BBGi

INVESTING IN GLOBAL INFRASTRUCTURE

Sustainability Report 2023

www.bb-gi.com

BBGi

From hospitals to schools, to affordable housing and safer roads, we partner with the public sector to deliver social infrastructure that forms the building blocks of local economies, while creating sustainable value for all stakeholders.

Our purpose

Deliver social infrastructure for healthier, safer and more connected societies, while creating sustainable value for all stakeholders.

Our vision

We invest to serve and connect people.

Our values

- Trusted to deliver.
- Dependable partner.
- Behaving like owners.
- Investor with impact.
- Present-focused, future-ready.

Mersey Gateway Bridge, UK

Front cover image: **Royal Women's Hospital, Australia**

BBGI

Foreword from our CEO

“I am grateful for the hard work and dedication of our teams in progressing our ESG initiatives. What I am most proud of is the way our team has embraced ESG over the years: as we progress on our journey and learn more, the commitment of our staff grows.

I would like to thank our stakeholders, including our investors, our public sector clients, our subcontractors and management service providers for their continued support and engagement.”

Duncan Ball, CEO

Welcome to our 2023 Sustainability Report

I am proud to update you on a year of progress in our commitments to sustainability. As trusted stewards of essential infrastructure that sits at the heart of the communities we serve, sustainability and a focus on creating positive societal impacts are firmly embedded in our business model. We aim to make a positive impact on society and the environment through our portfolio of 56 core social infrastructure investments.

This Report highlights our progress and achievements and supports transparent communication to all our stakeholders. We invest in infrastructure that provides essential services and support to communities, such as education, healthcare, emergency services (fire and police facilities), affordable housing, modern correctional facilities, clean energy and transport assets.

By investing in these assets, we strive to make a positive impact on society while generating financial returns, in alignment with our SFDR Article 8 classification and the social investment objective we promote.

Each of our investments align with at least one of 6 focus SDGs and we use impactful sustainability indicators to measure the real-world outcomes of our contributions.

We are continuously improving our approach to sustainability and have made significant progress since we began this journey. In 2023, we developed our tools and systems for measurement and reporting.

We now have a complete overview of our 56 Portfolio Companies’ emissions profiles, expanding our proprietary ESG database with GHG emissions data, which will facilitate developing decarbonisation plans across the portfolio.

We recognise that by working with others we can identify opportunities to improve our sustainability practices and desired outcomes. In 2023, we reinforced our collaboration with peers and industry bodies to align with relevant developments and to shape an industry response to emerging sustainability and energy transition requirements.

We are confident that by continuing to prioritise ESG considerations we can make a meaningful difference, while delivering strong financial returns for our investors. Our regulatory and disclosure requirements have increased together with our stakeholders’ expectations, and we continue to enhance our disclosures to align with upcoming regulatory standards, while engaging with our investors and ensuring ESG compliance.

We will also continue to evaluate our portfolio’s impact materiality for our stakeholders, and the financial materiality of sustainability risks and opportunities to BBGI. Our biggest challenges will be the decarbonisation of our portfolio and increasing diversity in our Portfolio Company boards, which will require our ongoing focus.

Duncan Ball
CEO

Contents

Kicking Horse Canyon, Canada

ESG Standards & Frameworks

Our portfolio aligns with selected Sustainable Development Goals ('SDG')

Article 8 under the SFDR

UN Principles for Responsible Investment signatory since 2020

Signatory of:

UN Global Compact signatory since 2020

Supporter of the objectives of the Paris Agreement

TCFD supporter since 2020

Corporate Emissions calculated by an independent specialist firm

Corporate Emissions targets set in line with the SBTi framework for SMEs

GHG emissions quantified in accordance with the GHG Protocol standards

Financed Emissions quantified in accordance with the Partnership for Carbon Accounting Financials Guidance

NZAM signatory since 2021

Net zero targets approved by the IIGCC in accordance with the Net Zero Investment Framework for Infrastructure Guidance

Supporters of the goals of FTSE Women Leaders and the Parker Review on Ethnic Diversity on Boards

Member of the AIC and reporting aligned with the AIC Code of Corporate Governance

Stakeholder engagement approach consistent with AA1000 Stakeholder Engagement Standard (2015)©

GRI content index

SASB content index

Approach to carbon offsets aligns with the principles from the Oxford Principles for Net Zero Aligned Carbon Offsetting (revised 2024)

External Ratings & Recognitions

AIC Next Generation Dividend Hero 2024:
In March 2024, BBGI joined the AIC's next generation of dividend heroes in recognition of 10 years of successive dividend growth.

