TRIG
The Renewables Infrastructure Group

Generating Sustainable Value

TRIG Sustainability Report 2023

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TRIG's purpose is to generate sustainable returns from a diversified portfolio of renewables infrastructure that contribute towards a net zero carbon future.

Penare Solar Farm, England
Cover image: Merkur, Germany

Introduction

At its core, TRIG is a renewable energy generator. Our portfolio is significant, with a committed capacity of over 2.8GW and operations in multiple European countries.

Today, Europe is still feeling the impact of the conflict in Ukraine as energy and cost of living crises highlight the need for an affordable and secure energy supply. Our progress is intrinsically linked to this need. In 2022 our portfolio generated 5.4TWh of clean energy, nearly three times the amount we generated five years ago and enough to power the equivalent of 1.6 million homes per annum.

Our electricity generation in 2022 also avoided 1.9 million tonnes of carbon emissions, equal to eliminating the use of over 900,000 tonnes of coal. Whilst TRIG's core operational activities are focused on producing large volumes of clean electricity, we remain very conscious that TRIG has its own carbon footprint too and report Scope 1, 2 and 3 emissions for the Company and the portfolio. We committed to the Science Based Targets initiative (SBTi) in 2021 and have now submitted our SBTi targets which are to invest 100% in renewable energy and related infrastructure, and to achieve 75% supplier engagement for our project emissions. These targets will be validated by the SBTi during the course of 2023, continuing our dedication to a net zero carbon future. TRIG's Managers have also aligned with such voluntary frameworks and commitments, with RES committing to SBTi in 2020 and InfraRed joining the Net Zero Asset Managers initiative in 2021.

Recent instances of devastating wildfires, droughts, flooding, and weather patterns deviating from historical norms provide a regular reminder of the potential physical consequences of adverse climate change, with likely exacerbation from the developing El Nino this year. It is clear that we must continue to acknowledge the realities of the world that we live in and the potential climate change impacts to our portfolio as they evolve. This year we have progressed our physical climate risk reporting to include an updated assessment for the portfolio, informed using leading climate science to quantify TRIG's risk exposure on an asset-by-asset basis.

We remain focused on the safety of anyone who interacts with our assets; a strong health and safety culture has always been central to TRIG's operations and the ethos of its Board and Managers. As our portfolio continues to grow in size, we seek to maintain the high quality of health and safety reporting that currently exists across the whole portfolio. By utilising decades of experience in managing renewables projects, we can influence our partners, service providers and suppliers to advocate for best practices.

This report sets out both the sustainability achievements in the year as well as sharing our ambitious sustainability targets, linked to TRIG's sustainability goals. The purpose of setting such sustainability targets is to further improve sustainability outcomes for all our stakeholders.

TRIG's Managers, InfraRed and RES, have always sought to invest responsibly and remain pro-active in their management of every project. Equally, sustainability has been incorporated throughout TRIG's business model since inception. Further oversight of this crucial area will be achieved by the establishment of a new Board ESG Committee in the year. This committee will oversee progress towards TRIG's sustainability objectives.

We are resolute in our commitment to drive TRIG's sustainability strategy forward in line with the Company's purpose and deliver long-term, sustainable returns to our shareholders.

> In 2022 our portfolio generated 5.4TWh of clean energy, nearly three times the amount we generated five years ago and enough to power the equivalent of 1.6 million homes per annum.

Richard Morse
Chairman
May 2023

Our reach

In 2022, TRIG's portfolio generated 5,376GWh of clean energy. The statistics on these pages quantify the impact of this generation.

TRIG's sustainability objectives are focused across four key pillars:

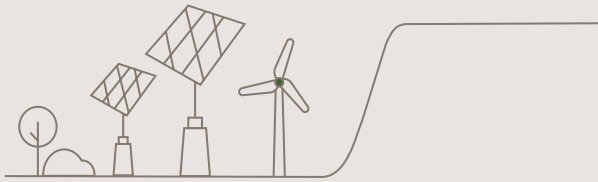
Climate

Environment

Communities

Governance

Read more about our sustainability objectives on page 13.



1.6m

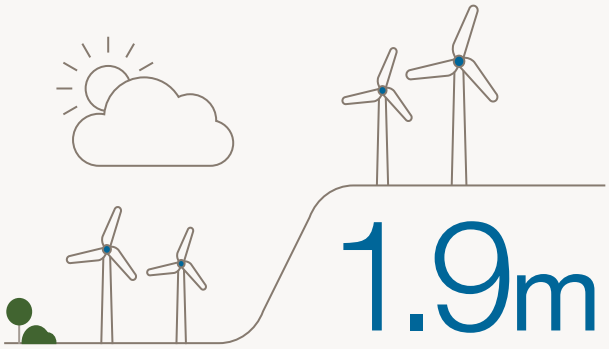
homes powered by our portfolio in 2022[1]

700,000

TRIG's portfolio generated the amount of energy needed to drive an electric car around the world over 700,000 times

1 year

TRIG's portfolio generated enough clean energy to power all the homes in Wales for over a year



1.9m

tonnes of CO_2 avoided by our portfolio in 2022[1]

1 Based on the committed portfolio as at 31 December 2022, using the IFI Approach to GHG Accounting.

'Seabins' at East Anglia One

→ See page 20

Beehives at Marvel Solar farm

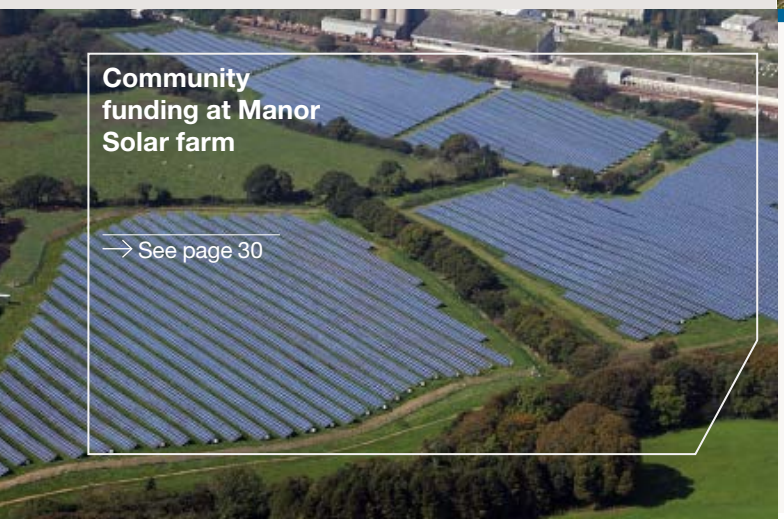
→ See page 25

900,000

tonnes of coal eliminated thanks to the clean energy generated by TRIG's portfolio

Job creation at Cadiz Solar projects

→ See page 27



Community funding at Manor Solar farm

→ See page 30

6m

avoided emissions equivalent to over six million passengers flying from London to New York

Our business

TRIG's purpose is to generate sustainable returns from a diversified portfolio of renewables infrastructure that contribute towards a net zero carbon future.

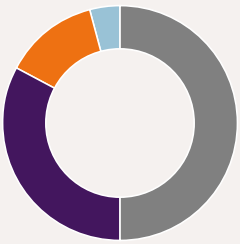
Read more about our approach on pages 12-17.

TRIG's diversified portfolio predominantly consists of operational wind farms, solar parks and battery storage projects in the UK and Europe. The Company aims to provide its investors with long-term, sustainable dividends, enhance the portfolio's capital value and re-invest surplus cash flows after payment of dividends.

TRIG owns the largest diversified portfolio of renewable energy investments within the Investment Company sector.

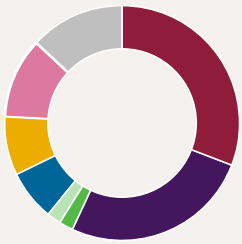
Investment portfolio[2]

Split by technology %



	%
Onshore wind	50
Offshore wind	33
Solar PV	13
Flexible Capacity	4

Split by jurisdiction/power market %



	%
England & Wales	31
Scotland	26
N. Ireland	2
Republic of Ireland	2
France	7
Spain	8
Germany	11
Sweden	13

6
European countries (including UK)

1 As at 28 April 2023.
2 Segmentation by committed portfolio value as at 31 December 2022.

£3.0bn
Market capitalisation[1]

5,376 GWh
of renewable electricity generated in 2022

2.8GW
Portfolio net capacity

TRIG is managed by its Investment Manager, InfraRed, and its Operations Manager, RES, with oversight provided by an independent Board of non-executive Directors.

Read more about our Managers on page 7.

With the support of shareholders, TRIG's growth since IPO has enabled the Investment Manager, InfraRed, to diversify the investment portfolio across technologies (currently onshore wind, offshore wind, solar PV and flexible capacity in the form of battery storage) and geographies (currently UK, Ireland, France, Germany, Sweden and Spain), with other technologies and geographies considered subject to rigorous analysis of the legal, regulatory and operational environment.

Read more about our portfolio online

> The integration of sustainability within investment management is central to how InfraRed runs all of our funds, including TRIG. We believe this integration is key to delivering lasting success.

Richard Crawford
InfraRed
May 2023

> We believe that developing, constructing and managing renewables projects comes with a responsibility to positively impact on the lives of our employees, stakeholders and the communities close to our projects.

Chris Sweetman
RES
May 2023

Our strategy

Generating sustainable value

TRIG seeks to enhance the long-term sustainability of shareholder returns in three ways:

01 Portfolio Diversification

- TRIG provides shareholders with access to a 2.8GW diversified portfolio of renewables infrastructure investments. The largest investment is less than 9% of portfolio value.
- TRIG's strategy includes managing asset concentration risk across power markets, regulatory frameworks, weather patterns and technology classes.
- A well-diversified portfolio helps improve the resilience of ongoing financial performance, contributing to the sustainability of shareholder returns.

02 Responsible Investment

- Many of TRIG's investments have asset lives of 30 years or more, requiring a long-term view to be taken and sustainable business practices applied.
- TRIG's Sustainability Policy is aligned to United Nations Sustainable Development Goals, and the Company is a signatory of the Science Based Targets initiative.
- The implementation of the Company's Sustainability Policy relies and is grounded upon InfraRed's and RES' responsible and sustainable approach to investment and asset management.

03 Value Enhancement

- Action by InfraRed and RES targets both the preservation and the enhancement of investment value, whilst also considering sustainability opportunities and risks.
- Active portfolio management and technical enhancements to increase energy yields, with pro-active asset management minimising equipment downtime through pre-emptive sub-component replacement and refurbishments.
- Disciplined approach to the delivery of construction projects, including the incorporation of ESG appraisals where most appropriate to achieve a positive ESG impact.

Our Managers

InfraRed

InfraRed Capital Partners (InfraRed) is TRIG's Investment Manager and has day-to-day responsibility for the investment management of TRIG. It is an international infrastructure investment manager, with more than 180 professionals operating worldwide from offices in London, New York, Sydney and Seoul. Over the past 25 years, InfraRed has established itself as a highly successful developer and custodian of infrastructure assets that play a vital role in supporting communities. InfraRed manages US$14bn+ of equity capital[1] for investors around the globe, in listed and private funds across both income and capital gain strategies. A long-term sustainability-led mindset is integral to how InfraRed operates as it aims to achieve lasting, positive impacts and deliver on its vision of Creating Better Futures.

→ www.ircp.com

InfraRed Capital Partners

RES

Renewable Energy Systems Limited (RES) is TRIG's Operations Manager. RES manages TRIG's operations through a dedicated team of people who undertake day-to-day monitoring and oversight of operations for TRIG's portfolio of investments in renewable assets. RES is the world's largest independent renewable energy company and is active in wind, solar, energy storage, green hydrogen, transmission and distribution. As an industry innovator for over 40 years, RES has delivered more than 23GW of renewable energy projects across the globe and supports an operational asset portfolio exceeding 12GW worldwide for a large client base. Understanding the unique needs of corporate clients, RES has secured over 1.5GW of corporate power purchase agreements (PPAs) enabling access to energy at the lowest cost. RES employs over 2,500 passionate people and is active in 14 countries.

→ www.res-group.com

res power for good

1 Data as at Q3 2022. Equity Capital is calculated using a five-year average FX rate

Jädraås, Sweden

Working with our stakeholders

In order to make progress against our sustainability priorities and targets, we must work effectively with our stakeholders.

By engaging in open and active dialogues with internal and external stakeholders, we understand the goals of all stakeholders, we reinforce our relationships, and we leverage the skills and resources of our partners.

Local communities

Stakeholder

Renewables assets are often located in rural communities, and we are sensitive to the impact that such projects can have.

Expectations

- Projects should not negatively impact the lives of those living in close proximity to an asset
- Owners/operators of the asset should interact with the community where appropriate

Our approach

- Close consultation with local planning authorities
- Events at sites such as local employment fairs and educational visits
- Community fund contributions and engagement with associated community organisation(s)

Shareholders

Stakeholder

We invest in infrastructure assets using the capital provided by our investors. Shareholder interaction is a critical component of the management of TRIG.

Expectations

- Delivery of sustainable returns
- Active portfolio management from specialist Investment and Operations Managers
- Responsible investment practices and application of 'ESG' principles

Our approach

- TRIG's brokers are key intermediaries between the Company and its shareholder base, arranging meetings, monitoring equity market conditions and advising on capital raising activities
- Direct engagement with retail investors by the Managers, including retail specific presentations and materials

Partners

Stakeholder

TRIG benefits from co-investing alongside several joint venture partners, some of which are developers and vendors, others are purely financial co-investors.

