

Article 10 (SFDR)

Website disclosure for an article 8 fund

InfraRed European Infrastructure Income 4 (2) SCSp

A	SUMMARY
	The European Commission adopted a package of measures on sustainable finance in May 2018. One component of this package is the Regulation (EU) 2019/2088 Sustainable Finance Disclosure Regulation (the “SFDR”) which aims to standardize disclosure requirements on how financial market participants integrate environmental, social and governance factors in their investment decision-making and risk processes. In accordance with the SFDR, the alternative investment fund manager (the “AIFM”) of a fund such as InfraRed European Infrastructure Income 4 (2) SCSp's (the “Fund” or “EIIF4”) is required to make certain website disclosures regarding its promotion of certain the E/S Characteristics (defined in section 3 below), in compliance with Article 10 of the SFDR. ElIF4's investment proposition is to deliver sustainable income from a diversified portfolio of investments in core infrastructure. The Fund aims to generate long-term sustainable income by creating a diversified portfolio of 4 to 6 investments into mid-market core infrastructure and renewable assets. InfraRed views infrastructure as strategic assets supporting economic growth and sustainable development, which thereby benefit communities, enhance social progress and address the long-term needs of clients, users and investors. The Fund will target core infrastructure and renewables assets for the purpose of attaining the E/S Characteristics (defined in section 3 below). InfraRed Capital Partners Limited as the Fund's UK Manager (“InfraRed”) and the Lux AIF Manager (the “AIFM”) (together the “Management Entities”) strive to make a positive contribution to society that benefits the communities who rely on its assets. The Management Entities take an active approach to long-term sustainability by integrating environmental, social and governance (“ESG”) criteria into every aspect of its business. The Management Entities firmly believe this unlocks the potential of its investments, reduces the risks in the portfolio and creates enduring benefits for local economies. ElIF4's sustainability investment and management framework (set out in section 4 below) is applied to each potential portfolio company in order to ensure that the Fund's investments are used to attain the E/S Characteristics. This framework includes the adoption and application of InfraRed's Exclusion Policy (described in section 4 below, and available here). In addition, the Management Entities have adopted InfraRed's sustainability policy in respect of new investments as well as the ongoing management of the Fund's portfolio. The Management Entities will seek to attain the E/S Characteristics of the Fund through their commitment to evaluate and assess certain ESG-related attributes of investments prior to and post initial investment. The Management Entities uses certain Sustainability Indicators (defined in section 6 below) to measure the attainment of the E/S Characteristics, which are monitored by way of the annual ESG Survey (defined in section 7 below). The Management Entities will develop and introduce additional Sustainability Indicators to measure the attainment of the E/S Characteristics for the Fund in the future, as appropriate. While some data can be directly collected and based on real values, other data points, such as GHG emissions, may need to be estimated. The share of estimated data depends on the data availability for an individual investment. While estimation can lead to a risk of inaccuracy, the Management Entities will ensure that none of these limitations will negatively affect the attainment of the E/S Characteristics. The Management Entities will invest a minimum proportion of 80% of the Fund's investments directly in portfolio companies for the purpose of attaining the E/S Characteristics. As a result, a maximum 20% of the Fund's investments will relate to investments in “#2 Other” (including derivative contracts for the purpose of efficient portfolio management). The Management Entities are not currently in a position to disclose how and to what extent the investments underlying the Fund are in economic activities that qualify as environmentally sustainable economic activities (as defined in Article 3 of the Regulation (EU) 2020/852 of 18 June 2020 (the “EU Taxonomy”). In accordance

