Investment Manager. In determining the Company's strategy and approach to climate change, both the Board and the Managing Partners, assisted by a number of committees and the ESG team, take into account the laws and regulations of the countries in which the Company and its portfolio companies operate, as well as the perspectives of the different stakeholders involved.

The Board's oversight of climate-related risks and opportunities

The Board is responsible for overseeing the Company's overall approach to sustainability and related policies. The Board has adopted the Responsible Investment policy of the Investment Manager. It delegates day-to-day accountability for sustainability, including climate change-related issues, to the Investment Manager.

The Board receives a formal update on the Company's performance on relevant ESG risk matters, including climate change, once a year as part of the annual ESG portfolio review. In addition, the Investment Manager regularly updates the Board on the Company's ESG approach and progress towards agreed sustainability objectives for the year.

The Board discharges its responsibilities for overseeing and monitoring policies and procedures and to address issues if they arise through the Company's Audit and Risk Committee. The Audit and Risk Committee is responsible for:

- overseeing and reviewing internal controls and risk management by the Investment Manager, including the appropriate assessment and management of ESG risks and opportunities in the portfolio;
- ensuring compliance with applicable ESG legislation and regulation; and
- reviewing and approving the Company's voluntary disclosures under the TCFD framework.

The Board receives frequent updates on ESG matters and climate-related issues from the Managing Partners and the ESG team as they become relevant and material. Further detail on risk governance can be found in the Risk report on page 68.

The Investment Manager's role in assessing and managing climate-related risks and opportunities

The Investment Committee of the Investment Manager is responsible for the implementation of the Responsible Investment policy, as well as for making decisions concerning the acquisition, management, ongoing monitoring and sale of investments, and for making decisions concerning major investments made by our portfolio companies.

Sustainability report continued
2023 voluntary climate-related disclosures continued

In evaluating new and existing investments, the Investment Manager takes account of certain climate-related risks and opportunities where relevant.

This may include the impact of climate change on the markets each company serves and demand for its services, the climate change resilience of each company's assets, and, in the case of GHG emissions-intensive industries, the feasibility and potential cost of GHG emissions abatement. The Investment Manager is informed about climate-related risks and opportunities via its regular interactions with each portfolio company and portfolio company board updates throughout the year.

The 3i Group Risk Committee oversees the Investment Manager's risk management framework. The 3i Group ESG Committee advises the Group CEO, directly through the Group Risk Committee and the Investment Committee, on ESG-related matters.

Participation in Industry Working Groups

In July 2022, the Investment Manager joined the Initiative Climat International ('iCI'), a global, practitioner-led community of over 200 private markets firms and investors representing over US$3.2 trillion in assets under management that seeks to improve the understanding and management of the risks associated with climate change.

Since joining the group, the Investment Manager has contributed feedback towards the guide published by iCI and the British Private Equity & Venture Capital Association ('BVCA') on the implementation of TCFD and the working group in relation to developing the guidance for the calculation of the Scope 3 GHG emissions of portfolio companies and on the development of decarbonisation strategies.

Please refer to the 3i Group's TCFD disclosures for more information on the Investment Manager's governance framework and further participation in working groups.

Strategy

Climate-related risks and opportunities identified over the short, medium, and long term and the impact on businesses, strategy, and financial planning

Our investment strategy is to make a limited number of new investments each year, selected within our target sectors and geographies on the basis of their compatibility with our return targets and fit with the existing portfolio. The Company does not operate a sustainability-driven investment strategy. However, it seeks to identify investments that benefit from long-term trends, many of which link to environmental sustainability themes, including circularity and the transition to a low-carbon economy.

As set out earlier in this report, the Company, through its Investment Manager, screens all investments against the requirements of 3i Group's Responsible Investment policy, and embeds an assessment of ESG factors, including climate-related factors, at all stages of the investment and value creation journey. We can screen out opportunities that have an unsustainable impact on the environment and societies in which they operate, inconsistent with generating long-term value.

Once invested, we use our influence at portfolio companies to encourage the monitoring of climate-related risks and opportunities.

We are continuously evolving our approach as a responsible investor to improve our assessment of climate risks and opportunities within our investment and portfolio management processes.

During the year, portfolio companies continued to measure their GHG emissions and, where possible, to develop a decarbonisation plan. We are now working with portfolio companies to refine these plans and develop science-based GHG emissions reduction targets where feasible.

Resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

As a company that invests over the medium to long term in infrastructure assets that, by definition, provide essential and long-term services to society, we recognise the importance of investing in the energy transition and that this will ultimately impact all the sectors in which we invest.

Early in FY23, the Investment Manager carried out its first climate scenario analysis on its Private Equity portfolio and Economic infrastructure assets, including those owned by the Company, with the help of an external consultant.