Eight investment trusts join the next generation of dividend heroes

Signatory of:

UN PRI Assessment 2023:
Policy Governance and Strategy: ★★★★★
Direct Infrastructure: ★★★★★
Confidence Building Measures: ★★★★☆

UN PRI 2023 Assessment Report

UN PRI 2023 Public Transparency Report

ISS E&S Disclosure Quality Score 2023:[1]
Environment (Decile Rank: 3) I Social (Decile Rank: 2)

ISS ESG Corporate Rating 2022[2]**:**
Prime B- (Decile Rank: 1)

Sustainalytics ESG Risk Rating 2021[3]**:**
Strong ESG performance with a risk rating of Negligible (8.3)

1 ISS Environment & Social Disclosure Quality Score is based on company disclosure and transparency practices. It ranges from 1 (highest quality disclosure) to 10 (lowest quality disclosures).
2 ISS ESG Corporate Rating is based on company's performance regarding ESG issues, compared to the industry average. It ranges from A+ (highest score) to D- (lowest score). The Prime threshold reflects the overall magnitude of an industry's risk exposure.
3 Sustainalytics' ESG Risk Ratings, range from 0 to 100, with lower scores indicating lower levels of ESG risk.

About this Report

This is our fourth standalone annual Sustainability Report ('Report', 'ESG Report' or 'Sustainability Report'). This Report provides detailed information on the progresses we have made during 2023 and showcases the achievements delivered by BBGI and at our Portfolio Companies.

The Report focuses on our most material sustainability topics, an approach we developed based on stakeholder engagement and double-materiality assessment. It also aims to complement the Task Force on Climate-Related Financial Disclosures ('TCFD') reporting, included in our 2023 Annual Report, by disclosing our climate metrics and scenario analysis. It demonstrates the implementation of our commitment to the UN Principles for Responsible Investment ('PRI'), Net Zero Asset Managers Initiative ('NZAM') and presents certain metrics disclosed in our SFDR Principal Adverse Impact Statement.

The Sustainability Report and the Annual Report are supplemented by a range of additional sustainability-related disclosures available on our website.

Reporting period

This Report covers data from 1 January 2023 to 31 December 2023, and includes comparisons to previous periods where appropriate. All financial figures are stated in GBP unless indicated otherwise. The SFDR metrics are stated in EUR. This Report covers the impacts of the Company's corporate and investment activities from its 56 assets as of 31 December 2023.

Reporting standards

In developing this Report, we have considered the guidance of TCFD, UN Global Compact, Global Reporting Initiative ('GRI'), GHG Protocol, Partnership for Carbon Accounting Financials Guidance ('PCAF') and the Net Zero Investment Framework for Infrastructure ('NZIF') Guidance. These standards inform our approach, structure, principles and indicators on which we report. Our TCFD Disclosures, GHG inventory for both Corporate and Financed Emissions, GRI content index and SASB content index are provided in the appendix section of this Report.

Emerging legislations

We anticipate significant developments in sustainability regulations and their application by our regulators, particularly with the CSRD, SDR, SFDR and ISSB. These upcoming requirements are expected to enhance transparency and accountability across our industry. Given our strong foundational practices, we believe BBGI is well-positioned to align with these new standards with relative ease.

Find out more:

- **Annual Report**
- **SFDR disclosures**
- **Net Zero Plan**
- **ESG & Sustainability Risk policy**
- **Human Rights, Diversity, Equality and Inclusion policy**
- **2024 Modern Slavery statement**
- **Responsible Contractor policy**
- **UN PRI 2023 Assessment Report**

How to use this report

The following symbols indicate that additional information can be found either in this Report, on our website, or in other disclosures.

- **Read more in this report**
- **Read more online**

Should you have any comments or questions about this Report, please send them to: **esg@bb-gi.com.**

Approach to assurance

We have internal and external processes to maintain high standards of transparency.

Internal processes

Our Internal Audit function operates independently of daily operations and management, providing objective assurance to the Boards through a systematic, risk-based audit approach and assessment of the internal control framework. In 2023, the Internal Audit function was appointed by the Management Board to provide internal advisory services on our ESG processes and systems. Grant Thornton Vectis performed a review of BBGI's sustainability public claims, cross-referenced to existing supporting documents, including a review of SFDR regulatory disclosures. The overall ESG approach was assessed as excellent, with no controversies found.

External processes

Several elements of this Report have been independently calculated or reviewed by external parties:

- Simply Sustainable conducted in 2021 a comprehensive review of our materiality assessment approach against best practice methodology, concluding BBGI's materiality process (including methodology, stakeholder engagement and materiality scoring sheet) is very well aligned with best practice sustainability standards such as GRI and SASB.
- Carbon Footprint Ltd. calculated our corporate carbon footprint, in line with the GHG Protocol, since the baseline year 2019.
- Avison Young Ltd. provided the conversion factors and calculated our portfolio carbon footprint, in line with the GHG Protocol, since 2022.
- Marsh Advisory undertook a physical climate change scenario analysis to understand how the impacts of physical perils on the portfolio are expected to evolve in the longer term under differing climate change scenarios, using IPCC scenarios, in line with TCFD recommendations.