Expectations

- Alignment on key issues and decisions where possible
- Transparency, open communication and cooperation

Our approach

- The Managers build on existing portfolio relationships and seek to establish rapport from the outset for new acquisitions
- All parties are represented and contribute at board meetings
- Sharing of best practices and assistance in coordinating and monitoring the investment

Suppliers

Stakeholder

Key operational suppliers include original equipment manufacturers (OEMs), spare part providers and independent service providers. Also included are corporate suppliers such as our administrators, brokers, corporate lenders and auditors amongst others.

Expectations

- For TRIG to fulfil its role and obligations under the relevant supply contracts

Our approach

- Asset Managers and Operations teams maintain relationships with portfolio suppliers
- Prompt payments are made for services
- Regular and ad-hoc communications to discuss ESG expectations and initiatives

Customers

Stakeholder

TRIG's key customers are companies that buy clean electricity and its associated benefits. These offtakers pay for and receive the output from our portfolio assets.

Expectations

- Consistent, reliable generation of electricity that conforms to industry codes and regulations
- Embedded benefits where contracted, such as Renewables Certificates

Our approach

- Asset Managers provide the necessary data and forecasts as required by the offtaker to assist with their management of power volumes

Government and authorities

Stakeholder

Government bodies and regulators play a key role in the viability of renewables and the path to net zero.

Expectations

- For TRIG to operate within the relevant legislation

Our approach

- Monitoring of requirements with key government department and regulatory bodies
- Engagement, including formal responses to consultations either directly or through our service providers

Global trends driving our approach

TRIG owns a portfolio of renewables infrastructure projects totalling over 2.8GW, the management of these assets and identification of new investment opportunities means that our investment philosophy and approach to sustainability must be able to respond to the most pressing environmental and social issues that are affecting our stakeholders.

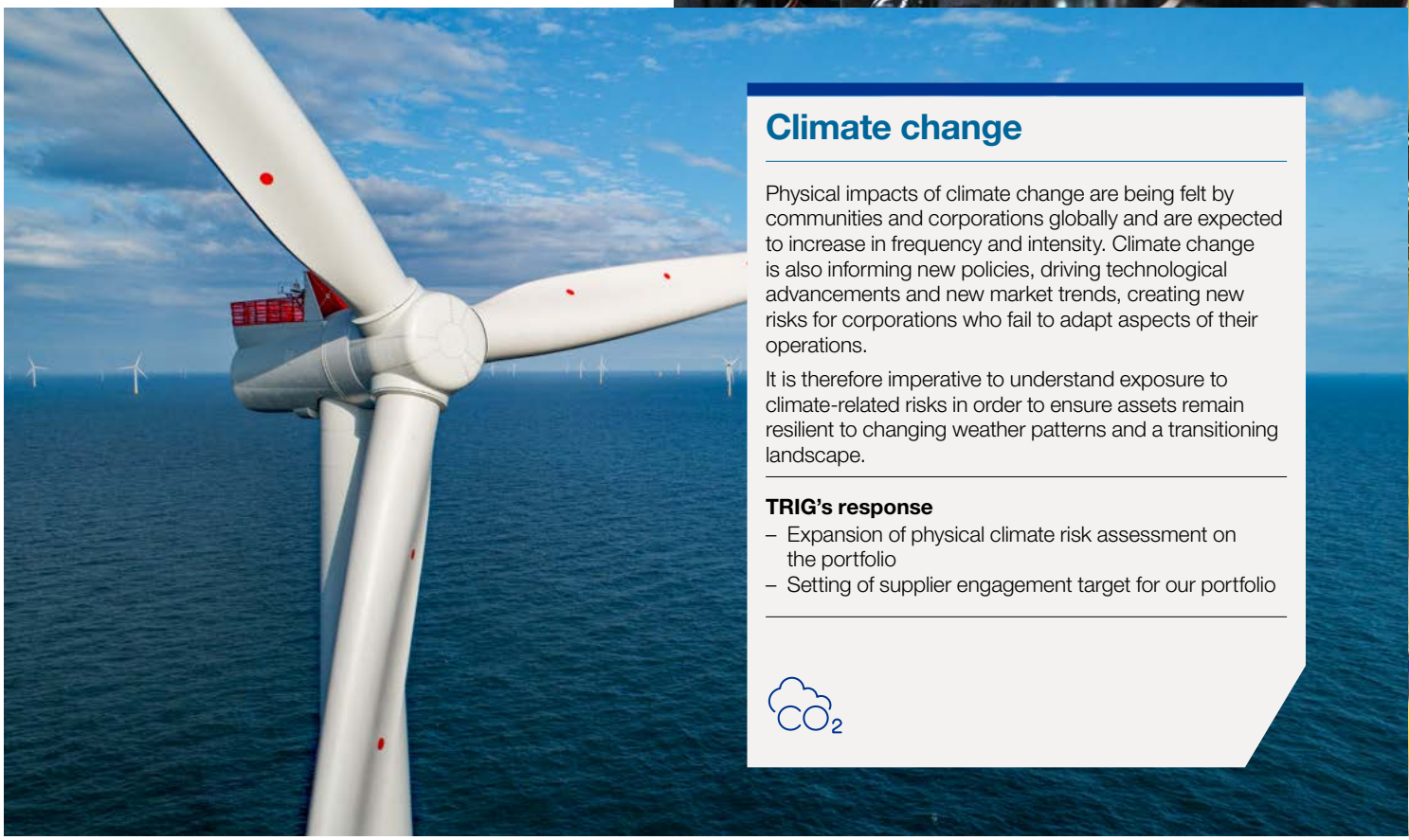
Energy security

The transition to a low carbon economy and the attractiveness of renewable energy are driving significant changes in the energy market. The conflict in Ukraine has exacerbated energy insecurity and increased government awareness of the issue, encouraging an accelerated transition.

Renewable energy is expected to account for almost 90% of new capacity over the next five years.[1] As a result, further attention is being given to the capabilities of grid infrastructure and electricity market design. The shift away from traditional sources of energy has important implications for energy affordability and accessibility, as renewable energy infrastructure can offer lower and more stable electricity costs for people and businesses.

TRIG's response

- Continued investment in renewable energy technologies in line with investment policy
- Increased investment in battery storage which addresses intermittency of renewable generation



Climate change

Physical impacts of climate change are being felt by communities and corporations globally and are expected to increase in frequency and intensity. Climate change is also informing new policies, driving technological advancements and new market trends, creating new risks for corporations who fail to adapt aspects of their operations.

It is therefore imperative to understand exposure to climate-related risks in order to ensure assets remain resilient to changing weather patterns and a transitioning landscape.

TRIG's response

- Expansion of physical climate risk assessment on the portfolio
- Setting of supplier engagement target for our portfolio

1 Source: International Energy Agency (IEA) report on Renewables 2022.

Biodiversity

Evidence increasingly shows biodiversity's critical role for stabilising ecosystems and the economy.

As biodiversity declines, ecosystems become less resilient, species become endangered or extinct and the services that nature provides, such as water purification and carbon sequestration, are progressively compromised. This in turn is negatively impacting human health, food security and economic development. As investors and corporations begin to appreciate the importance of managing biodiversity risks and opportunities, biodiversity and nature loss have emerged as a key focus area within the broader ESG landscape.

TRIG's response

- Defined biodiversity strategy for portfolio activities
- Increase in sites with active biodiversity management plans

Diversity, Equity and Inclusion

Diversity, Equity and Inclusion (DE&I) are key components of creating a more equitable and just society, as different viewpoints, personal experience and professional expertise can lead to better decisions and innovative thinking that drive success.

Inclusive workplaces and communities can help promote social cohesion, while businesses like ours can tap into a wider pool of talent and benefit from better outcomes as a result of diversity of thought.

Like clients, shareholders are now asking not just for information about DE&I targets, but hard evidence of programmes being implemented.

TRIG's response

- Completion of Board succession plan taking into account Hampton Alexander and Parker reviews
- Initiatives by our Managers, including the launch of InfraRed's women's network and progression of RES' five affinity networks

Inequality

Beyond the resilience of supply chains, social aspects on supply chains are garnering greater attention, which have been exposed to risks concerning human rights and labour conditions. Despite delays in the EU Sustainable Corporate Governance directive in 2021, mandatory human rights due diligence legislation at the national levels in Germany, the Netherlands, and France for example are demanding greater scrutiny, transparency and action. Continued action in the U.S. and other key markets to restricting imports from "high-risk" areas have mandated companies to evidence credible human rights monitoring efforts up the chain.

TRIG's response

- Due diligence processes expanded following lessons learned from EU Taxonomy alignment exercise
- Enhanced Anti-Modern Slavery and Human Trafficking statement

Our approach

TRIG's core business of generating renewable electricity is central to a positive sustainability contribution.

Renewable energy is key to replacing fossil fuels, lowering carbon emissions, and achieving net zero. Due to the nature of renewable energy assets, a long-term view must be taken with sustainable business practices applied throughout each project lifecycle.

The Board and TRIG's Managers recognise that the Company's responsibility goes beyond climate-related environmental considerations alone. They seek to incorporate sustainable practices which can meet the needs of the present generations without compromising the needs of future generations.

Contributions to two of the UN's Sustainable Development Goals[1]

SDG contributions are made through our investments and our positive impact on the local communities around our assets. Primarily, the Company's portfolio contributes towards:

Affordable and clean energy

By owning and operating renewable energy assets, TRIG is helping to provide clean energy across the UK and Europe. Providing investment funding for new greenfield infrastructure and acquiring operational assets allows developers to recycle capital into the build-out of more renewables assets. This recycling of capital contributes to a reduction in the cost of deploying renewables. TRIG's current operational portfolio is capable of powering the equivalent of 1.9 million homes with clean energy[2].

Read more about Affordable and Clean Energy

Climate action

Climate change measures are integrated into TRIG's policies and planning. This includes the assessment and reporting of climate-related risks and opportunities associated with our portfolio, as well as taking steps to reduce our carbon footprint. TRIG's operational portfolio contributes towards a net zero carbon future and is currently capable of avoiding more than 2.4 million tonnes of CO_2 emissions annually. During 2022, TRIG's portfolio generated 5,376GWh of renewable electricity[2].

Read more about Climate Action

1 https://www.un.org/sustainabledevelopment
2 Calculated in accordance with the IFI Approach to GHG Accounting for Renewable Energy to aid comparison with other industry participants.

Our sustainability objectives

This page sets out TRIG's four sustainability objectives, what they mean in practice and the progress achieved towards them during 2022.

Climate

Mitigate adverse climate change

COMMITMENTS

- Investing in the energy transition
- Supporting climate resilience

ACHIEVEMENTS IN THE YEAR

- Increase in amount of clean electricity generated
- Submission of formal SBTi targets
- Progression of physical climate risk assessment

Read more about climate

Environment

Preserve our natural environment

COMMITMENTS

- Reducing resource consumption
- Minimising biodiversity loss

ACHIEVEMENTS IN THE YEAR

- Implementation of further site-specific environmental management plans
- Introduction of new circular economy requirements within broader Sustainability Policy

Read more about environment

Communities

Positively impact the communities we work in

COMMITMENTS

- Community engagement and support
- Promoting responsible supply chains

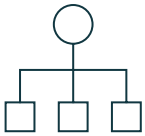
ACHIEVEMENTS IN THE YEAR

- Establishing of new community funds
- Provision of electricity discounts to local communities

Read more about communities

Governance

Maintain ethics and integrity in governance



COMMITMENTS

- Fostering Diversity, Equity & Inclusion (DE&I)
- Maintaining health and safety

ACHIEVEMENTS IN THE YEAR

- Improved completion rate for the Company's annual ESG Survey
- Continued thought leadership and engagement with policy makers on the future of the energy system

Read more about governance

Our approach continued

Key performance metrics are set out below, to benchmark progress against TRIG's four sustainability objectives. These metrics are determined using internal data sources, such as our annual ESG survey. Where possible they are aligned to external standards such as the IFI Approach to GHG Accounting for Renewable Energy.