	with the European Commission's Decision Notice of 13 May 2022 (C(2022) 3051), the Management Entities confirm that the Fund's investments are 0% EU Taxonomy-aligned. A reference benchmark has not been designated for the purpose of attaining the E/S Characteristics.
B	<u>NO SUSTAINABLE INVESTMENT OBJECTIVE</u>
	This financial product promotes environmental or social characteristics (in accordance with Article 8 of the SFDR), but does not have as its objective sustainable investment (in accordance with Article 9 of the SFDR).
C	<u>ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT</u>
	EIIF4's investment proposition is to deliver sustainable income from a diversified portfolio of investments in core infrastructure. The Fund aims to generate long-term sustainable income by creating a diversified portfolio of 4 to 6 investments into mid-market core infrastructure and renewable assets. The Management Entities view infrastructure as strategic assets supporting economic growth and sustainable development, which thereby benefit communities, enhance social progress and address the long-term needs of clients, users and investors. The Fund will target core infrastructure and renewables assets focusing on sectors in transportation, social infrastructure, regulated assets, offshore wind, onshore wind and solar, energy storage. Accordingly, the Fund will invest in assets which are designed to (i) support clean energy initiatives and (ii) enhance social outcomes as described above (the "E/S Characteristics"). In addition, the Management Entities strive to make a positive contribution to society that benefits the communities who rely on its assets. The Management Entities take an active approach to long-term sustainability by integrating ESG criteria into every aspect of its business. The Management Entities firmly believe this unlocks the potential of the Fund's investments, reduces the risks in the portfolio and creates enduring benefits for local economies. InfraRed is a signatory to the Principles for Responsible Investment ("PRI"). These principles provide a voluntary framework for incorporating sustainability themes into investment practice, contributing to a sustainable financial system. In addition, InfraRed takes account of other international standards and guidelines such as the United Nations' ("UN") Sustainable Development Guidelines ("SDGs") in respect of the Fund's investments
D	<u>INVESTMENT STRATEGY</u>
	EIIF4's sustainability investment and management framework, which is applied to each potential portfolio company, is set out below: • Negative Screening: checks are made against InfraRed's Exclusion Policy (as detailed below); • Deal Screening: ○ counterparty searches are completed to assess company's sustainability performance; ○ initial identification of sustainability risks and opportunities; • Due Diligence: ○ Sustainability performance is assessed in line with sector guidelines and regulatory requirements; ○ Climate change risk assessments are completed; ○ Due diligence findings are incorporated into investment valuations and/or risk mitigation

plans;

- Sustainability action plan is created for post-investment implementation;
- **Investment Approval:** due diligence findings and sustainability action plan are presented to the Investment Committee for consideration and approval;
- **Management:**
 - Oversight of investment governance and active management of sustainability aspects through the InfraRed Asset Management team;
 - Implementation of the sustainability action plan developed in the Due Diligence phase;
 - Annual ESG Survey is used to collect data against key metrics (including regulatory requirements) and monitor ESG performance;
 - Sharing of best practices through guidance documents, case studies and InfraRed 'Creating Better Futures' Awards;
 - Engagement with key stakeholders on key sustainability themes, such as bi-annual workshops, industry collaborations and targeted surveys;
- **Reporting:** Transparent disclosure of the Fund's sustainability performance and incidents; and
- **End of Investment Life:**
 - For divestments, counterparty searches are completed on acquirers and investment sustainability performance data are shared; and
 - Environmentally and socially responsible approach to asset handback / decommissioning.

InfraRed Exclusion Policy

InfraRed has identified certain product-level and conduct-based matters listed below in its 'Exclusion Policy' that it will exclude from investment by the Fund, known as exclusions, to attain the E/S Characteristics that the Fund promotes.

Product-level exclusion:

- Coal
- Oil
- Gas if unaligned with net zero trajectory
- Supporting infrastructure which directly facilitates the above activities
- Weapons
- Combat-related contracts
- Alcoholic beverages
- Tobacco

Conduct -based exclusion:

	• Biodiversity and habitat loss • Breaches of fundamental human rights • Resettlement • Pornography and adult entertainment • Gambling • Failure to uphold and business ethics and compliance A copy of the Exclusion Policy can be found here. Prior to any investment, the Management Entities will conduct screening and extensive due diligence on each investment under consideration as outlined above, and following investment (to ensure compliance with InfraRed's standard policies and local regulations) InfraRed's Asset Management Team will ensure the implementation of bespoke policies in portfolio companies, in relation to: • health and safety; • anti-bribery; • conflicts of interest; • tax; • cyber-security; • diversity and inclusion; • whistle blowing; and • modern slavery. InfraRed Sustainability Policy In addition, EILF4 has adopted InfraRed's sustainability policy (the "Sustainability Policy"). InfraRed is responsible for applying EILF4's Sustainability Policy in respect of new investments as well as the ongoing management of EILF4's portfolio. Good governance practices As noted above and outlined in InfraRed's Exclusion Policy, as part of the investment process the Management Entities will conduct extensive due diligence in portfolio companies to ensure that they are following good governance practices. Prior to investment, in line with the Exclusion Policy, InfraRed's Origination & Execution Team is required to complete public data searches on investee companies to identify the existence of any sustainability breaches or incidents, as well as responding to mandatory sustainability questions on relevant sustainability risks and opportunities such as climate change impact and positive contribution to the UN SDGs.
E	<u>PROPORTION OF INVESTMENTS</u> The Management Entities will invest a minimum proportion of 80% of the Fund's assets directly in portfolio companies for the purpose of attaining the E/S Characteristics. As a result, a maximum 20% of the Fund's assets will relate to investments in "#2 Other". In relation to "#2 Other" investments - the Management Entities or the Fund may, but are not required to, seek to minimise the risk of a decrease in the value of investment returns by using certain hedging strategies,

	including but not limited to management of foreign exchange risk as part of the Management Entities' aim to provide sustainable long-term income. The Management Entities may hedge a portion of the value and/or cash flow forecast of non-euro assets if deemed appropriate, balancing the foreign exchange risk and opportunity with the cost of hedging. However, no hedging transactions will be undertaken by the Fund for speculative purposes. As noted above, the Management Entities plan that a maximum of 20% of the Fund's assets will be in "#2 Other" investments for the purposes of efficient portfolio management. This planned asset allocation will be subject to fluctuations in the market, for instance in relation to foreign exchange, and therefore will be subject to external market factors beyond the Management Entities' control. Therefore, to the extent that more than 20% of the Fund's assets will be in "#2 Other" investments, this will be accounted for in the periodic disclosures (and, if necessary, reflected by future amendments to the pre-contractual disclosures). The Management Entities are not currently in a position to disclose how and to what extent the investments underlying the Fund are in economic activities that qualify as environmentally sustainable economic activities (as defined in Article 3 of the EU Taxonomy). In accordance with the European Commission's Decision Notice of 13 May 2022 (C(2022) 3051), the Management Entities confirm that the Fund's investments are 0% EU Taxonomy-aligned.
F	<u>MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS</u>
	The Management Entities will use the following key performance indicators to measure the attainment of the E/S Characteristics that the Fund promotes: • Environmental: renewable energy generated, homes (equivalent) powered, carbon emissions avoided, energy, water and waste management and Scope 1, 2, 3 emissions; and • Social: community contributions to environmental or social initiatives, and health & safety policies and performance, assessment of human rights and diversity and inclusion policies (together, the "Sustainability Indicators"). The Management Entities will develop and introduce additional sustainability indicators to measure the attainment of the E/S Characteristics for the Fund in the future, as appropriate.
G	<u>METHODOLOGIES</u>
	Prior to acquisition, the Management Entities consider performance against the Sustainability Indicators. Post acquisition, the Management Entities will assess the principal adverse impacts on an ongoing basis through an annual ESG Survey (the "ESG Survey") which portfolio companies will be required to complete. The ESG Survey provides both an effective data point and tool to monitor the ongoing position of the ESG impact at each of the portfolio companies. The ESG Survey output also acts as an annual audit of sustainability performance which identifies an action plan of aspects which are to be addressed by the portfolio company to improve ESG performance.
H	<u>DATA SOURCES AND PROCESSING</u>
	As noted above, the Management Entities ensure monitoring of its portfolio companies through the use of the ESG Survey, collating investment level data to assess each Sustainability Indicator. Whilst the Management Entities undertake necessary checks to ensure the receipt of high-quality data from its portfolio companies, the