External assurance

Prime Advocates Limited, an independent external assurer, undertook a limited assurance on 'Selected GHG Financed Emissions' information for the period 1 January to 31 December 2022 and 2023. This information includes the reporting of GHG emissions across Scope 1, Scope 2, and material Scope 3 emissions of BBGI's apportioned financed investments, in accordance with the relevant GHG Protocol and PCAF Guidance. The assurance engagement looked to the appropriateness of BBGI's policies and procedures, systems and controls in relation to GHG emission information collection, management and calculation. The assurance engagement was undertaken on the Selected Financed GHG Emissions information indicators in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) and ISAE 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board.

Independent Assurance Report - Financed Emissions

About BBGI

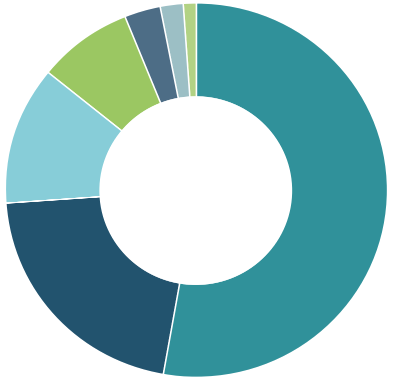
Matthew and Niamh, BBGI employees

Who we are

Based on portfolio value at 31 December 2023 (% by NAV)

Sector split

Well diversified sector exposure



- **Transport** 53%
  19 roads and bridges
  1 fully electric public transit line
- **Healthcare** 21%
  41 essential healthcare facilities
- **Emergency services and modern correctional facilities** 12%
  4 police stations
  26 fire stations
  4 modern correctional facilities
- **Education** 8%
  33 schools and colleges
- **Affordable housing** 3%
  3 affordable residential housing and 2 community centres
- **Clean energy** 2%
  1 hydroelectric generation station
- **Other** 1%

Geographic split

Geographically diversified in stable developed countries

1. **Canada** 35%
2. **United Kingdom** 33%
3. **Continental Europe** 13%
4. **United States** 10%
5. **Australia** 9%

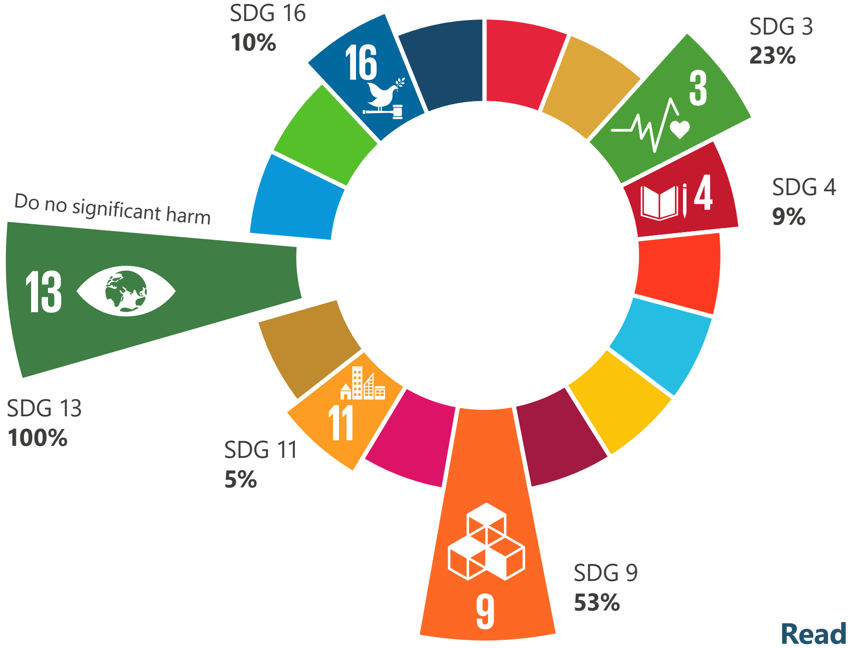
Investment basis NAV

£1,056.6m

as at 31 December 2023

SDG contribution

Social impact portfolio



Read more
Contributing to the SDGs

Employees

27[4] employees across **8 countries**

2,000+ people employed by our Portfolio Companies across **9 countries**

4 Group headcount as at 31 December 2023.

Contributing to the Sustainable Development Goals

Our investment strategy seeks to provide access to essential social infrastructure from our investments and future acquisitions.

Our portfolio facilitates the access to essential services in a socially responsible manner and contributes to the overarching aims of the SDGs.

We align our portfolio to the SDGs by using them as a framework to assess, measure, and monitor our contribution to societal aspects. This ensures that our investments not only meet the baseline requirements of alignment but also help contribute to positive social outcomes, without causing harm to environmental aspects.