	Metrics	2021	2022	Future objectives/targets
Climate Read more	**Renewable electricity generated**	4,125GWh	5,376GWh	3m tonnes of carbon emissions avoided by 2025
	Homes (equivalent) powered with renewable electricity	1.1m homes	1.6m homes	
	Carbon emissions avoided[1]	1.4m tonnes	1.9m tonnes	100% of portfolio sourcing electricity under Renewable Energy Supply Contracts by 2025
	Percentage of UK portfolio sourcing electricity under Renewable Electricity Supply Contracts	72%	75%	
	Scope 1 carbon emissions[5] – direct emissions (tCO_2e)	0	0	
	Scope 2 carbon emissions[5] – indirect emissions, within Company value chain	0	0	
	Scope 3 carbon emissions[5] – indirect emissions, location based (tCO_2e)	0.3m tonnes	0.1m tonnes	
Environment Read more	**Number of active Environmental Management Projects within the portfolio[2]**	14	20	100% active waste management plans by 2023
	Sites where the Service Provider takes an active approach to waste management and reduction plan	87%	90%	Maintain no negative biodiversity impacts
	Sites with project activities that are negatively affecting biodiversity[5]	0	0	

	Metrics	2021	2022	Future objectives/targets
Communities Read more	**Number of community funds within the TRIG Portfolio, where there is a formal agreement to provide funding to a specific community**	38	38	45 community funds by 2025
	Number of sites that have any outstanding issues with the local community or other non-contractual stakeholders[3]	4	4	No issues with the local community/ local stakeholders
	Community contributions per annum in £	£1.25m	£1.23m	
Governance Read more	**Lost Time Accident Frequency Rate (LTAFR)[4]**	0.21	0.62	under 0.7 Maintain an accident frequency rate under 0.7
	Sites where the SPV and/or Service Provider has policies and processes in place that show robust governance[5]: **Typical SPV policies: Tax, ESG, Cyber security, Health and Safety** **Service Provider policies, programmes and/or processes: Business Continuity, Diversity and inclusive recruitment, Anti-Discrimination Fire Risk assessments, Anti-Bribery, Conflict of interest, Whistleblowing**	100%	87%[6]	100% SPV and Service provider policies and processes coverage

1 Actual values calculated in accordance with the IFI Approach to GHG Accounting for Renewable Energy.
2 Operational TRIG sites engaged in pro-active habitat management plans that exceed standard environmental maintenance.
3 Metrics which rely on data collection from the ESG survey. Percentages reflect the answers of the 95% of sites that responded to the survey. This is an increase from 2021, where 66% of respondents provided a submission.
4 A safety at work metric which measures the number of personnel injured and unable to perform their normal duties for seven days or more, for each hundred thousand hours worked. There were no severe accidents across the portfolio during the year. The Lost Time Accident Frequency Rate increased compared to 2021, in part reflecting improved reporting, as well as a larger construction portfolio and higher offshore activity, with actions taken to avoid recurrence in the case of each incident.
5 SFDR Principle Adverse Impact (PAI) metric. See Appendix B of this report for TRIG's PAI reporting in full.
6 Several companies completing the survey for the first time in 2022 had not yet put relevant policies in place, leading to a decline in metrics. However, the management team are using the survey results to drive improvement going forward.

Our approach continued

Sustainability regulation

SFDR and the EU Taxonomy are two key pieces of regulation of financial market participants introduced under the EU's Green Deal. SFDR covers how sustainability should be tracked and disclosed, whilst the EU Taxonomy seeks to provide a framework for measuring sustainable activity. Both regulations aim to enhance the transparency of sustainability claims by organisations.

SFDR

The SFDR is an EU law which aims to standardise disclosure requirements on how financial market participants integrate environmental, social and governance factors in their investment decision-making and risk processes. TRIG promotes environmental and social characteristics in accordance with Article 8 of the SFDR.

Further information is provided within the "Sustainability-related Disclosures" document available on the Company's website. Our latest Annual Report provides detail regarding TRIG's environmental or social characteristics in the periodic disclosures contained in Annex I. Full reporting on our Principle Adverse Indicators can be found in Appendix B of this report.

EU Taxonomy

The EU Taxonomy is a classification system that defines environmentally sustainable economic activities. The goal of the Taxonomy is to provide a common language and framework for investors, companies and policymakers to identify and report on activities that support the EU's climate and environmental objectives such as mitigating climate change.

The Taxonomy defines environmentally sustainable activities as those that make a substantial contribution to at least one of six environmental objectives[1], whilst not causing harm to the other objectives, and upholding minimum social and governance safeguards.

Extent to which the sustainable investments with an environmental objective are aligned with the EU Taxonomy

As previously noted in TRIG's periodic disclosures included in the Annual Report (published 22 February 2023), TRIG had disclosed 0% alignment with the EU Taxonomy while it was in the process of reviewing and assessing the Company's investments against the EU Taxonomy technical screening criteria contained in the Taxonomy Climate Delegated Act. This assessment has now been completed, and TRIG is able to confirm that the Company's investments were 82% aligned with the EU Taxonomy on the basis of portfolio valuation in the reporting period. TRIG has disclosed degree of alignment as per the EU Taxonomy requirements below, however, in accordance with further guidance provided by the EU Commission, valuation is an appropriate metric for a company of TRIG's nature for disclosing the degree of alignment.

TRIG's Taxonomy-aligned investments substantially contributed to the environmental objective climate change mitigation, and are aligned with the following environmentally sustainable economic activities:

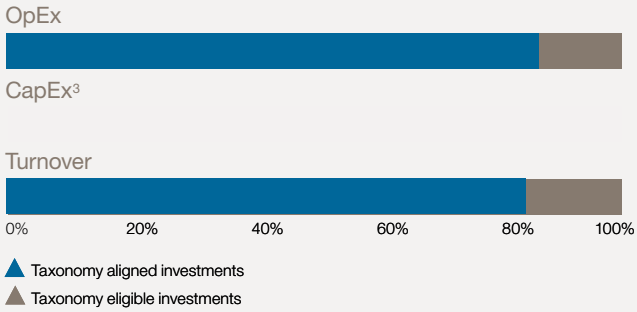
- electricity generation from solar photovoltaic technology
- electricity generation from wind power
- storage of electricity[2]

In addition, TRIG's investments have no exposure to sovereign bonds.

For confirmation, the Managers' assessment has not been subject to an external audit as this is not a formal requirement of the EU Taxonomy process.

Alignment

The chart below shows the percentage of the portfolio, by valuation, which is aligned or eligible under the guidance of the EU Taxonomy.



3 Given the nature of the Company, degree of alignment for capex was not assessed

Share of investments made in transitional and enabling activities

The environmentally sustainable economic activity of storage of electricity is an enabling activity under The EU Taxonomy and constituted 1.5% of TRIG's investment valuation. The Company made no investments in transitional activities.

Share of sustainable investments with an environmental objective not aligned with the EU Taxonomy

100% of the Company's investments are in renewable energy generation and storage assets, which are considered eligible with the EU Taxonomy for climate change mitigation.

The Managers have determined that TRIG's valuation may not be entirely consistent with all the Do No Significant Harm (DNSH) criteria. To this end, 18% of TRIG's investments were Taxonomy-eligible but not aligned (based on valuation). This is based purely on the Managers' own assessment, and as such the relevant investments have been excluded from the proportion of TRIG's Taxonomy-aligned investments.

Share of socially sustainable investments

0% of the TRIG's investments were socially sustainable investments.

1 Climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems
2 As provided in Annex I of Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021

Methodologies

The following approach has been carried out in assessing the DNSH technical criteria for the relevant environmental objectives and Minimum Safeguards

Do No Significant Harm (DNSH)

Climate change adaptation

Climate change adaptation criterion refers to activities that help increase resilience to the impacts of climate change. It seeks to ensure the relevant protections are in place against the physical impacts to climate change where they are considered material. TRIG's approach to climate risk is outlined in our TCFD disclosures on page 35 onwards.

The Company has appointed a third-party consultant to model and identify further climate related risks with findings reviewed by the Managers and Board to consider mitigations. As part of this process, each asset has been screened according to specific location and key technology characteristics. The assessment details the probability of an asset being exposed to climate hazards at varying levels of intensity, such as extreme winds of a particular speed, or floods of certain depths – using the latest climate scenarios (SSP-8.5/RCP-8.5 ("Business as usual"); SSP2-4.5/RCP-4.5 ("Emissions peak at 2040"); SSP1-2.6/RCP-2.6 ("Paris aligned")). This has allowed TRIG to quantify the climate hazards' characteristics likely to cause direct damage or disruption to each asset to calculate the value at risk for the portfolio.

Circular economy

The circular economy criterion refers to activities that support the transition from a linear economic model to a circular one with re-use and recycling of key components. As per our Sustainability Policy, TRIG is committed to improving circularity and resource efficiency along the entire lifecycle of assets. TRIG also seeks to extend the asset's useful life where possible, thereby reducing waste, through technical and commercial enhancements. Please refer to page 25 for further detail.

Many of TRIG's assets' materials can already be re-used and recycled using current technologies. We expect an improvement in recyclability of parts as technological advancements are made.

Biodiversity

Alongside the risks posed by climate change, nature loss represents a systemic risk which this criterion seeks to mitigate.

As per regulatory requirements, all of TRIG's projects adhere to Environmental Impact Assessment criteria, which is monitored via TRIG's ESG survey.

TRIG's biodiversity strategy and approach can be seen in full on page 24.

Water and marine resources

Projects in scope of DNSH to water and marine resources includes construction of offshore wind. All projects are compliant with the relevant EU water legislation, as set out in Directive 2008/56/EC of the European Parliament and of the Council and as set out in Commission Decision (EU) 2017/848.

Minimum Safeguards

Minimum Safeguards cover the social and governance aspects of activities eligible for the EU Taxonomy. Given the concerns within the industry, TRIG takes an enhanced focus on upholding human rights throughout its supply chain.

At the pre-investment level, InfraRed ensures appropriate due diligence is performed, using the guidance of frameworks such as the United Nations Global Compact (UNGC) to ensure that high standards of fundamental human rights are upheld. The UNGC's ten principles also cover inter alia human rights, labour rights and the fight against corruption. InfraRed's processes also reflect principles in the Modern Slavery Act and associated global initiatives such as the UN Guiding Principles on Business and Human Rights, the UN Global Compact, the OECD Due Diligence Guidance for Responsible Business Conduct. Refer to page 3 of TRIG's Modern Slavery and Human Trafficking Statement which describes the detailed due diligence undertaken by the Manager.

TRIG channels its investments into projects via special purpose vehicles, or "SPVs", which are independent legal entities without staff. These SPVs subcontract all operations, maintenance, and management functions to third-party contractors through extended contractual agreements.

The ESG survey focuses on each of the project's key service providers in upholding minimum safeguards and acts as an annual audit of performance helping identify an action plan of aspects which are to be addressed, to escalate any matters, and to improve performance on key indicators such as whether the project's key service providers have the following:

- A Modern Slavery Policy reflecting the requirements of the UK Modern Slavery Act or equivalent
- Processes in place to monitor compliance with the UN Global Compact and OECD Guidelines for Multinational Enterprises
- Violation of any of the 10 UN Global Compact principles or the OECD Guidelines for Multinational Enterprises
- Antibribery and corruption policy

Climate

Mitigating adverse climate change

Our primary sustainability goal is to mitigate adverse climate change, and all investments in the portfolio contribute towards this.

TRIG invests in renewables and other forms of infrastructure that is complementary to, or supports the roll-out of, renewable energy generation. Reducing greenhouse gas (including carbon) emissions is central to the purpose of TRIG and its Managers.

InfraRed is a member of the Net Zero Asset Managers initiative. RES is also a signatory to the SBTi and offsets their operational emissions, including those associated with electricity usage and business travel. The TRIG Board adopts practices which help to maintain a low carbon footprint, including combining face-to-face meetings with virtual calls where appropriate and not printing Board papers. Emissions associated with the Board's business travel are offset.

SDG ALIGNMENT [1]

Climate performance highlights

5,376GWh ▲

Renewable electricity generated
(2021 4,125GWh)

1.6m homes ▲

Homes (equivalent) powered with renewable electricity
(2021 1.1m homes)

75% ▲

Percentage of UK portfolio sourcing electricity under Renewable Electricity Supply Contracts
(2021 72%)

1 https://www.un.org/sustainabledevelopment

Net zero

TRIG invests in renewables infrastructure projects which generate clean energy, as well as supporting infrastructure. In 2022, our portfolio produced over 5,000GWh of electricity, enough to avoid 1.9 million tonnes of carbon emissions.

Renewables infrastructure has a vital role to play in achieving global net zero emissions. Our investments are actively decarbonising energy for households, businesses and governments. This includes the battery storage assets in the portfolio, which support renewable energy penetration onto grid systems.

Emissions

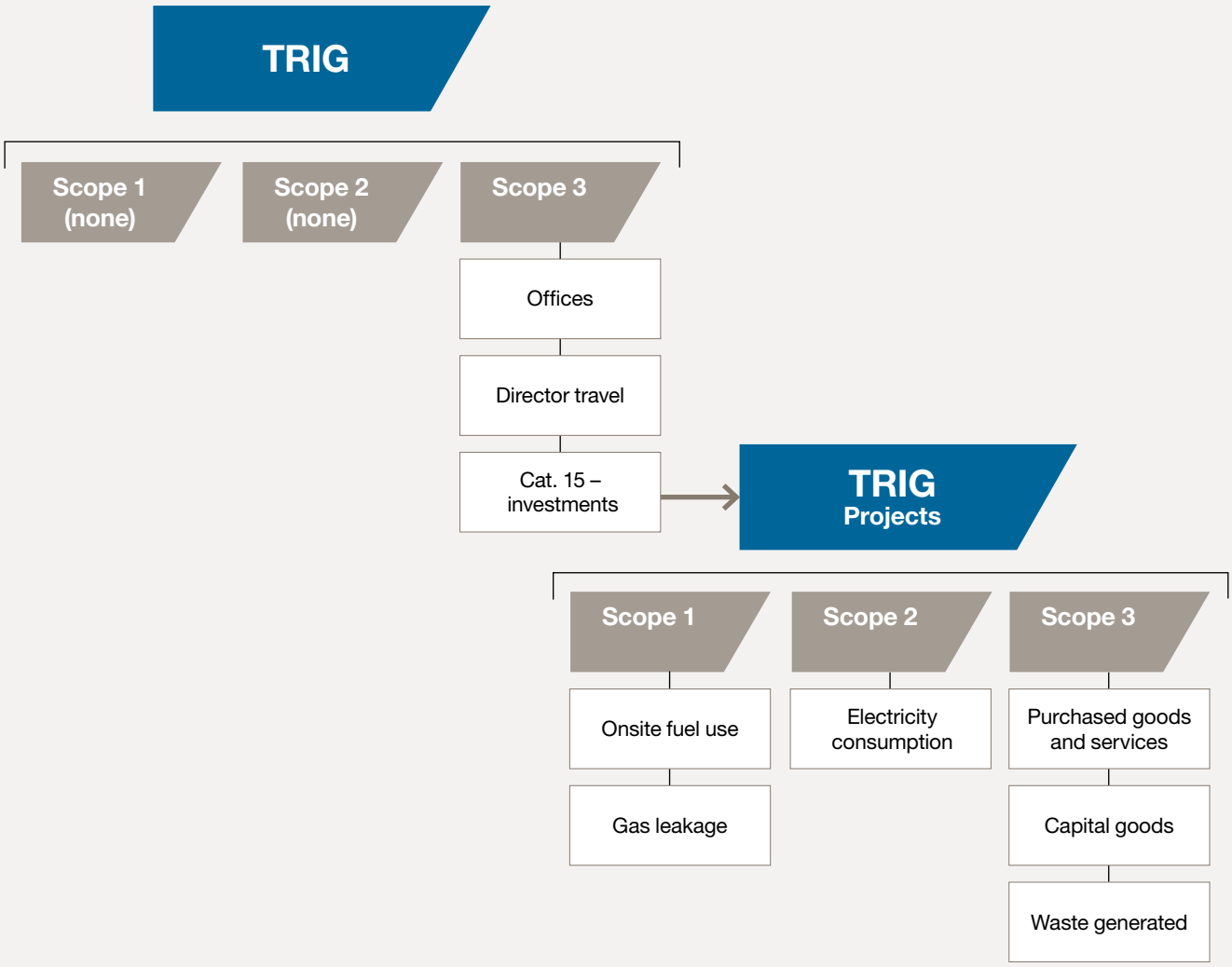
As an investor, TRIG is considered to be a Financial Institution under SBTi guidance. Due to this categorisation, all emissions from the projects in our portfolio are within category 15 of Scope 3, 'investments'. These emissions can be broken down at project level, for example:

- Scope 1: Fuel use or gas leakage
- Scope 2: Externally drawn electricity
- Scope 3: Supply chain emissions e.g. construction, turbine blades, waste from operations

This is a revised position, previously TRIG was categorised as an electricity generator, defined as having full operational control over its assets. This change of boundary does not alter the final total of emissions from the portfolio, but shifts where these emissions sit to better reflect the Company's structure.

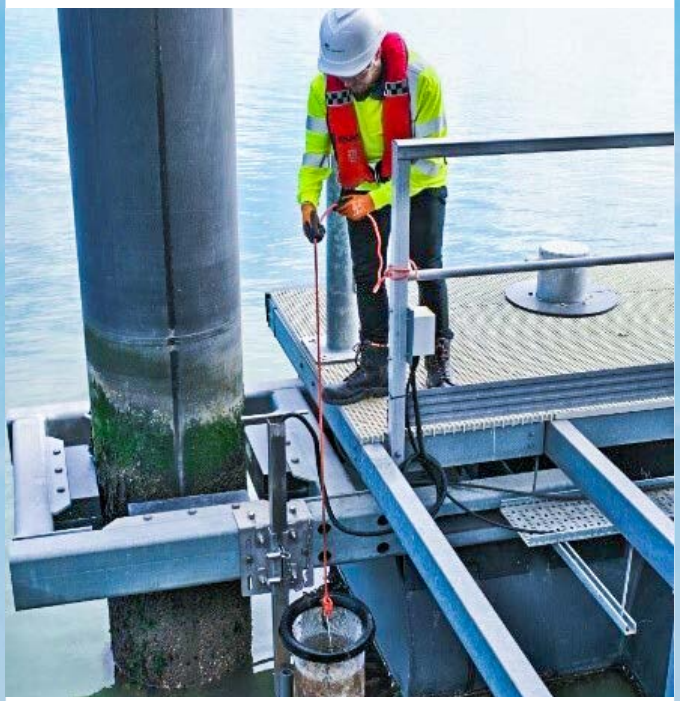
We acknowledge that the guidance for financial institutions is constantly evolving and the interpretation of these evolving standards is key to ensuring TRIG's emissions are reported appropriately.

The emissions profile of TRIG and its projects:



Climate continued

Spotlight



‘Seabins’ at East Anglia One

East Anglia One is an offshore wind farm owned by TRIG which provides enough clean energy to power over 600,000 UK homes.

Located in Lowestoft in the East of England, the project has recently installed two seabins. These floating bins skim the water for plastics and other debris from the sea and harbour. One seabin can catch up to a tonne of plastic waste in a year, catching microplastics as small as 2mm.

Microplastics are any small plastic particles less than 5mm in size, which can either be intentionally manufactured, such as microbeads in personal care products, or formed by the breakdown of larger plastic products. A growing environmental concern, microplastics are found in many water bodies and can harm wildlife and ecosystems.

These installations help to clean the water around the project and protect marine life by catching and storing any plastic debris within a catch bag, which is changed daily and disposed of in a responsible manner.

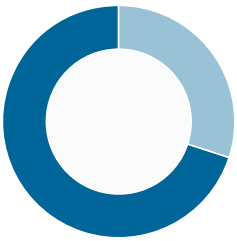
East Anglia One, England

Our emissions for 2022 have significantly decreased from 2021. This decrease represents both improved data collection and improved emissions factors:

- Data collection: Using detailed information on raw transactions, a typical spend profile has been built for general spend activities. This provides a more detailed view into tracking activities on projects that have limited available data.
- Emissions Factors: Previously, the GHG Protocol Quantis tool was used for calculating Scope 3 emissions. Moving forward, the UK Government's Department for Environmental, Food & Rural Affairs (Defra) emission factors will be used to reflect best practice.

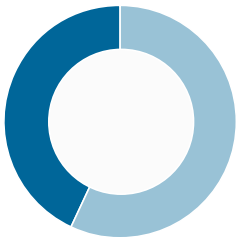
As TRIG has acquired more projects at the Development and Construction stage, and with construction projects accounting for the largest proportion of the Company's emissions, we have revised the emissions methodology to better reflect the actual emissions for these projects. Previously, the full construction emissions were quoted for each project in the year of TRIG's acquisition. Moving forward, these emissions are being spread over the period of construction to reflect the actual emissions in the year.

ATTRIBUTABLE EMISSIONS BY PROJECT PHASE



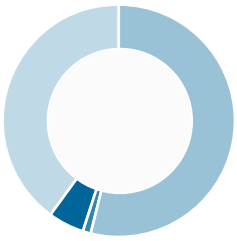
	%
Operational	30
Construction	70

ATTRIBUTABLE EMISSIONS FROM CONSTRUCTION PROJECTS



	%
Onshore Wind	57
Solar PV	43

ATTRIBUTABLE EMISSIONS FROM OPERATIONAL PROJECTS



	%
Onshore Wind	54
Battery Storage	1
Solar PV	5
Offshore Wind	40

The following table sets out TRIG's emissions for the calendar year ending 2022:

		2021			2022		
Scope	**Definition**	**Absolute emissions[1] (tCO_2e)**	**Equity Emissions[2] (tCO_2e)**	**Attributable Emissions[3] (tCO_2e)**	**Absolute emissions (tCO_2e)**	**Equity Emissions (tCO_2e)**	**Attributable Emissions (tCO_2e)**
1	Direct emissions – occur from sources that are owned or controlled by the organisation	–	–	–	–	–	–
2	Indirect emissions – occur from the generation of purchased electricity, heating, cooling and steam	–	–	–	–	–	–
3	Indirect emissions – occur within the company's value chain	516,529	319,423	291,411	261,855	97,760	66,614

This table can also be segmented by project phase between TRIG's operational assets and construction assets:

		2021			2022		
		Absolute emissions (tCO_2e)	**Equity Emissions (tCO_2e)**	**Attributable Emissions (tCO_2e)**	**Absolute emissions (tCO_2e)**	**Equity Emissions (tCO_2e)**	**Attributable Emissions (tCO_2e)**
Operational	Emissions from all operational investments	152,454	50,977	22,965	205,399	46,108	19,727
Construction	Emission from all investments under construction	364,075	268,406	268,406	56,457	51,652	46,887
Intensity factors	Construction intensity factor (tCO_2e/MW)	863.35	636.50	636.49	121.62	127.93	127.33
	Operational intensity factor (tCO_2e/MW)	90.90	30.40	13.69	37.32	23.13	16.67

1 Refers to all emissions calculated to be emitted by all operation assets and assets under construction in the specified reporting period, on an 'Absolute' basis i.e. 100% of each projects' standalone emissions.
2 Refers to emissions calculated using only TRIG's equity stake in all operational assets and assets under construction. Follows the GHG Protocol Corporate Standard's 'Equity Share' approach for defining TRIG's operational boundaries.
3 Refers to emissions which TRIG should account for, calculated using an attribution factor methodology as set out by the Partnership for Carbon Accounting Financials (PCAF).

Climate continued

Science-Based Targets initiative ("SBTi")

TRIG will be submitting targets for validation as a Financial Institution under SBTi guidance.

Our main target, under the categorisation of a Financial Institution, is to invest in renewable electricity generation.

Specifically, TRIG's proposed SBT covers investment in the SBTi defined asset class of 'Electricity generation project finance', for which a target pathway is available as of May 2023. Renewable energy assets are currently defined as those accepted by the RE100 Technical Criteria, such as wind, solar, biomass, geothermal, hydro and green hydrogen energy sources.

Within SBTi's 'Financial Sector Science-Based Target Guidance (Version1.1.)', TRIG's investments in battery storage assets currently fall under the 'Other project finance' asset class, for which there is no pathway currently defined. Therefore, these assets are not in scope of the proposed target.

With the exclusion of battery storage assets, 98% of TRIG's portfolio is currently within scope and compliant of this 100% renewable electricity generation target.

TRIG understands that SBTi are developing further net-zero guidance for the financial sectors throughout 2023 which may result in the definition of renewable electricity generation and/or asset classes incorporated being expanded to further reflect the breadth of investment opportunities required to support the net zero transition.

In addition to the renewables generation target, we recognise our responsibility as the sole owner for many assets across the portfolio, therefore we will be setting voluntary supplier engagement targets for our project emissions and exploring routes for setting intensity reduction targets for our assets under construction as well as operational assets. A supplier engagement target involves leveraging interaction with our supplier base, encouraging them to put net zero targets in place. We are targeting suppliers covering 75% of TRIG's emissions.

SBTi Target	Application to TRIG
Investments in generation to be 100% **in renewables in the period to 2030**	In accordance with TRIG's purpose, the Company invests in renewables and related infrastructure opportunities which support the decarbonisation of the energy sector. We would expect that such investments would fall within SBTi's definition of renewable energy generation as this gets broadened, enabling the company to continue to meet this SBTi target. This target relates to TRIG's investment activity as a financial institution, and excludes non-renewable generation investments such as battery storage as highlighted above.
75% **Supplier engagement by 2028**	A target to have suppliers covering at least 75% of emissions to have net zero targets in place by 2028 (compared to a baseline of 67% in 2022).

The above targets are subject to acceptance and validation by the SBTi over the course of 2023. Moving forward, TRIG will continue to monitor the appropriateness of these targets in accordance with developments in SBTi guidance.

Spotlight

Puffin nesting at Beatrice

Beatrice offshore wind farm, in partnership with Microsoft and Avanade, have developed, trialled and begun implementation of an AI-based system for monitoring puffin colonies.

Cameras have now been installed at East Caithness Cliffs for filming of a puffin colony rock stack. Video data collection will begin at this location in spring 2023, and data will be analysed using the AI model. Project partners include a conservation regulator (NatureScot), with potential for future involvement with other regulators (including Marine Scotland) and conservation NGOs.

Photo credit: Mark Olsen, unsplash

Environment

Preserving our natural environment

TRIG acknowledges the importance of biodiversity within its portfolio activities and RES, as Operations Manager, works with individual project asset managers to preserve the natural environment. This includes execution of environmental management plans agreed with the authorities during the project consenting process, undertaking vegetation surveys, preventing biodiversity loss, reducing waste and recycling where possible and careful usage of materials.

Our approach has three key strategic aims:

Preserve

- Pre-construction environmental assessments to avoid and reduce biodiversity impacts during development, construction and operations which are upheld during operations
- Identification of whether projects are in biodiversity sensitive areas
- Implementation of location-specific initiatives where possible, including use of local elements such as native tree planting

Improve

- Engagement with project company management teams to identify further enhancements and impact mitigation strategies
- Implementation of enhancement plans such as bat and bird boxes and reduced use of non-selective herbicides
- Where possible, going beyond the recommendations of environmental assessments

Monitor and report

- Collection and monitoring of data on project-level biodiversity impacts and proximity to sensitive areas, in line with SFDR guidance
- Developing further understanding and targets in accordance with reporting frameworks

Moving forward, TRIG aims to enhance reporting and dialogue with key stakeholders to further improve understanding of biodiversity risks and opportunities.

SDG ALIGNMENT [1]

Environment performance highlights

20 ▲

Number of active Environmental Management Projects within the portfolio
(2021 14)

90% ▲

Sites where the Service Provider takes an active approach to waste management and reduction plan
(2021 87%)

1 https://www.un.org/sustainabledevelopment

Circular economy

Throughout the lifecycle of the assets in our portfolio, we are committed to improving resource efficiency and circularity. Technical and commercial enhancements are also sought where possible, to extend the useful life our assets and reduce waste. Across the portfolio, we seek to align with reputable suppliers and counterparties who have established and sustainable processes in place.