This high level top-down analysis suggested that the Company's portfolio has limited exposure to material climate-related risks, and also highlighted that the Company's portfolio is exposed to the energy transition and thus may stand to benefit in both an orderly and a disorderly net zero scenario.

Sustainability report continued
2023 voluntary climate-related disclosures continued

The Investment Manager has now engaged a specialist consultancy to help design and carry out a second phase of climate scenario analysis, which it expects to complete in FY24. Its objective will be to perform a deeper dive, bottom-up analysis on a number of the portfolio companies to inform engagement with the portfolio on climate-related factors. Please refer to the 3i Group's TCFD disclosures for more details.

We also assess the potential financial impact of climate change on the Company through our annual viability assessment (see pages 79 and 80). Our analysis shows that the Company remains viable over the medium term from a climate change stress scenario on our portfolio.

Risk management

The Company has a comprehensive risk governance framework and compliance processes and procedures to ensure that all risks, including ESG and climate-related risks, are monitored and managed with due care and diligence and that the Company is fully compliant with all applicable environmental legislation. This is further described in the Risk report on pages 68 to 70.

Processes for identifying and assessing climate-related risks

The Investment Manager monitors relevant portfolio risks, including climate-related risks and changing consumer preferences in response to environmental issues, notably carbon taxes and the risk of stranded assets due to the energy transition, through its investment assessment and portfolio monitoring processes. This is critical to protecting and enhancing the value of our assets and is at the core of our investment management process.

The Investment Manager undertakes ESG due diligence where appropriate, including environmental due diligence, before making new investments and monitors ESG risks throughout the life of our investments. If appropriate this includes the engagement of specialist external firms to provide advice on specific sectors or topics. This process is supported by the new specialist ESG team. During the year, the Investment Manager further developed the ESG assessment that is incorporated into the investment process, to provide a more detailed view of each company's ESG performance.

We continue to develop our governance and risk management framework to ensure that sustainability-related risks and particularly climate-related risks are treated as a priority by our portfolio company management teams.

Processes for managing climate-related risks and integration into overall risk management

The Audit and Risk Committee ensures that the processes for managing climate-related risks are appropriate. This includes the development and integration of the data, tools and capabilities needed to support disclosure, risk identification and monitoring for ESG-related risks, including climate-related risks, across the whole portfolio.

This year the Investment Manager created a dedicated ESG team with specialist sustainability resource. This has improved the rigour of our assessment of sustainability factors in our investment process and throughout the holding period, enhanced the quality of our engagement with our portfolio companies on sustainability issues, and accelerated the implementation of a range of sustainability initiatives across our investment team and portfolio.

To improve data consistency and comparability, the Investment Manager selected a new software tool which will be used to gather, organise and analyse ESG data from the portfolio with better automation and consistency. This tool, which will improve significantly on existing systems, will be rolled out during the course of FY24.

3i Infrastructure itself is not exposed to material environmental risks. The Company has no employees.

The business of the Company is conducted through the Investment Manager and Jersey administrator, which do not have any office locations dedicated to the Company. As the regulatory environment is constantly evolving, the Investment Manager actively considers and monitors existing and emerging regulatory requirements related to climate change (eg. limits on GHG emissions and carbon taxes) as these requirements may affect both the Company and our portfolio companies.

Sustainability report continued
2023 voluntary climate-related disclosures continued

Metrics and targets

Metrics used to assess climate-related risks and opportunities

We monitor the environmental sustainability of each portfolio company as we would any other critical business activity, in an integrated and consistent manner. The Investment Manager monitors the environmental performance of our portfolio companies on an annual basis, and uses its influence as an investor to promote a commitment in our portfolio companies to minimise their environmental footprint, invest in the mitigation of their environmental impact and implement energy efficiency measures. This is an important part not only of our portfolio risk management procedures, but also of the value creation plan for each of our investments.

During the year, the Investment Manager worked with our portfolio company management teams to continue to measure and report their GHG footprint.

	2021		2022	
Company	Scope 1	Scope 2	Scope 1	Scope 2
Attero	792,245	37,729[1]	792,669	14,192[2]
ESVAGT	99,248	331[2]	120,847	272[1]
Infinis	66,591	2,822[1]	102,167	2,502[1]
Ionisos	3,502	1,952[1]	2,221	3,418[2]
TCR	1,656	2,031[1]	1,921	1,830[2]
SRL	–	–	1,793	151[2]
DNS:NET	418	1,880[1]	530	1,916[2]
Joulz	533	98[1]	436	86[2]
Tampnet	31	103[1]	47	341[2]
Oystercatcher	14	1,717[1]	36	3,101[1]
Valorem	13	106[2]	14	77[1]
GCX	–	–	0	701[1]

1 Location-based, using grid-average GHG emissions factors.
2 Market-based, using contract-specific GHG emissions factors.