Each investment is aligned with at least one of 6 SDGs where we aim to make the most significant contribution. By focusing on these goals, we support improvements in areas such as health, education, safety, sustainable cities, and access to renewable sources of energy.

However, aligning our portfolio with the SDGs is not synonymous with making a direct, measurable impact. Our approach strives for positive outcomes, ensuring that our investments contribute positively to the SDGs.

Moreover, we must also address any potential negative impacts arising from our operations and investments, acknowledging that true social contribution goes beyond mere provision of infrastructure and involves a commitment to mitigating adverse effects.

	Sustainable Development Goals		Sustainability indicators		Impacts	
Facilitate essential services for society	3 Good health and well-being	23%	41 healthcare facilities	>600,000m^2 managed	>4 million patients	Hospitals, and primary healthcare centres provide access to healthcare delivery for c.4 million patients a year and over 2,400 beds.
			26 fire stations	>33,000m^2 managed	>800,000 people	Fire stations provide c.800,000 people with protection against fire-related injuries and fatalities and mitigation of air, water and soil pollution caused by fire incidents. Fire stations also play a critical role as part of a first responders' network, supporting local populations.
	4 Quality education	9%	33 schools and colleges	>430,000m^2 managed	>36,000 pupils	Schools and colleges provide c.36,000 pupils with access to primary, secondary and adult education in an effective learning environment.
	9 Industry, innovation and infrastructure	53%	19 roads and bridges	c.2,800 single-lane kms of roadway operated	>300 million vehicles	Roads and bridges provide the local population with reliable and resilient transport, and reduce travel times for c.300 million vehicles a year. The maintenance of road networks and bridges is necessary for reliable and safe access, reducing traffic congestion, and decreasing GHG emissions by reducing transit times. Maintaining road elements, signalling, surfacing, and other security measures is crucial for a safe journey.
			1 hydroelectric generation station	132 MW installed	>80,000 homes	Hydroelectric power station supports the access to clean and reliable electricity for over 80,000 homes, while providing flood control and domestic water supply, which represents c.400,000 tonnes of avoided GHG emissions.
	11 Sustainable cities and communities	5%	1 fully electric public transit line	>39 kms	>40 million passengers	Urban rail transport is a safe and sustainable means of public transport for c.40 million passengers per year, given the fully autonomous nature of the transit system, which is powered by electricity.
			3 affordable residential housing and 2 community centres	>17,000m^2/ 100 units	>200 people	Residential housing units support the access to affordable housing for c.200 people per year, complemented by sport and leisure centres for the local community.
	16 Peace, justice and strong institutions	10%	4 police stations	>16,000m^2 managed	>1.5 million people	Police stations promote the rule of law and provide safety for c.1.5 million people per year.
			3 modern correctional facilities	>190,000m^2 managed	>3,000 detainees	Modern correctional justice facilities promote the rule of law and are a necessary link in the functioning of judicial systems for c.3,000 detainees a year.
			2 public administration buildings	>37,000m^2 operated	>500,000 people	Public administration buildings provide c.500,000 people with access to public services.
Managing and mitigating impacts	13 Climate action	Climate action	100% of our assets are screened for resilience and adaptive capacity to climate-related hazards and natural disasters.			Our portfolio of social infrastructure investments demonstrates a high degree of climate resilience.

Responsible investing approach

BBGI follows a responsible investment policy whereby ESG issues are integrated into investment decisions, asset management and stewardship decisions.

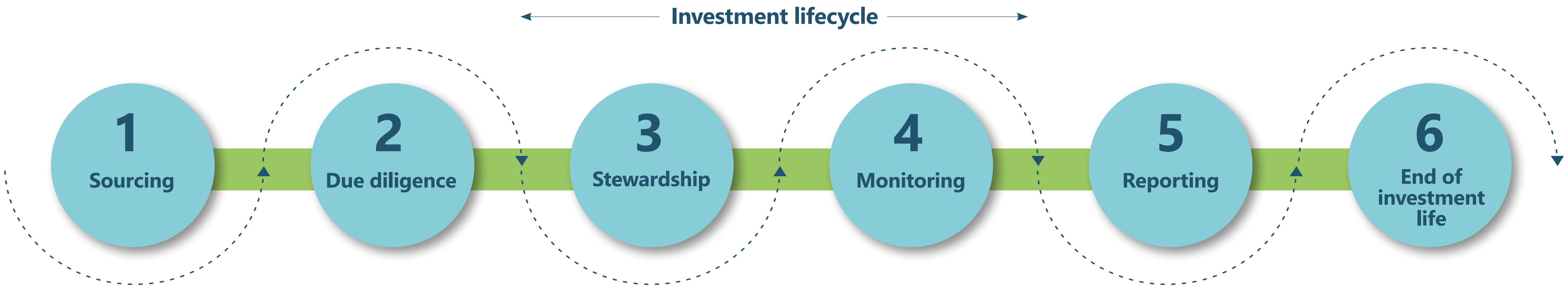
ESG and Sustainability Risk policy

Our ESG and Sustainability Risk policy is our overarching policy for our approach to responsible investing and covers 100% of BBGI's assets under management. BBGI has implemented a robust framework for ESG integration, sustainability-risk screenings and positive impacts assessment across all aspects of the investment cycle, from initial screening through to end of investment life.