During the year, our Sustainability Policy was extended to capture this with the addition of our key aims at each stage of the project lifecycle:

Pre-investment

- Assess availability of materials with properties of high durability and recyclability
- Assess potential to use fewer virgin materials

Operations

- A waste hierarchy principle be applied (Prevent, Reuse, Recycle, Recover, Landfill)
- Waste streams be separated at site level. Where this is not possible, waste should be separated at source by the maintainers at their hubs
- The use of refurbished components be prioritised where feasible and economically optimal
- Waste should be tracked and measured; example metrics include:
  - Total amount of waste diverted from disposal (%)
  - Total amount of blade waste directed to landfill (%)

Life extension, repowering and de-commissioning

- Seeks to extend asset lives where economically viable and optimal
- Considers recycling process for non-composite sections
- Considers composite recycling technologies for blades, for example, mechanical grinding and co-processing:
  - For repowering: assess availability of materials with high durability and recyclability
  - For decommissioning: reuse, recycle, or recover all components

Spotlight

Beehives at Marvel Solar farm

In line with TRIG's biodiversity strategy of improving outcomes where possible, the Marvel Solar farm project has recently established bee hives alongside the solar machinery on site. A local beekeeper has been given the opportunity to establish the hives, at no cost and with no financial agreements relating to the beekeeping.

Bees are a crucial part of our ecosystem, they help to maintain the reproductive success of wildflowers and the yields of crops we eat. By providing a home for bees, Marvel Solar farm is encouraging pollination and increasing the honey bee population in the area.

Establishing initiatives like these shows how renewables projects can support local ecosystems, in addition to their core contribution of producing clean energy

Communities

Positively impacting the communities in which TRIG works

With renewable energy assets often located in rural areas where communities may experience limited employment options and limited social or health facilities, TRIG is sensitive to the impact that a project can have on its local community. Through local initiatives and direct engagement with communities, tangible benefits can be created.

TRIG has no direct employees, but actively engages with its Managers in respect of their employee engagement programmes. Alongside this, both InfraRed and RES look to give back to wider society through their own company initiatives.

SDG ALIGNMENT[1]

Communities performance highlights

38 ▶

Number of community funds within the TRIG Portfolio, where there is a formal agreement to provide funding to a specific community
(2021 38)

£1.23m ▼

Community contributions per annum in £
(2021 £1.25m)

1 https://www.un.org/sustainabledevelopment

Spotlight

Job creation at Cadiz Solar projects

In 2021, TRIG acquired four ready-to-build solar projects in Cadiz, Spain. Construction began in September the same year, with consideration of the local community actively embedded throughout the process.

As part of a local employment and investment plan, 189 jobs were created in the San Jose del Valle region where the projects are located. Local businesses were hired to work on the project, with commitments of over €200k per project phase. Training programmes were also established in relation to the projects, providing local citizens with access to career tools to improve their employability.

Collectively, over 180,000 hours were worked, with €0.8m of local investment in the region, an example of the benefits that can be created by working with the local communities around our sites.

Malabrigo, Spain

Communities continued
Our Managers' Initiatives

Our Managers' Initiatives

InfraRed

Social initiatives at InfraRed are overseen and managed by InfraRed's Portfolio Impact team with support from initiative owners across the business:

ESG Survey

Best practice initiatives continue to grow at projects across InfraRed's portfolio, and a number of InfraRed's portfolio initiatives have been externally recognised at the Public-Private Partnerships (PPP) awards.

Winners

- Re-Circulate – Environment, Social and Governance of the Year
- Oldham Schools PFI – Best Operational Asset (Healthcare & Education)
- Université Paris-Saclay – Best Constructed Project

InfraRed's fifth annual dodgeball event

InfraRed's business partners embraced fancy dress and supported the firm to raise £50k for SOFEA and 4Louis, charities which help at-risk youth and people affected by miscarriage, still birth or death of a child.

Creating Better Futures

InfraRed launched the second edition of the flagship Creating Better Futures awards programme in 2022. Judged on criteria across Innovation, Community Need, Collaboration and Resource Efficiency, the Creating Better Futures Awards illustrate the importance placed on the creation of positive impact to the communities around InfraRed's assets.

13

of 34 submissions this year, 13 achieved the Gold Standard, the highest possible score

The Recirculate project

In 2022, Recirculate donated 160 bikes to NHS staff at six hospitals within InfraRed's portfolio, 800 desks were sourced and reallocated and 20 laptops were donated to schools.

155

bikes were recirculated to NHS staff

InfraRed's Ukraine Taskforce

received a pledge of £100k of which £64k is for short- and medium-term support. InfraRed staff exceeded the target for the holiday campaign, donating over 100 head torches for trauma kits. Monetary grants throughout the year were to LifeBoat UK, GC Rieber, Donate IT and Festival Medical Services. The remaining £36k will be deployed during 2023.

£100k

pledge divided between short and medium term support in 2022, and ongoing support in 2023

100

head torches for trauma kits.

> We seek to avoid that our business decisions are informed by a singular viewpoint held by a majority of like-minded individuals. Evolution will take time, and we are committed to making progressive improvements supported by target setting whilst maintaining fairness for everyone.

Sandra Lowe

Partner, Capital Formation and Chair of InfraRed's DE&I Committee

InfraRed's Charitable Foundation issued further grants to:

Working chance and Switchback
charities focused on improving employment opportunities for ex-offenders and reducing re-offending rates.

Magic Breakfast
which provides breakfast to children before school. The grant helped provide approx. 2,040 children with 178,571 nutritious breakfasts, equivalent to 714,285 hours of learning given the increased educational attainment by avoiding child hunger.

The InfraRed Charitable Foundation has also refined its mission, with a new focus on providing grants for a network of Community Engagement Officers working within schools to address community needs.

Diversity targets

As part of InfraRed's ongoing commitment to improving diversity within the business, particularly at the senior level, InfraRed has set diversity objectives:

- One third of senior team members will be women in five years from a baseline of 24% in 2023.
- Our workforce continues to reflect the ethnic mix of the societies in which our people are located
- Fundamental characteristics, essential to fostering diversity of thought, such as age, social background, education, skills, religious beliefs, physical ability and sexual orientation are also prioritised within our broader DE&I initiatives

Read InfraRed's 2023 Sustainability Report

RES

RES has put sustainability at the heart of its activities since commencing operations in 1981, engaging with local communities throughout the wind and solar farm development process, supported by a full-time community engagement team.

Global health and safety

In May 2022, RES held their second global safety event, where all RES employees in all the countries they operate took time away from their work. The event focus was to enable people to identify their own appetite for risk, recognise hazards, understand the consequences of their behaviour, and to stop and think before putting themselves and others at risk. As part of the Global Safety Event, RES launched "Don't Risk it Tips" and introduced "Safety Moments" which are open-ended questions that take place at the start of meetings, to further sustain a behaviour change to consider risk and hazard every day.

Diversity and inclusion

To achieve the goal of an inclusive and diverse culture, RES is seeking to improve metrics on recruitment, internal succession, promotion and pay gaps. Their RESpect initiative makes their intentions clear and supports people in asking for change. Five Affinity Networks have been established by the RESpect initiative focussing on Gender, Race, Disability, LGBTQ+ and Age. These are employee-led groups focused on driving positive change.

The Gender Network has two key focus areas for 2023: career progression and flexible working. The aim is to focus on how females within the company can thrive and progress in their career at RES as well as providing flexible working options to suit all needs.

Within the last year, each Affinity Network has furthered the communication and celebration of diversity within RES through shared news articles, lunch events, workshops, and support resources. This was recognised at the Scottish Green Energy Awards 2022 where the Gender Affinity Network won the "Young and Inspiring" prize.

> "Creating an inclusive culture requires an international, adaptive, and transformative approach that impacts behaviours and mindsets, as well as policies and practices. We know that a one-size-fits-all approach does not provide equal outcomes, and our strategy is built on the foundations of our values.

Amanda White

Global Head of Diversity and Inclusion

Charity support

RES supports charities through a range of initiatives, including matching donations of up to £500 a year per person for staff fundraising events and personal donations. In 2022, over £376k was raised for their charities and communities. Staff are also offered four volunteering days a year to support charity work and non-profit initiatives of their choice, with over 900 hours of volunteering recorded globally.

£376k

raised for their charities and communities in 2022

Zero carbon energy

To support RES' vision of a future where everyone has access to affordable zero carbon energy, ten RES employees travelled to Nepal in September 2022. The volunteers were selected from across all the countries RES operates and travelled to Hadsinja Village to bring reliable clean electricity to a health post and birthing centre .

7,000+

people supported from Hadsinja and the surrounding communities with reliable sources of electricity

Battery-based off-grid solar system

Hadsinja is a remote village located in Sinja Valley of the Jumla district in western Nepal. Its Health Post, which lacked adequate, reliable sources of electricity, serves as a medical clinic and birthing centre to approximately 7,000 people from Hadsinja and the surrounding communities plus international travellers. It is run by 14 staff and receives 30-50 patients per day and 8-10 births per month.

RES volunteers installed a 6.3 kW battery-based off-grid solar system which allowed the medical centre to:

- Reliably power lighting, medical and diagnostic equipment, refrigerators and warm beds for babies
- Provide emergency services and quality care for the surrounding communities 24/7
- Have access to clean energy resources to reduce associated greenhouse gas emissions

Read the RES Power for Good Report

Communities continued

Spotlight

Community funding at Manor Solar farm

TRIG seeks to positively impact the communities in which its sites operate. As part of this objective, dedicated community funds have been established and are in operation across the portfolio.

The Manor Solar farm fund is one of the 38 community funds in TRIG's portfolio. During 2022, the fund granted funding to the Royal Voluntary Service Restormel Car Service (RCS) to continue their work. RCS is a volunteer organisation which provides community transport for trips where mobility issues can impact use of community services such as medical appointments, grocery shopping or social activities. Within the parish of Restormel, many residents do not have any means of transport so rely greatly on the RCS.

The service also helps prevent social isolation, with weekly one-to-one befriending meetings which are held in a safe space through a network of nearly 50 volunteers.

Funding not only allows the RCS to carry on providing their vital transport services, but also helps cover expenses for the organisation's volunteer network so that they can continue to help residents. In a typical year, the RCS transports around 3,000 residents.

Penare Solar Farm, England

Spotlight

Solar welfare facilities

TRIG owns over ten separate solar sites in the UK. Historically, despite their permanent presence these sites are considered "unmanned". This means that any visitors to the site, most commonly operations and maintenance contractors, have to make alternative arrangements for any welfare or for paperwork completion.

Noticing this significant deficiency, TRIG has funded the installation of welfare facilities across the TRIG solar sites ensuring that Operations & Maintenance (O&M) technicians and others who interact with our UK solar projects have the welfare that they need. The addition of welfare encourages better work practices, creating an inclusive environment and allowing those on site to take a break when needed.

Four sites now have installed welfare facilities on a trial basis, with the expectation that these will be rolled out across the entire TRIG solar portfolio in the UK.

Governance

Maintaining ethics and integrity in governance

Responsible business practices are key to long-term success. This includes health and safety, managing conflicts of interest and maintaining policies.

The Board has overall responsibility for TRIG's Sustainability Policy and its application, and does this in part through a newly created ESG committee to ensure appropriate focus, whilst the day-to-day management of the portfolio is delegated to both Managers.

InfraRed integrates sustainability into every stage of TRIG's investment process and publishes its own Sustainability Report, exclusions list and Sustainability Policy[2], including its approach to the integration of sustainability considerations into the investment cycle, on its website[3].

RES leads management of project-level ESG policies and activities, whilst keeping active sight of ESG KPIs, community outreach activities and health and safety standards. RES also publishes its own Sustainability Report on its website[4].

Both Managers work together to ensure that sustainability considerations are also prioritised in the ongoing management and reporting of the assets throughout the ownership period.

SDG ALIGNMENT[1]

Governance performance highlights

0.62 ▲

Lost Time Accident Frequency Rate (LTAFR)
(2021 0.21)

87%[5] ▼

Sites where the SPV and/ or Service Provider has policies and processes in place that show robust governance
(2021 100%)

33% ▲

Percentage of female directors that the Managers provide to the 93[6] project companies
(2021 31%)

1 https://www.un.org/sustainabledevelopment
2 Found on the reports and publications section of TRIG's website: https://www.trig-ltd.com/investors/reports-and-publications/
3 https://www.ircp.com/sustainability
4 https://www.res-group.com/en/about-us/sustainability/
5 Several companies completing the survey for the first time in 2022 had not yet put relevant policies in place, leading to a decline in metrics. However, the management team are using the survey results to drive improvement going forward
6 TRIG project companies are the number of project-level companies registered within a given region. There may be some assets which have multiple company registrations, due to the size and locations of the individual sites (such as smaller solar and wind farms).

Thought leadership and engagement

A core component of good governance is promoting thought leadership and best practice in the wider industry. InfraRed and RES are actively engaged in public policy debates, engaging directly with policy makers and through trade bodies such as the Global Infrastructure Investor Association (GIIA), The Infrastructure Forum, the Association of Investment Companies, Renewables UK, Energy UK, IREG and the Swedish Wind Energy Association.