	Management Entities ultimately rely on its portfolio companies to provide relevant and accurate performance data. While majority of the data can be directly collected and based on real values, other data points, such as GHG emissions, may need to be estimated. The share of estimated data depends on the data availability for an individual investment. All estimates will be subject to plausibility checks, relying on general market standards and typical values for similar projects/investments.
I	<u>LIMITATIONS TO METHODOLOGIES AND DATA</u> As noted above, some of the data will be based on estimates, and the availability of some data will depend on cooperation with the portfolio company concerned. In such cases, the Management Entities use their own internal processes to calculate performance against the Sustainability Indicators, and these figures are estimated where actual data is unavailable (as noted above). While estimation can lead to a risk of inaccuracy, the Management Entities employ practices in relation to the recording of its Sustainability Indicators in order to improve reliability. The Management Entities will endeavour that none of these limitations will negatively affect the attainment of the E/S Characteristics. Where necessary, the Management Entities will seek to take corrective measures in respect of any concerns identified during data collection and verification.
J	<u>DUE DILIGENCE</u> The Management Entities adopt a rigorous investment process which comprises of pre-investment screening and due diligence and asset management. If the screening or due diligence findings indicate that an investment opportunity is inconsistent with the Management Entities' expectations in relation to the E/S Characteristics, the Fund will not pursue the opportunity further. In addition, the Management Entities take a proactive approach to portfolio and asset management to ensure that environmental / social awareness and best practice is being promoted, as well ensuring environmental risks and opportunities are considered and measured. As noted above, EILF4's investment strategy also prescribes that it will not make investments in certain excluded sectors which would be inconsistent with the Fund's E/S Characteristics. Details regarding InfraRed's Exclusion Policy are set out above and further details about the investment process are available upon request.
K	<u>ENGAGEMENT POLICIES</u> As noted above, as part of its active asset management, the Management Entities will engage with key stakeholders on the key sustainability themes, through bi-annual ESG summits, industry collaborations and targeted surveys. Following investment, typically, the InfraRed Asset Management Team has board representation with governance rights to ensure sufficient controls and protections are in place for portfolio companies. This ensures the investee companies are aligned with InfraRed's standard policies and local regulations in relation to good governance (e.g. anti-bribery and health and safety). The team will also ensure environmental awareness and best practice is promoted, as well as ensuring environmental risks and opportunities are considered.
L	<u>DESIGNATED REFERENCE BENCHMARK</u> A reference benchmark has not been designated for the purpose of attaining the E/S Characteristics.
M	<u>SUMMARY (GERMAN)</u>

Die Europäische Kommission hat im Mai 2018 ein Maßnahmenpaket zum nachhaltigen Finanzwesen ergriffen. Ein Bestandteil dieses Pakets ist die Verordnung (EU) 2019/2088 über nachhaltigkeitsbezogene Offenlegungspflichten im Finanzdienstleistungssektor („**SFDR**“), die darauf abzielt, die Offenlegungspflichten darüber zu standardisieren, wie Finanzmarktteilnehmer ESG-Faktoren in ihre Anlageentscheidungsprozesse und Risikomanagementprozesse aufnehmen. Gemäß der SFDR ist der Verwalter alternativer Investmentfonds („**AIFM**“) eines Fonds wie InfraRed European Infrastructure Income 4 (2) SCSp (der "**Fonds**" oder "**EIF4**") verpflichtet, in Übereinstimmung mit Artikel 10 der SFDR bestimmte Offenlegungen zu seiner Förderung bestimmter E/S-Merkmale (wie unten im dritten Abschnitt definiert) auf seiner Website zur Verfügung zu stellen.

Das Anlageangebot des EIF4 besteht darin, nachhaltige Erträge aus einem diversifizierten Portfolio von Anlagen in Kerninfrastrukturen zu erzielen. Der Fonds zielt darauf ab, langfristige, nachhaltige Erträge zu erwirtschaften, indem er ein diversifiziertes Portfolio von 4 bis 6 Anlagen in mittelständischer Kerninfrastruktur und erneuerbaren Vermögen aufbaut. InfraRed betrachtet die Infrastruktur als strategisches Vermögen, das das Wirtschaftswachstum und die nachhaltige Entwicklung unterstützt, und damit die Gemeinden und den sozialen Fortschritt fördert, und die langfristigen Notwendigkeiten von Kunden, Benutzern und Investoren angeht. Der Fonds zielt auf Kerninfrastruktur und erneuerbares Vermögen ab, um die E/S-Merkmale (wie unten im dritten Abschnitt definiert) zu erreichen.