Principal adverse impacts

Principal adverse impacts on sustainability factors ('PAI') are the most significant negative impacts of investment decisions on sustainability factors related to environmental, social and governance issues. PAI are screened and monitored along our entire investment lifecycle. The processes conducted to identify and prioritise PAI on sustainability factors are described in our SFDR PAI Statement, and summarised here:

- **Negative screening** (exclusion list)
- **Positive screening** (SDG alignment)
- **Do no significant harm ('DNSH')** (Prioritisation and mitigation)
- **Monitoring** (Data collection and tracking)
- **Improvement** (Data availability and engagement)



1 Sourcing

- Positive and negative screening to determine compatibility with BBGI's ESG policy and identify PAI.
- Public data searched to identify ESG issues.
- Pre-defined exclusions list (adult entertainment, alcohol, tobacco, weapons, nuclear weapons, combat-related activities, fossil fuels, gaseous fuels, coal, destruction of critical habitats, breach of fundamental human rights, modern slavery and human trafficking, money laundering, non-tax compliance, financial sanctions, terrorism financing, gambling).

2 Due diligence

- Align any potential investment to six SDGs where BBGI's social investments portfolio has greatest contribution.
- Detailed proprietary ESG KPI survey covering SFDR PAI metrics and DNSH safeguards.
- ESG due diligence completed as part of Investment Committee papers.
- Seek when necessary appropriate environmental, climate-risk and/or technical due diligence carried out by independent third-party experts.
- Anti-money laundering and counter terrorism financing screening.

3 Stewardship

- Implement ESG policies at Portfolio Company level.
- Review and monitor assets for ESG-related issues and performance.
- Assess climate risk against RCP[5]2.6 (~+1°C warming), RCP4.5 (~+1.8°C warming) and RCP8.5 (~+3.7°C warming) across three time periods (2020, 2050, and 2100).
- Regular employee training regarding ESG.
- Review our staff's achievement against ESG targets.
- Management Board's STIP and LTIP targets contain ESG and GHG reduction targets.
- Seek to share ESG best practices internally and externally.
- Engage with industry working groups and public policy consultations.
- Share ESG information acquired during concession period with our public sector clients.

4 Monitoring

- Annual ESG KPI monitoring for each Portfolio Company.
- Active ESG management at the Portfolio Company level through engaged board representation.
- Regular health and safety audits, fire audits, or other similar monitoring.
- Consider investing to improve energy efficiency and develop decarbonisation plans.
- Where a potential climate risk is identified, monitor if mitigation measures can be implemented over time.
- Annual reporting of ESG initiatives.
- Identify further areas of improvement.

5 Reporting

- Communicate results to stakeholders.
- Annual reporting in line with recognised ESG standards and frameworks.
- Continuous improvement of data collection, data verification and reporting processes.

6 End of investment life

- Hold investment for the duration or realise value through the exit.
- Responsible and collaborative approach to asset hand back to the public sector.

Read more

- ESG & Sustainability Risk policy
- SFDR Principal Adverse Impact Statement
- ESG monitoring

5 RCP: Representative Concentration Pathway.

ESG governance

We believe that high-quality governance at both the corporate level as well at the individual asset level, brings accountability and is essential to achieving positive outcomes for our investors, society and the environment.

Our Management and Supervisory Boards have endorsed and adopted the main principles of good corporate governance outlined in the AIC Code of Corporate Governance ('AIC Code'). The AIC Code reflects the main principles set out in the UK Code on Corporate Governance and associated disclosure requirements of the Listing Rules, as they apply to investment companies, including internally managed investment companies.

BBGI's executive ESG Committee (the 'Committee') is responsible for oversight of the Group's ESG activities and comprises each of the members of the Management Board, the Company Secretary, the Global Head of Asset Management and the Director of ESG/Sustainability. The Committee functioned throughout 2023 in accordance with its defined Terms of Reference, which are available on our website.

The Management Board continued its close collaboration with the ESG Committee. A key priority for our Board is ensuring that the ESG framework can support our sustainability ambitions.

Over the past year, the Management Board spent an increasing amount of time considering ESG matters in preparation for delivering enhanced sustainability disclosures, understanding the portfolio's exposure to sustainability risks, and engaging with our clients, partners and subcontractors to support socially beneficial projects across the portfolio and improve the ESG profile of our assets.