InfraRed made submissions to and engaged in dialogue with the UK government:

- Promoting the use of the existing Contract-for-Difference mechanism for existing renewables generation assets to provide lower cost electricity generation for consumers and greater certainty for consumers and generators
- Highlighting the challenges and potential consequences of different interventions in the electricity market
- Responding to the Review of Electricity Market Arrangements and Hydrogen Business Model consultations.
- Responding to the consultation on the UK's Sustainable Disclosure Requirements (SDR)

RES continues to meet with stakeholders including the Department for Business, Energy and Industry Strategy (BEIS) and provide responses to the varying planning and policy consultations in the regions where TRIG is active.

- In April 2022, RES met with Boris Johnson to discuss the value of onshore wind and renewables
- Winter 2022, RES met with Jeremy Hunt to discuss the Electricity Generators Levy (EGL)
- RES have also been invited to attend high-level civil service meetings on the implementation of the EGL in Treasury Roundtables

- InfraRed gave input for the AIC's response to the FCA consultation on board diversity
- InfraRed gave input for the GIIA's "Powering the clean energy transition" as part of the EU paper and submitted a response to the European Commission's Electricity Market Design consultation
- TRIG's Chair and InfraRed met with HM Treasury and BEIS/DESNZ officials to discuss proposals to provide lower cost electricity generation for consumers and greater certainty for consumers and generators.

Developing Regulations

The ISSB was established by the International Financial Reporting Standards (IFRS) in order to develop a comprehensive global baseline of sustainability-related disclosure standards.

The Managers welcome the creation of an integrated reporting framework which recognises that a company's ability to deliver value for its investors is intrinsically linked to how it manages its sustainability risks and the contributions it makes to society and preserving the natural environment. The intention is that ISSB will build upon existing frameworks such as the Task Force on Climate-related Financial Disclosures (TCFD) and the Task Force on Nature-related Financial Disclosures (TNFD). The Managers will continue to monitor progress of the ISSB.

Spotlight

Independent Health and Safety Audits

Annual site inspections are carried out across our portfolio by the different Asset Managers and their in-house Health and Safety teams. In addition, TRIG commissions independent audits of representative wind, solar and storage assets on an annual rolling basis. These third-party audits serve as a "fresh pair of eyes" helping to identify any areas where improvements can be made.

These visits are welcomed by the site teams and can enhance activities on site. In 2022, nine assets were visited covering each of the technologies in the portfolio. Three different independent auditors were used, seeking to understand systems and processes in place as well as general site conditions and ways of working.

The offshore audit particularly focussed on communications between the various stakeholders working on the assets and training, document control and planning of works. Findings were taken on board and an improved safety performance has been seen in the early part of 2023.

Generalised reviews of selected wind, solar and storage assets were also performed during 2022. These reviews focussed on emergency preparedness, contractor management, waste management, risk management and welfare.

For the solar assets reviewed, it was established that there was some ambiguity over project roles when it came to major works such as large scale replacement of panels. Limited welfare facilities were also acknowledged, this is currently being addressed with the roll out of new facilities across the solar portfolio (as seen on page 31). It was also observed that the quality of waste management processes can vary between sites and this is a focus area for the future, as shown in TRIG's updated Sustainability Policy.

Diversity, Equity and Inclusion

TRIG has no employees beyond its non-executive Board. The Board is composed by the Nomination Committee, which remains mindful of the recommendations of the Hampton Alexander Review on gender diversity, the Parker Review on ethnic diversity, and the requirements of the FCA's policy statement on diversity and inclusion on company boards and executive management. The Board of Directors has been at least 40% female since its launch in 2013.

The executive management of TRIG is provided by its Managers, InfraRed and RES. The Managers support equal opportunities regardless of age, race, gender or personal beliefs and preferences, both in their recruitment and when managing existing employees. TRIG's Board seek to ensure both the Managers and the Board itself maintain specific initiatives to promote diversity and inclusion, which includes the promotion of an appropriate culture of stewardship, responsibility, accountability and openness.

InfraRed Capital Partners

InfraRed firmly believes that a diverse, equitable and inclusive culture is fundamental to the success of our business. Diversity of thought and an inclusive culture directly corresponds with the quality of decision-making and has the potential to impact materially both InfraRed's performance and the attractiveness of it's workplace.

Since the firm's last reporting, further initiatives have been introduced to continue to foster a culture of inclusivity and equity within InfraRed. This includes the launch of InfraRed's Women's Network, the introduction of a workplace nursery scheme, 'Speaking Up and Calling it Out' training to raise awareness of the impact of our own behaviours, and changes to ensure that language used in job adverts is inclusive.

As part of InfraRed's ongoing commitment to improving diversity within the business, particularly at the senior level, InfraRed has set diversity objectives. These can be seen on page 28.

Further detail on InfraRed's diversity initiatives can be found in their 2023 Sustainability Report.

res power for good

RES values a diverse workforce where everyone is rewarded fairly for what they do and the contribution they make to deliver their vision. RES has an inclusive recruitment policy to attract and retain diverse talent. Through the firm's RESpect initiative, five Affinity Networks have been established, which are employee led groups focused on driving positive change.

In 2022, RES took a significant step with the creation of a new position for a Global Head of Diversity and Inclusion to lead their work to become more inclusive and diverse as well as to support their Affinity Networks to take the D&I strategy up to the next level.

RES aims to create a workplace where people feel respected and listened to and in turn reach their full potential with fairness and inclusion embedded in everyday actions and behaviours.

Further detail on RES's diversity initiatives can be found in their 2023 Power for Good Report.

TCFD

Introduction

TRIG began voluntarily reporting against the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) in its 2019 Annual Report & Financial Statements and has added to these disclosures in subsequent reporting periods. TCFD is the established framework for consistent, comparable and clear reporting on a company's approach to climate change and assessing its potential impact on the company.

Listing Rule Compliance

Within the Company's 2022 Annual Report (published 22 February 2023), it was stated that we consider ourselves to be consistent in our reporting against ten of the eleven TCFD recommendations with only scope 1 and 2 emissions for the 2022 calendar year published due to the complexities of collecting and analysing scope 3 emissions data. Following publication of the Company's Scope 3 emissions in this report, we now consider ourselves to be consistent in our reporting against all four TCFD pillars and eleven recommendations (as published in June 2017 by the TCFD). In compliance with LR 9.8.6R, our climate related financial disclosures are set out over the following pages.

Governance

Climate change considerations are embedded throughout TRIG's business. The Board has overall responsibility for the oversight of TRIG's sustainability risks and opportunities, of which climate change is an important subset. This approach is detailed further in TRIG's Sustainability Policy, available on the Company's website, which applies to both the acquisition process and the ongoing management of TRIG's portfolio.

Day-to-day management of TRIG's portfolio is delegated to the Investment Manager, InfraRed, and the Operations Manager, RES. Both Managers disclose their sustainability related activities, including climate change impacts, through reporting available on their respective websites.

The Board and Managers discuss risks related to climate change at least annually and have ultimate oversight of the Company's risk management framework. Consideration of the transition risks and physical consequences of climate change features in the Board's discussions.

The assessment and management of climate-related matters includes activities such as:

Board level:

- Consideration of climate change risks within the Company's risk register at each quarterly Board meeting, feeding into the risk management framework presenting in each Annual Report
- Ongoing training for the TRIG Board on sustainability and ESG, to further facilitate understanding of climate change risks and opportunities faced by the Company, building on the Directors' extensive experience in the renewables sector
- Assessment of the integration of climate change considerations by the Board's committees. This includes consideration of climate-related disclosures by the Board's Audit Committee and an annual review of the Managers' performance, including their adherence to the Company's Sustainability Policy by the Board's Management Engagement Committee
- Consideration of climate change opportunities during the Company's annual strategy reviews

Portfolio level:

- Monitoring of climate-related government policy by the Managers. Engaging with policy makers where appropriate
- TRIG's Advisory Committee, comprised of representatives from both Managers, considers TRIG's strategy and risks on a quarterly basis, the output of which is reported to and discussed with the Board
- Monitoring of current and future physical changes in the climate by the Managers, to inform the application of TRIG's strategy and assessment of the Company's risks and effectiveness of mitigation measures at the project company level

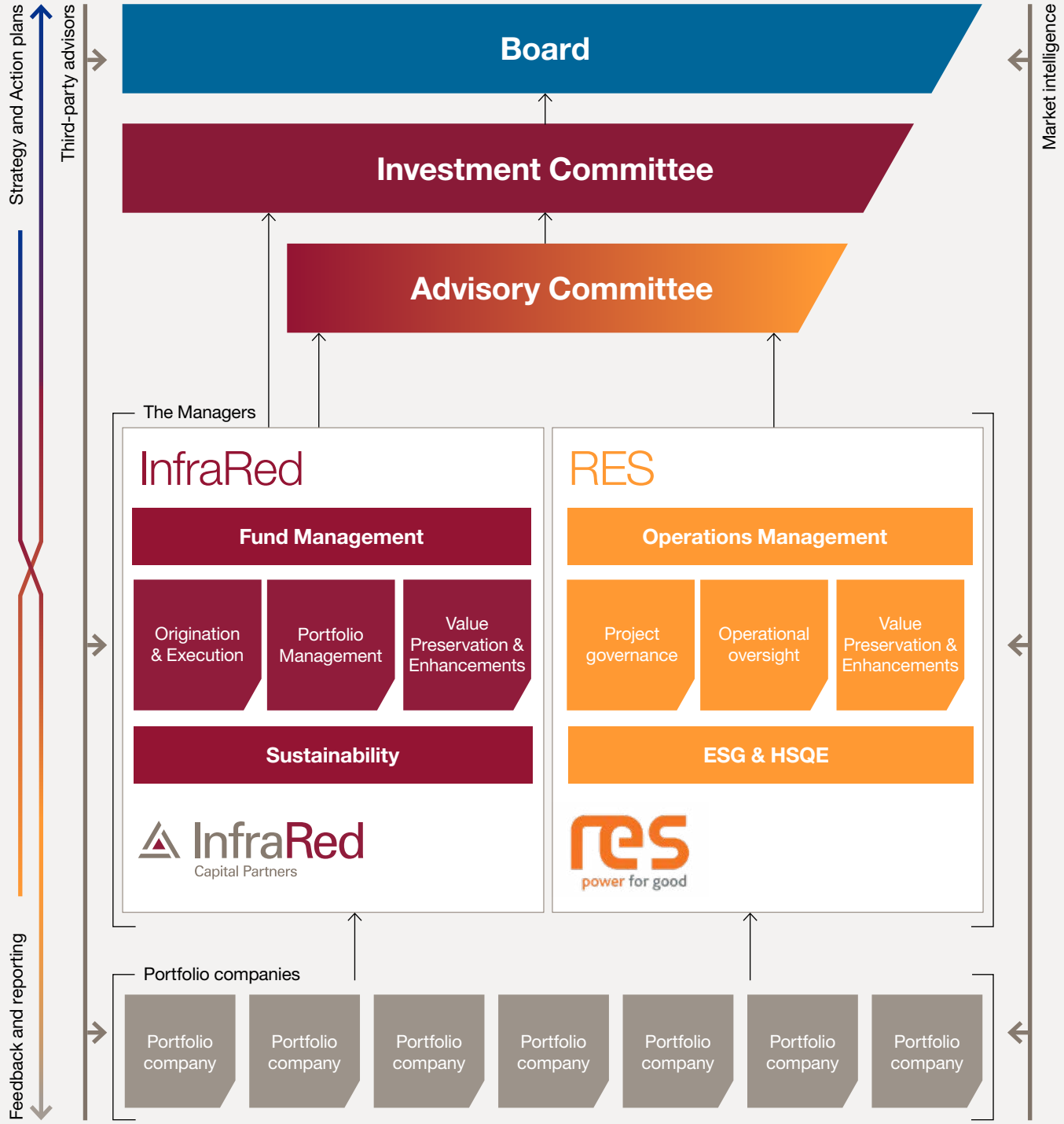
Project level:

- RES and/or InfraRed are represented on the board of each project company. Through this role, they ensure that climate change-related risks are considered by project company management teams and reflected in project company risk registers

TCFD continued

TRIG's reporting structure

The diagram below sets out TRIG's reporting structure and how information is fed back to the Board from each portfolio company.



Strategy

TRIG's business model is specifically designed to take advantage of the investment opportunities arising from the decarbonisation of energy usage over the short, medium and long term. These time horizons are defined as follows:

- **Short term:** five years from the date of this report aligning with the Company's viability statement
- **Medium term:** 15 years from the date of this report, aligning to the typical length of government-backed revenue support mechanisms
- **Long term:** 30 years from the date of this report, aligning with the typical life of a renewables infrastructure asset

The pace of the transition to a net zero carbon future will dictate the size of the investment opportunity for TRIG. Under current plans for renewables deployment and transition across the European countries in which TRIG invests, the Managers expect there to be significant investment opportunities for the Company over the long term.

Nonetheless, climate-related risks exist and are identified and discussed through the Managers' wider risk management processes outlined on pages 75 to 81 of the Company's 2022 Annual Report.

These risks are identified and assessed by the Managers when making new investments (throughout the deal screening and due diligence processes) and in the running of the current portfolio (asset management activities, monitoring and reporting).

TCFD climate-related risks and opportunities can broadly be split into two categories:

Transition risks

Risks related to the transition to a lower-carbon economy. These risks are grouped into four categories: policy and legal risk; technological risk; market risk; and reputational risk.

Physical risks

Risks associated with physical impacts from climate change that could affect energy assets and operating companies. These impacts may include "acute" physical damage from variations in weather patterns (such as severe storms, floods and drought) and "chronic" impacts (such as sea level rise and desertification).