InfraRed Capital Partners Limited als britischer Verwalter des Fonds ("**InfraRed**") und der luxemburgische AIFM (der "**AIFM**") (zusammen die "**Verwaltungsunternehmen**") sind bestrebt, einen positiven Beitrag zur Gesellschaft zu leisten, der die Gemeinschaften fördert, die auf ihre Vermögen angewiesen sind. Die Verwaltungsunternehmen wählen einen aktiven Ansatz zur langfristigen Nachhaltigkeit, indem sie ESG-Kriterien in jeden Aspekt ihrer Geschäftstätigkeit aufnehmen. Die Verwaltungsunternehmen sind der festen Überzeugung, dass dieser Ansatz das Potenzial ihrer Anlagen freisetzt, das Risiko des Portfolios verringert und dauerhaft die lokale Wirtschaft ankurbelt.

Der Fonds-Rahmen für Nachhaltigkeitsinvestitionen und Verwaltung (wie unten im vierten Abschnitt definiert) wird auf jedes potenzielles Portfoliounternehmen angewandt, um sicherzustellen, dass die Anlagen des Fonds auf die Erreichung der E/S-Merkmale ausgerichtet sind. Dieser Rahmen umfasst die Einführung und Anwendung der Ausschlussstrategie von InfraRed (wie unten im vierten Abschnitt definiert und [hier](#) verfügbar).

Außerdem haben die Verwaltungsunternehmen die Nachhaltigkeitsstrategie von InfraRed mit Bezug auf sowohl neue Anlagen als auch die laufende Verwaltung des Fondsportfolios angewandt.

Die Verwaltungsunternehmen versuchen, die E/S-Merkmale des Fonds zu erreichen, indem sie sich verpflichten, bestimmte ESG-bezogene Merkmale von Anlagen vor und nach der Erstinvestition auszuwerten und zu bewerten. Die Verwaltungsunternehmen wenden bestimmte Nachhaltigkeitsindikatoren (wie unten im sechsten Abschnitt definiert) an, um die Erreichung der E/S-Merkmale zu messen, die im Rahmen der jährlichen ESG-Umfrage (wie unten im siebten Abschnitt definiert) überwacht wird. Die Verwaltungsunternehmen werden in der Zukunft gegebenenfalls zusätzliche Nachhaltigkeitsindikatoren entwickeln und einführen, um die Erreichung der E/S-Merkmale vom Fonds zu messen. Obwohl einige Daten direkt erhoben werden können und auf realen Werten beruht werden können, müssen andere Datenpunkte, wie z. B. die Treibhausgasemissionen, möglicherweise geschätzt werden. Der Anteil der geschätzten Daten hängt von der Datenverfügbarkeit einer einzelnen Anlage ab. Obwohl die Schätzung zum Risiko der Ungenauigkeit führen kann, doch werden die Verwaltungsunternehmen sicherstellen, dass keine dieser Einschränkungen die Erreichung der E/S-Merkmale beeinträchtigt.

Die Verwaltungsunternehmen werden zum Zwecke der Erreichung der E/S-Merkmale einen Mindestanteil von 80 % der Anlagen des Fonds direkt in Portfoliounternehmen anlegen, Daher wird sich maximal 20 % der Anlagen des

	Fonds auf Anlagen in "#2 Sonstige" (einschließlich Derivatekontrakte zum Zwecke der effizienten Portfolioverwaltung) beziehen. Die Verwaltungsunternehmen sind derzeit nicht in der Lage, offenzulegen, wie und inwiefern die zugrunde liegenden Anlagen des Fonds in Wirtschaftstätigkeiten sind, die sich als ökologisch nachhaltige Wirtschaftstätigkeiten (wie in Artikel 3 der Verordnung (EU) 2020/852 vom 18. Juni 2020 (die "EU-Taxonomie") definiert) qualifizieren. Gemäß der Beschlussmitteilung der Europäischen Kommission vom 13. Mai 2022 (C(2022) 3051) bestätigen die Verwaltungsunternehmen, dass die Anlagen des Fonds zu 0 % der EU-Taxonomie entsprechen. Es wurde kein Referenzwert für die Erreichung der E/S-Merkmale festgelegt.
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