Read more

- **Annual Report I Corporate Governance**
- **Annual Report I Remuneration Committee Report**
- **ESG Committee Terms of Reference**
- **ESG monitoring**

Ownership culture

- 100% of the Management Board owns shares.
- 100% of the Supervisory Board owns shares.
- 87% of our employees own shares or have vesting shareholder entitlements.
- 'Behaving like owners' is part of our DNA.

Management Board remuneration tied to ESG targets

For the year ended 31 December 2023

Annual bonus (STIP)	STIP is based on a balance of strategic, financial, operational, compliance and ESG metrics, with robust quantitative and qualitative performance requirements set for threshold, target and maximum performance.
Long-Term Incentive Plan (LTIP)	For the 2023 LTIP awards, 10% is linked to a reduction in corporate GHG emissions (Scopes 1, 2 & 3) against a 2019 baseline and 10% linked to progress in the implementation of decarbonisation plans for BBGI's Portfolio Companies, in accordance with published targets related to BBGI's commitments as a signatory to NZAM.

Measuring progress	2020	2021	2022	2023
ESG factors considered strategically				
Management Board attendance at ESG Committee meetings	✓	✓	✓	✓
ESG considered as part of our annual strategy review	✓	✓	✓	✓
ESG targets are part of the Management Board's remuneration targets	✓	✓	✓	✓

Executive ESG Committee (current)

Cécilia Vernhes
ESG/Sustainability Director and ESG Committee Chair

Duncan Ball
CEO

Michael Denny
CFOO

Andreas Parzych
Executive Director

Jakob Gronkjaer
Company Secretary

Volker Ellenberg
Global Head of Asset Management

100% attendance by all ESG Committee members during 2023

ESG strategy

We use the outcome of our double-materiality assessment as a strategic tool, helping us identify significant impacts of our corporate and investment activities on the economy, environment and society through a holistic approach.

In 2021, we conducted a comprehensive double-materiality assessment to identify the most significant impacts our operations and portfolio can have on the economy, environment or society and that are priorities for our stakeholders ('inside-out' impact materiality), as well as the impact that society and the environment could have on the organisation ('outside-in' financial materiality).

As part of this assessment, we engaged with key internal and external stakeholders, including employees, investors, clients, partners and subcontractors. Our stakeholder engagement process adhered to best practices standards such the AA100 Stakeholder Engagement Standard and the Global Reporting Initiative ('GRI').

From this assessment, we derived the most material sustainability topics, which we have embedded into our reporting and decision making processes. This ensures we address both visible and less visible issues that, in the long run, might otherwise turn into critical risks and financial consequences.

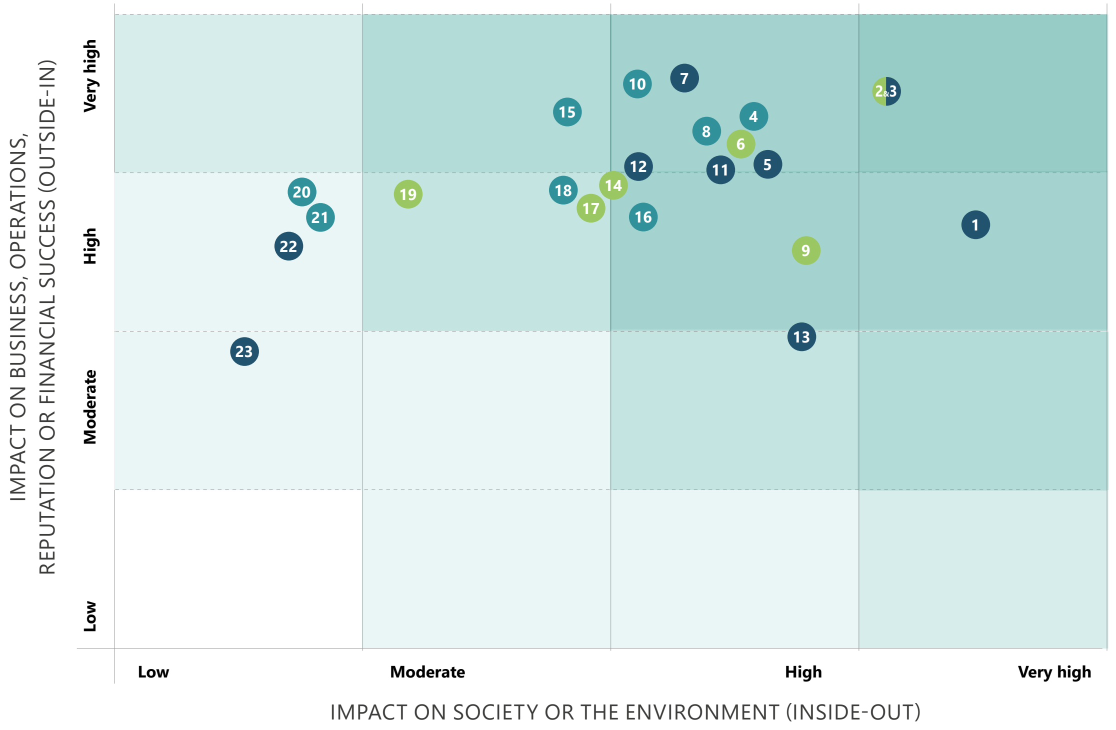
Each material topic defines our ESG strategy and is individually tracked by a performance indicator.