Three key factors that will be impacted by the transition and physical risks of climate change have been identified by the Board and the Managers:

Power price forecasts

Which are impacted by renewables build-out assumptions and the extent to which renewable electricity can be utilised when it is generated. This risk is most likely to manifest in a two degrees Celsius or lower scenario, where transition risks are greatest. The Investment Manager's analysis, having taken input from leading third-party power price forecasters, is set out on pages 40 and 41.

Energy yield

Which could be impacted by changes to weather patterns. The Managers have assessed the current and future climate-related physical risks on a site-by-site basis to identify whether changing weather patterns will impact on generation capacity.

The results of this analysis can be found on page 39.

Asset availability, maintenance costs, replacement costs and insurance premiums

Will be impacted by changes in weather patterns that result in more severe events such as lightning strikes, hail and windstorms, floods and wildfires. Increase in frequency or severity of damage to the underlying assets may also lead to an increase in insurance premiums. This risk is most likely to manifest in a higher temperature scenario, where physical risks are greatest. risks are greatest. The Investment Manager's analysis, having taken input from leading third-party power price forecasters, is set out below.

Further detail on these findings and the method of assessment is set out in more detail on page 39. The climate-related risks faced by TRIG in different climate scenarios are determined to have a limited adverse impact on the Company's business strategy.

TCFD continued

Summary of our key climate-related risks and opportunities

The table below sets out key climate-related risks and opportunities as they apply to TRIG. The risks identified overlap with the Company's principal risks: energy yield, energy pricing and government / regulations, as set out in the Risks and Risk Management section of TRIG's 2022 Annual Report.

Time horizon key: ▲ Short term (0-5 years) ▲ Medium term (5-15 years) ▲ Long term (15-30 years)

	Climate related trend	Potential impact	Category	Time horizon	Response and resilience
Risks	**Changes in power prices**	Increasing penetration of intermittent renewable electricity generators in the energy system risks increasing the volatility in the prevailing and forecast power price.	**Financial Planning**	▲ ▲ ▲	Near term, exposure is reduced through managing the proportion of revenues with fixed power prices, achieved through the acquisition of investments with subsidised revenues, fixing under offtake agreements and the use of hedging instruments.
		Increasing renewables build-out without sufficient demand-side action could reduce power price forecasts.	**Investments**	▲	Medium term, the build-out of long-term storage infrastructure, EV charging and grid upgrades will help provide flexibility to the energy system countering the intermittency of renewables generation. Climate change is considered in the valuation of the Company's investments. For example, cannibalisation is applied to power price assumptions, accounting for the effect that renewables can have on overall power prices.
	Extreme weather events	Increased risk to portfolio investments of physical damage to on-site infrastructure and off-site transmission and distribution systems, alongside additional safety risks and operational considerations.	**Investments**	▲ ▲ ▲	Portfolio diversification across geographies and technologies, which reduces the overall impact of action taken by an individual government, of any local extreme weather event or any single asset failure.
	Changes to weather patterns	Material increase or decrease in an asset's energy yield from that expected at the time of investment.	**Investments**	▲ ▲	
	Maturing of the renewables sector	As portfolios mature and subsidy periods come to an end, the power price exposure of renewable investment portfolios will naturally increase.	**Strategy**	▲	Mitigated in part through the use of offtake arrangements or hedging instruments.
	Project economics	Economics pushing projects to a greater scale may result in fewer opportunities by number. An increased volume of capital looking to deploy in renewables may mean projects become highly sought after.	**Strategy**	▲ ▲	Investment discipline is key. "Off-market" transactions sourced by the Investment Manager, InfraRed, remain an important route to attractive opportunities.
Opportunities	**Increased government support for the transition to net zero**	Follow-on investments in the existing portfolio such as the co-location of storage and the repowering or expansion of existing sites.	**Investments**	▲ ▲	Consideration of a broader range of investment opportunities and regions within the Company's investment remit. Near term, the greatest investment activity in TRIG's key markets is expected to be from subsidised offshore wind in the North Sea, unsubsidised onshore wind in the Nordics and solar in Iberia.
		Growth of markets where TRIG has an investment focus, broadening of TRIG's diversification to further geographies.	**Strategy**	▲ ▲	
	Maturity of newer storage technologies	Investment opportunities in such projects. This may include the production and storage of "green" hydrogen and its subsequent use to replace otherwise difficult-to-abate energy users.	**Strategy**	▲ ▲	
	Increased demand for sustainable investments	Further growth of the Company meaning greater diversification through further acquisitions and accretion through raising capital at a share price in excess of the Company's Net Asset Value.	**Financial Planning**	▲ ▲ ▲	Continued emphasis on sustainable investment, including the ESG-linkage of TRIG's revolving credit facility and hedging arrangements.

Physical Risk Assessment

In 2021, we published the results of a qualitative screening exercise performed on TRIG's portfolio for the risk of physical damage due to climate change on a site-by-site basis. This year, the Company has appointed a third-party consultant to provide a more detailed view, by modelling and identifying physical climate-related risks across the Company's portfolio using the latest climate scenarios.

Methodology

Each asset has been screened according to its specific location and key technology characteristics, with physical risks assessed using three different Intergovernmental Panel on Climate Change (IPCC) aligned emissions scenarios:

Business as usual (SSP-8.5/RCP-8.5)

Rising emissions continue to rise over the 21st Century, with global average temperatures exceeding 3°C by 2100

Emissions peak in 2040 (SSP2-4.5/RCP-4.5)

Emissions do not increase beyond 2040, with global average temperatures expected to be between 2°-3° C by 2100

Paris aligned (SSP1-2.6/RCP-2.6)

Policy action limits emissions enough to keep warming close to 1.5°C and below 2°C, in line with the Paris Agreement

These scenarios allow physical climate attributes to be modelled such as temperature and sea level rise, in addition to flooding and extreme weather. Five-year increments are given against each scenario to help assess risk within any given asset's lifetime. This means TRIG can quantify the probability of such attributes occurring and to calculate the value at risk (VaR) for the portfolio, before considering mitigations.

Findings

Findings presented are on the basis of a 'business as usual' scenario given the similarity of estimates and results across all three scenarios. The detail below is a summary of how physical risks progress up to 2050.

Solar PV

Most of TRIG's solar exposure by value is to Spain. Looking solely at location however, the majority of assets are located in the UK, France and Réunion. Wildfire risk is material for 7 assets located in Spain and France. Exposure to drought and heat stress is highest for assets in Spain, with precipitation risk affecting those located in Réunion. Solar projects with co-located storage, located in France and Réunion, are at greatest risk to precipitation. Drought and heat stress remain at low to moderate exposure

We have assumed that the valuation of assets materially exposed to wildfire risk is eroded entirely. While wildfire is fully covered by insurance, there are further adaptation measures that could be implemented and will work with projects to improve and better document resilience to fire risk. Value at risk for precipitation risk however is not material given 1) this would be captured by riverine flooding to which we have immaterial exposure, and 2) this would not affect the valuable components of the assets and therefore does not breach a materiality threshold. Risk of drought is also not material given its limited impact on the asset outputs. The impact of marginal increases in temperature on the efficiency of panels has been modelled, with immaterial findings on value at risk.

Battery storage

All assets are located in the UK. The greatest physical climate risk exposure is to heat stress, with an average moderate exposure by 2050. All other hazards are anticipated to remain very low or low to 2050. The impact of heat stress on the efficiency of batteries has been modelled, with immaterial findings on value at risk

Onshore wind

All risks are anticipated to remain low to 2050, other than wildfire risk and heat stress. Wildfire exposure is material for four assets for which we have assumed full erosion of value in this scenario. Heat stress is anticipated to become a high climate-related risk by 2050.

Offshore wind

For all risks identified save for wildfire, there are limited initiatives available to offset these risks operationally, and which do not represent an efficient cost-benefit dynamic. Therefore, we have determined that insurance currently in place, which covers all of these risks, represents the best protection as we have both revenue protection as well as finance available to repair the asset such that TRIG can continue to significantly contribute to climate mitigation. We will continue to work with each project to identify and implement physical adaptation measures where possible.

TCFD continued

Climate Scenario Analysis

The Managers have internally assessed the Company's portfolio to determine the potential impacts of both a high transition risk scenario and a high physical risk scenario.

Current long-term power price forecasts do not assume that climate change is limited to 1.5-2 degrees and also do not correspond with a 4-degree temperature change scenario (as referenced in the high physical risk scenario).

Therefore, to assess the potential impact from climate change on power prices, net zero versions of power price forecasts were used across TRIG's portfolio to estimate the impact of a high transition risk scenario on TRIG's portfolio. Similarly for the higher physical risk scenario, the current energy mix is assumed to stay static as this is estimated to equate to a 4-degree temperature change – all else being equal. It is important to note that these forecasts are incredibly complex, with a very large number of inputs that could be adjusted differently to arrive at either a high transition risk scenario or a high physical risk scenario. These scenarios could be arrived at through a number of different paths. It is not necessarily the case, for instance, that in a high transition risk scenario that forecast power prices may be lower; greater than expected demand, public policy or a market "premium" on renewable electricity could result in power prices at a higher level than those we assume in the high transition risk scenario.

Equally, it is not necessarily the case that in the high physical risk scenario that power prices would increase relative to a high transition risk scenario; for instance, electricity demand and commodity prices may be lower than forecast.

Estimates are provided below of the potential financial impact of two climate change scenarios. Neither of the two scenarios are considered as representing an indication of current fair value for the portfolio, as the assumptions applied are for more extreme climate scenarios. Nor do these scenarios reflect reasonably possible changes to the fair value in the next 12 months, and so are not included in the sensitivities included within Note 4 of the TRIG Limited financial statements.

High transition risk scenario (typically associated with a 1.5-2 degree Celsius temperature change)

Under this scenario, we assume that policy measures are put in place that accelerate the decarbonisation of energy production, including higher than expected levels of renewables deployment, and each country where TRIG invests achieving net-zero carbon by 2050. Physical risks from extreme weather events are less frequent and effective insurance coverage remains generally available. In a high transition risk scenario: there is a downward pressure on forecast power prices for renewables generators due to greater decarbonisation of the energy mix from that assumed in the independent power price forecasts used in the Company's valuation.

This is, in part, offset by an increase in electricity demand as in transport, industry and heating as these sectors move away from fossil fuels.

An increase in carbon prices is expected; however, this is likely to be offset by lower gas prices and greater periods of time when non-emitting generation is setting the prevailing power price.

Although these scenarios are very difficult to quantify, in-house financial modelling undertaken using information from site questionnaires in combination with climate projections as per the IPCC's Sixth Assessment Report suggests a possible impact of this scenario being an approximate 6% reduction in the Portfolio Value on a committed basis, or approximately 7p per share. This impact could be reduced as a result of industry efficiencies, such as lower operating costs arising from greater competition between sub-contractors as the sector continues to scale up, or increased generation efficiencies and performance.

One of the challenges to achieving more renewables build-out than assumed in current power price forecasts, and therefore decarbonisation, is that as long-term power prices fall, a feedback loop of making fewer new projects financially viable is created, which in turn reduces the rollout rate and therefore reduces the downward pressure on forecast power prices.

Governments across TRIG's target markets are beginning to set out detailed policies in relation to both supply and demand for renewable electricity, which may address this feedback loop, provide support to the power price and achieve the levels of renewables rollout required for net-zero carbon by 2050.

High physical risk scenario (typically associated with a 3-4 degree Celsius temperature change)

This is a climate change scenario occurring across the lives of the assets currently in the portfolio that results in a temperature change of greater than 3 degrees Celsius, resulting in extreme weather events that could threaten the successful operation of assets within the portfolio.

Under this scenario it is assumed that renewables build-out lags expectations, the energy system is not decarbonised to an extent consistent with a lower impact from climate change and that insurance for damages may become unavailable or very expensive. It is expected that these events could occur over a 5-15-year time period.

Whilst current power price forecasts are not prepared on the basis of an overall temperature change, the underlying assumptions, particularly relating to renewables build-out, are consistent with a 3 degree Celsius scenario.

The Managers have undertaken in-house analysis, using the same approach as that of the high transition risk analysis, to consider the potential physical impact of climate change on TRIG's portfolio over a variety of scenarios.

Chronic changes refer to long-term and structural physical risks. Acute changes refer to the increased risk of specific, extreme short-term events. How events are categorised under these two headings is set out in the subsequent table. The review suggests a possible adverse impact of physical risks in a high temperature change scenario of c. 2p to 3p per share. The estimated financial impact does not consider the offsetting impact of any insurance claims that may be possible.

In such a scenario, it is likely that the renewables rollout assumptions incorporated in current power price forecasts are unlikely to be met. Therefore, the Investment Manager considers that the medium to longer-term reductions seen in the power price forecasts in recent reporting periods may reverse and that there may be limited overall net impact on NAV. The estimated financial impacts are based on current views, which are likely to evolve as industry methods mature.

A key mitigant to the portfolio as a whole suffering from a material event at any one asset is the portfolio's asset diversification including the geographic spread across six European countries, which helps to reduce the impact of localised weather events.

Sustainability considerations, including those relating to climate change, are integrated throughout InfraRed's investment process, for example a climate change risk assessment must be completed for all new investments. Scenario and sensitivity analysis is also undertaken by the Managers as part of due diligence and examined by the Investment Committee when considering investment approval.