There is a legal requirement for UK listed companies and UK large unquoted companies to provide certain climate-related disclosures, including in relation to GHG emissions. This applies to Infinis, which provides this reporting as part of its own annual report and accounts, which can be found on **www.infinis.com**.

Our portfolio companies aim to include objectives for reducing GHG emissions or intensity (depending on the sector) in their sustainability strategies. The objectives for each portfolio company will differ depending on the sector in which they operate.

On 5 April 2023, the Investment Manager wrote to the SBTi to indicate its commitment to set SBTs that will affect the Company. The Investment Manager is now working to formulate its targets, with the intention to submit these to SBTi for validation during the course of FY24. Its SBTs will cover its direct Scope 1 and 2 GHG emissions and the Scope 3 GHG emissions associated with its portfolio, including the Company's portfolio, and will be formulated in line with the guidance published by SBTi for the Private Equity sector.

GHG emissions reporting

As noted above, the Company itself has a very limited direct impact on the environment and is not a significant producer of GHG emissions. The Company consumed less than 40 megawatt hours of energy in the financial year and is therefore exempt from the UK Streamlined Energy and Carbon Reporting disclosure requirements.

We report Scope 1 and Scope 2 GHG emissions for our portfolio companies for the second time in this report. These are being disclosed voluntarily in order to provide a useful view on GHG emissions across our portfolio.

We supported portfolio companies with implementing GHG emissions reporting and worked with a third-party specialist firm during the year to review controls and governance associated with GHG data collection at each portfolio company. This will allow us to improve the consistency and quality of the methodology and GHG emissions data in the next financial year. Two companies have GHG emissions certified by a third party and we will encourage the companies across our portfolio to do this.

Sustainability report continued
2023 voluntary climate-related disclosures continued

We will continue to work with portfolio company management teams to refine their data collection and calculation methodologies over time, including the calculation of Scope 3 GHG emissions.

The work performed to collect Scope 1 and Scope 2 GHG emissions helped identify several potential opportunities for reduction across the portfolio. We are continuing to work with the portfolio companies to consider and implement GHG emissions reduction initiatives over time.

GHG emissions data for calendar year 2022 have been collected for all portfolio companies, excluding Future Biogas, which was acquired in February 2023.

The most significant sources of Scopes 1 and 2 GHG emissions across the portfolio relate to specific operations that support the essential nature of the businesses in our portfolio.

- Attero continues to be the largest direct emitter in the portfolio, with GHG emissions primarily resulting from its waste processing activities and its owned and operated landfills. Since 2019, Attero has fully offset its GHG emissions by the volume of emissions avoided. It is committed to increasing its avoided emissions to one million tonnes of CO_2 by 2025 by increasing the production of renewable energy and recycled materials. Attero is working to develop Carbon Capture and Storage capabilities, which would enable a significant reduction in GHG emissions
- ESVAGT's Scope 1 GHG emissions relate to the fuels used in its vessels, which it aims to transition to renewable sources of fuel and electrical power. ESVAGT has set itself an environmental goal to become operationally carbon neutral by 2035 and to have zero carbon emissions by 2050. To help achieve this, ESVAGT has several innovations in progress. ESVAGT increasingly supports the offshore wind industry through its operations
- Infinis's Scope 1 GHG emissions primarily relate to the natural gas used in its Power Response business, which provides highly responsive power during times of peak demand. This is a critical activity to help overcome the current gaps in the UK's electricity supply from renewable power sources and has been particularly important to meet UK energy demand following the Ukraine conflict and resulting impact on UK gas supplies in 2022. Infinis has begun developing battery projects that will allow renewable energy to be stored to meet peaks in demand. This will lessen reliance on natural gas to fill gaps in supply. Infinis also generates renewable energy through solar energy parks, which does not contribute any GHG emissions. In addition, Infinis's captured landfill methane and captured mineral methane operations contributed to the capture of 230,000 tonnes of methane in FY23, equivalent to preventing the emission of 5,700,000 tonnes of CO_2, more than 55 times the company's Scope 1 GHG emissions

This year the Investment Manager developed its GHG emissions and ESG data collection method further. The annual questionnaire was distributed to all the portfolio companies, requesting data across a broad range of emissions, health and safety, governance, compliance and other ESG topics for calendar year 2022.

The GHG emissions data was subsequently reviewed by a specialist consultancy which performed an assessment of the governance and processes surrounding GHG emissions data collection at each portfolio company.

The review also provided guidance on improving GHG emissions data collection robustness going forward. Improvements include third-party review of all collected data, provision of formal GHG emissions training for portfolio company employees responsible for data collection, and separation of data preparation and data review.

Across the portfolio, seven companies calculated Scope 3 GHG emissions for 2022, with a range of in-house or consultant-led methods. A range of Scope 3 categories were considered based on materiality for each portfolio company. We will continue working with the portfolio companies throughout FY24 to expand this reporting and align on key categories.