In 2021, Simply Sustainable Ltd., an external specialist firm, verified that our methodology for engaging with stakeholders and prioritising key issues was aligned with best-practice sustainability standards. The Management Board was actively engaged throughout the entire process and approved the results.

Read more

- **Stakeholder engagement**
- **ESG dashboard**

Materiality matrix



Environment	Social	Governance
Materiality threshold: high		
2 Pathway to net zero	4 Health and safety of employees, workers and at projects	1 Creating long-term sustainable value
6 Reduce our Corporate Emissions	8 Fair employment and remuneration	3 ESG factors are considered strategically
9 Reduce our Financed Emissions	10 Learning and development	5 Quality of services
		7 Business ethics and integrity
		11 Cyber-security
Materiality threshold: medium		
14 Mitigate impacts on biodiversity	15 Diversity and inclusion	12 Transparency
17 Reduce water consumption	16 Providing access to essential services	13 ESG impact
19 Responsible purchasing and waste management	18 Community engagement	
Materiality threshold: low		
	20 Preserving human rights	22 Digitalisation
	21 Preventing violence and harassment	23 Sharing expertise

The materiality process consisted of the following steps:

Stakeholder engagement

The fundamental rationale for integrating and embedding ESG factors into our business model is to ensure our actions generate positive and sustainable outcomes for our stakeholders for the long term.

As stewards of important social infrastructure investments, many stakeholders are impacted by our actions: users, local communities, our employees, investors, public sector clients, subcontractors, the environment, and society at large. We take this responsibility seriously.

Our stakeholders increasingly expect us to consider and act on a range of sustainability issues. Guided by our values of good governance, our responsible mindset drives our actions both at the corporate and Portfolio Company level. We expect all our employees to keep these guiding principles in mind when engaging with our stakeholders.

Section 172

As a member of the AIC, BBGI acknowledges Provision 5 of the AIC Code's expectation for all members to comply with the continuing requirement under Section 172(1) of the UK Companies Act 2006 ('CA2006') for boards to take stakeholder interests into account and to report how they have done so when performing their duties. We have previously utilised Investor Meet Company for our results presentations and have retained their services for our 2023 Annual Results. We will continue to do so in the future as we actively seek to increase our engagement with retail investors. The AIC Code reflects the main principles set out in the UK Code on Corporate Governance and associated disclosure requirements of the Listing Rules, as they apply to investment companies, including internally managed investment companies.

Detailed insights into how we embody the spirit of the Section 172 provisions and BBGI's engagement approach with key stakeholders, representing the main groups that benefit, are influenced by, or interact with our business activities are outlined on the right, highlighting specific actions in 2023.