The Managers have also undertaken analysis to consider the impact on long-term power price forecasts of a 4 degree temperature change scenario. In such a scenario, it is likely that the renewables rollout assumptions incorporated in current power price forecasts are unlikely to be met. The current energy mix across Europe broadly equates to a 4 degree temperature change and therefore the current power price assumptions from 2024 (upon normalisation of forecast power prices from current elevated levels) is applied across the forecast period as an approximation.

This, net of the impact of the physical risk assessment, results in an increase in Portfolio Value on a committed basis by approximately 4% or approximately 6p per share. The estimated financial impacts are based on current views, which are likely to evolve as industry methods mature.

Risk management

Climate-related risks identified through the acquisition process are managed through the acquisition business plan and investment pricing. The appropriateness of mitigating action is considered by the Investment Committee as part of the investment process.

Representatives of RES and/or InfraRed sit on the board of each project company. Through this role, they endeavour to ensure that climate change-related risks are considered by project company management teams, reflected in project company risk registers and appropriate mitigation plans are put in place. Those identified in the running of the current portfolio are managed through mitigating action, where possible. Management activities are discussed by the Advisory Committee through their quarterly review of portfolio performance.

Climate-related risks are integrated into TRIG's risk management framework through the investment process and are reported quarterly to the Board. The Board considers the completeness of the risks recognised and the sufficiency of controls and mitigation, identifying where it is felt further action is required.

TCFD continued

Metrics and targets

The Company considers the TCFD's seven cross-industry metrics and specifically reports on GHG emissions. Outside of this, as an organisation which invests solely in infrastructure that contributes towards a net-zero carbon future, TRIG utilises a range of metrics which monitor the portfolio's contribution to mitigating climate change, including the following, with the latest figures reported on page 14:

- Renewable energy generation
- Tonnes of carbon emissions avoided
- Homes powered by clean energy, which impacts the margin and commitment fee paid under TRIG's ESG-linked revolving credit facility
- The proportion of portfolio sourcing electricity under renewable energy tariffs
- Number of active environmental management projects

The Board and Managers consider several metrics that relate to climate-related opportunities and risks including, but not limited to:

- Renewables build-out assumptions in TRIG's investment and target acquisition markets, which impacts long-term power price forecast assumptions
- Percentage of revenues with fixed power prices, which impacts the extent to which fluctuations in power price forecasts affects the portfolio valuation and forecast cash flows
- Energy yield, where deviations from expectations are examined for climate-related risk factors, including those arising from asset availability

The Company's annual budgeting and semi-annual valuation process includes forecasts which may be influenced by the energy transition and physical impacts of climate change. These include expectations in respect of variables, in particular:

- Percentage of revenues with fixed power prices, which impacts the extent to which fluctuations in power price forecasts affects the portfolio valuation and forecast cash flows
- Energy yield, where deviations from expectations are examined for climate-related risk factors, including those arising from asset availability

Deviations of these variables from budgets and changes to the variables in forecasts may serve as leading indicators of changes to climate-related opportunities, risks and performance.

GHG emissions

The Greenhouse Gas (GHG) Protocol categorises greenhouse gas emissions into three groups, or "scopes":

- **Scope 1:** direct emissions from owned/controlled sources
- **Scope 2:** indirect emissions from the generation of purchased energy
- **Scope 3:** includes all other indirect emissions that occur in the Company's value chain

TRIG's Scope 1, Scope 2 and Scope 3 greenhouse gas emissions are disclosed below. In a change from previous periods, TRIG now reports its emissions as a "financial institution" as defined by the GHG Reporting Protocols and SBTi, to better represent the Company's structure. See page 21 for further explanation on this change.

Emissions have been calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. Emissions for the year ended 31 December 2021 have been reinstated to reflect TRIG's position as a financial institution.

Disclosure	Year ended 31 December 2021	Year ended 31 December 2022
Scope 1 – direct emissions (tCO_2e)	0	**0**
Scope 2 – indirect emissions (tCO_2e)	0	**0**
Scope 3 – indirect emissions within Company value chain (tCO_2e)	291,411	**66,614**
Total Scope 1, 2 and 3 emissions (tCO_2e)	291,411	**66,614**
Intensity ratio (tCO_2e per MWh of renewable electricity generated)	0.07	**0.01**
Weighted average carbon intensity (tCO_2e / £m)	542.40	**295.11**

Overall, there has been a decrease in reported emissions from 2021 to 2022, this decrease represents both improved data collection and improved emissions factors, as explained further on page 21.

TRIG's portfolio is included in InfraRed's commitment to the Net Zero Asset Managers initiative. InfraRed published its interim net zero targets, including for 70% of AUM to be aligned or aligning to net zero by 2030, in its net zero progress report, available at www.ircp.com.

SBTi

TRIG is a signatory of SBTi and is currently in the process of setting Science Based Targets by the end of 2023 in line with our SBTi commitment signed during 2021. Details of these targets can be found on page 22.

TRIG is aware of developments within the sector for decarbonisation plans and the Company is currently in the process of defining its own in accordance with SBTi.

ESG Targets within TRIG's Revolving Credit Facility

TRIG's ESG-linked SONIA revolving credit facility sets ambitious ESG targets for the Company. The ESG key performance indicators (KPIs) that TRIG's performance is judged on annually are consistent across TRIG's revolving credit facility, FX hedges and inflation swaps:

- Environmental: increase in the number of homes powered by clean energy from TRIG's portfolio
- Social: increase in the number of community funds supported by TRIG
- Governance: maintaining a low Lost Time Accident Frequency Rate (LTAFR)

Performance against these targets is measured each year, with the cost of the RCF being amended in the following year. All the RCF KPIs were met for the year ending 31 December 2022. Meeting the sustainability targets across all our ESG-linked financing instruments is expected to result in annual savings of c.£250,000.

Task Force on Climate-related Financial Disclosures

The table below sets out the 11 TCFD recommendations, and where the related information can be found.

Governance

Recommended Disclosure	Pages
a. Describe the board's oversight of climate-related risks and opportunities.	Pages 35 to 36
b. Describe management's role in assessing and managing climate-related risks and opportunities.	Pages 35 to 36

Risk Management

Recommended Disclosure	Pages
a. Describe the organization's processes for identifying and assessing climate-related risks.	Page 41
b. Describe the organization's processes for managing climate-related risks.	Page 41
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Pages 35 to 41

Strategy

Recommended Disclosure	Pages
a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Pages 37 to 41
b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Pages 37 to 41
c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Pages 40 to 41

Metrics and Targets

Recommended Disclosure	Pages
a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Page 42
b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	Page 42
c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Page 42

Looking forward

Key sustainability themes for 2023

Climate

Read more

Emissions and net zero

During 2023 we expect TRIG's SBTi targets to be validated. TRIG is also included within InfraRed's net zero commitment under the Net Zero Asset Managers' initiative, meaning the Company's emissions will begin aligning to net zero. Outside of this, as a renewable energy generator we will continue to generate clean electricity which contributes to a net zero carbon future.

Communities

Read more

Wider stakeholder engagement

As TRIG's portfolio continues to grow and sustainability regulation increases, we recognise that increasing the data collected from the portfolio and improving data quality will allow us to better assess our ESG performance and report against our targets. We will look to expand touchpoints with our stakeholders to continue on this journey.

Environment

Read more

Circular Economy

In 2022, the Company's Sustainability Policy was extended to capture circular economy considerations and the ways we are committed to ensuring resource efficiency. With a vast operational portfolio totalling over 2GW of capacity and continued delivery of construction projects we will be looking at how this policy is implemented as well as ways in which we can achieve the best outcomes across all stages of a projects' lifecycle.

Governance

Read more

ESG Committee

TRIG's sustainability strategy is set by the Board and contained within our Sustainability Policy. This year, an ESG Committee is to be established, to better oversee progress towards TRIG's sustainability objectives and consideration of the sustainability-related risks and opportunities faced by the Company.

"TRIG's portfolio makes a substantial contribution towards European energy security and a net zero carbon future. To us, responsible investment means regularly reviewing how we can improve the impact of TRIG's investments on the communities and environment around them, and in doing so create value for shareholders.

Minesh Shah
Investment Director

"TRIG are always keen to engage positively with those communities around our sites, to support and deepen our trusted relationships.

Chris Sweetman
Operations Director

Appendix

Appendix A: Policies of TRIG and its Managers

Policy	TRIG The Renewables Infrastructure Group	InfraRed Capital Partners	res power for good
Exclusion Policy	TRIG has an Investment Policy available on the TRIG website	www.ircp.com/sites/default/files/2022-05/infrared_exclusion_policy_2022.pdf	N/A – RES does not make investments on behalf of TRIG
Sustainability Policy	Available on the TRIG website	www.ircp.com/sites/default/files/2023-05/ircp_sustainability_policy_may_2023.pdf	www.trig-ltd.com/wp-content/uploads/2021/02/RES-Group-ESG-Policy.pdf
Modern Slavery Statement/Policy	Available on the TRIG website	www.ircp.com/sites/default/files/2022-06/InfraRed%20Modern%20Slavery%20Statement%20June%202022.pdf	www.res-group.com/en/modern-slavery/
Whistleblowing Policy	Available on the TRIG website	Yes, internal document	Yes, internal document
Anti-Bribery and Corruption Policy	TRIG has Anti-Bribery and Anti-Corruption Policies in place which are reviewed by the Board. A statement on this can be found in the latest Annual Report.	InfraRed has principles, policies, and standards in place for countering Bribery and Corruption. For example, all projects are required to provide anti-bribery policies for the project company as well as for sub-contractors. They are also required to report on any anti-corruption and bribery breaches that were recorded in each calendar year.	RES has principles, policies, and standards in place for countering Bribery and Corruption.

Appendix B: SFDR Principle Adverse Impact (PAI) Disclosures

The indicators set out over the following pages outline TRIG's non-financial impact of its investments in accordance with article 8 of the SFDR. The Company has reported in line with all 14 mandatory PAIs and 7 voluntary PAIs to provide a high level to transparency as to TRIG's ESG performance and to enable TRIG's shareholders to meet their own regulatory and voluntary reporting requirements. This sustainability report outlines the actions already taken as week as actions planned in order for TRIG to improve performance against these PAIs.

All PAIs have been calculated in accordance with the requirements of Annex 1 of the SFDR Regulatory Technical Standards (RTS) and as indicated in the notes below.

Adverse sustainability indicator		Metric	Unit	Metric as at 31 December 2022	Portfolio coverage
Greenhouse gas emissions	1. GHG emissions[1]	Scope 1 GHG emissions	tCO_2e	0	99%
		Scope 2 GHG emissions	tCO_2e	1	99%
		Scope 3 GHG emissions	tCO_2e	2,049	99%
		Total GHG emissions	tCO_2e	2,050	99%
	2. Carbon footprint	Carbon footprint	tCO_2e/€m invested	0.49	99%
	3. GHG intensity of investee companies	GHG intensity of investee companies	tCO_2e/€m invested	112.98	99%
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	%	0	100%
	5. Share of non-renewable energy consumption and production[2]	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	%	32	88%
	6. Energy consumption intensity per high impact climate sector[3]	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	GWh/€m	0.00	95%

1 GHG emissions for the purpose of the SFDR PAIs have been calculated using the methodology set out in Annex 1 of the SFDR RTS. This requires attribution factors to be calculated as current investment valuation as a percentage of enterprise value. This differs to the PCAF methodology which the Company has used in disclosing its emissions in the Climate section of this report.
2 Calculated as the average of each investee companies' share of non-renewable energy as a proportion of its total energy consumption.
3 As per our interpretation of the material sectors based on NACE code categories A-H and J-L, only battery investments would be considered high impact climate sectors. This has been measured for the operational batteries in the portfolio.

Appendix continued

Adverse sustainability indicator		Metric	Unit	Metric as at 31 December 2022	Portfolio coverage
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas[4]	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas		0	86%
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	Tonnes/€m	0	86%
Waste	9. Hazardous waste and radioactive waste ratio[5]	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	Tonnes/€m	0.07	95%
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	%	0	86%
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	%	9	97%
	12. Unadjusted gender pay gap[6]	Average unadjusted gender pay gap of investee companies	%	Not measured	0%
	13. Board gender diversity[7]	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	%	34	87%
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	%	0%	100%

Additional climate and other environment-related indicators

Adverse sustainability indicator		Metric	Unit	Metric as at 31 December 2022	Portfolio coverage
Greenhouse gas emissions	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	%	45	86%

Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

Adverse sustainability indicator		Metric	Unit	Metric as at 31 December 2022	Portfolio coverage
Social and employee matters	1. Investments in companies without workplace accident prevention policies	Share of investments in investee companies without a workplace accident prevention policy	%	10	86%
	2. Number of days lost to injuries, accidents, fatalities or illness	Number of workdays lost to injuries, accidents, fatalities or illness of project companies expressed as a weighted average	Number of days	0.2	100%

4 Given the rural locations of the Company's investments, there are occurrences of negative biodiversity impacts predominately related to the impacts of operating windfarms on local wildlife. However, in these instances, mitigation measures such as windfarm curtailment during relevant periods to reduce impacts to bats are implemented in accordance with the environmental impact assessment requirements. Hence, in accordance with the definition of 'activities negatively affecting biodiversity-sensitive areas' in Annex 1 of the SFDR RTS the Company has reported 0% for this PAI.

5 Calculated as the weighted average based on investment value to date.

6 Only one project within the portfolio has direct employees. However the project does not measure gender pay gap as it employees less than 250 people.

7 Calculated as the average of each investee companies' board gender diversity. This includes all portfolio company board members, not just those representing TRIG.

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Find out more
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