Key stakeholders	Focus area of our engagement	Types of engagement and metrics used to monitor and assess relationships	Considerations in the Board decision-making process
Our people Our people are the driving force behind what we do. They are well positioned to bring their expertise to our clients, subcontractors and partners and deliver the results expected by our investors.	Our relatively flat hierarchy empowers our talented people to deliver our purpose. We promote an inclusive work environment where all people are treated equally and are supported to achieve their potential. We regularly engage with our teams and seek feedback through a range of communications channels.	– Annual and mid-year assessments – Direct liaison with the Management Board – Regular meetings – Well defined expectations and targets, including ESG targets for all executives – Regular training – Training metrics – Whistleblower hotline	Feedback from individual assessments is regularly discussed by the Management Board. Two of our people are elected as representative staff delegates. They act as a liaison and mediator between employees in Luxembourg (our headquarters, where most BBGI employees are based) and the Management Board, on any individual or collective grievances with our employment practices.
Communities The positive experience of the people who use our assets and the communities who live near to our assets are vital to ensuring our success and the satisfaction of our public sector clients.	By maintaining high-quality and resilient social infrastructure assets, we facilitate access to essential services for everyone. We support initiatives that benefit the communities living near our assets.	– Client satisfaction discussed at corporate and Portfolio Companies' level – Partnership, sponsorship and donations – Community initiatives	We donated more than £10,000 to charities supported by our employees through the first year of our workplace giving programme. Our Portfolio Companies donated over £135,000 to local charities.
Investors Our investors provide capital, feedback on our business model, and help to shape our future plans.	Our goal is to generate long-term, predictable and inflation-linked returns for our investors. We measure our progress against key KPIs.	– Investor relations activities, including meetings, webinars, roadshows and direct discussions – Close interactions and feedback with our Corporate Brokers – Annual General Meeting – Annual Report and Interim Report – Sustainability Report – Website	We engaged with selected ESG ratings providers to ensure shareholders have accurate and up-to-date insights into BBGI's ESG credentials. The Board continually keeps under review the returns we offer to our investors, along with our ability to continue to deliver those returns. This forms the basis of discussions when determining dividends. Investor roadshows provide the CEO and CFOO with an opportunity to speak directly to our investors, including discussions on ESG initiatives, to understand better their expectations.
Supply chain Our supply chain is made of long-term partnerships that are critical to ensure that we can do business and provide our public sector clients with operational and available assets.	We monitor our contractors to ensure they conduct their business according to the high standards of performance, ethics and integrity that we expect. Our Portfolio Companies collaborate with the maintenance and operations contractors for each of our assets. They strive to develop mutually beneficial long-term relationships and react to any possible event.	– Contractor monitoring – ESG onboarding – Annual ESG KPI survey – Ongoing ESG engagement topics and joint initiatives – Responsible contractor policy	The main Portfolio Companies' subcontractors are engaged for the completion of our yearly ESG survey. We are also engaging with the operations and maintenance providers to start the foundational work on decarbonisation plans.
Public sector clients Satisfied public sector clients are critical to our business model.	We aim to build trust by delivering well-maintained and safe social infrastructure facilities and services for our public sector clients.	– Regular client meetings – Service quality feedback – Ongoing reporting – Net Promoter Score survey – Sharing results of our climate risk monitoring and GHG inventories	Meetings with our clients are integral to our asset management approach and directly influence our decision-making process. Lessons learned from one asset are adapted and applied across the portfolio. We also share the results of our climate-risk and GHG inventory. BBGI joined the UK IPA Net Zero Working Group in 2023, to help establish a net zero strategy for PPP investments in the UK. We also participated in the UN PRI's workshops on Climate Risk for Infrastructure. BBGI responded to the European Commission's consultation on SFDR.

ESG dashboard

Commitment: Managing and mitigating impacts on the environment

Achievements

- Quantified Portfolio Companies GHG emissions, in line with GHG Protocol and PCAF Guidance.
- Supported asset-level energy reduction and biodiversity enhancing initiatives.

Outlook

- Use our influence to implement net zero plans where we exercise significant influence.
- Engage with subcontractors to better understand where opportunities exist to upgrade existing equipment.
- Consider potential acquisitions that support the transition towards a lower-carbon economy.
- Consider how to conduct a robust biodiversity risk and impact assessment.

Environment & climate change

Material sustainability topics	KPI	2020	2021	2022	2023	Target
Pathway to net zero	Maintain a portfolio with a high degree of climate resilience under different climate warming scenarios	n/a	✔ 94%	✔ 96%	✔ 97%	– Minimum 90% of our portfolio (by value) maintains a medium or lower[6] risk score in 2050 under a RCP8.5 ('high emissions')[7] scenario.
	Executive compensation tied to GHG reduction targets	n/a	✔	✔	✔	– For the 2023 LTIP awards, 10% will be subject to reducing Corporate Emissions and 10% will be subject to progress in the implementation of net zero targets related to BBGI's Portfolio Companies.
Reduce our Corporate Emissions	Corporate Emissions reduction (market-based)	90 tCO_2e *(2019: 281 tCO_2e)*	83 tCO_2e	243 tCO_2e	219 tCO_2e *-22% vs. 2019*	– Reduce our Corporate Emissions (Scope 1, 2 and 3 categories 1-14) by 50% by 2030 against a 2019 baseline[8]. *2020 and 2021 are considered abnormal years due to the Covid global pandemic when business travel did not occur or was greatly reduced.*
	Certified carbon neutral	✔	✔	✔	✔	– Carbon neutral organisation since 2021.
Reduce our Financed Emissions	Portfolio Companies 'aligned' or 'aligning' to net zero Financed Emissions are subject to direct or collective engagement and stewardship actions	n/a n/a	n/a n/a	n/a n/a	*We will begin reporting on our progress in implementing decarbonisation plans across our portfolio starting with the 2024 reporting period.*	– We aim for 70% of Financed Emissions to be 'net zero', 'aligned', or 'aligning' to net zero by 2030. This means that by 2030, 70% of AUM (Portfolio Companies by value) will have a long-term goal to be net zero by 2050 or sooner. – We have a goal to have 100% of our AUM to be 'net zero', or 'aligned' by 2040. – We aim 90% of our Financed Emissions are subject to direct or collective engagement and stewardship actions by 2030.
Mitigate impacts on biodiversity	Monitor Portfolio Companies' biodiversity practices	n/a	n/a	95%	98%	– Recommend BBGI's Biodiversity policy at all Portfolio Company Boards within six months of acquisition[9].

6 Risk scores summarise the potential risk of exposure an asset faces within a given time period and climate scenario. These scores are scaled using bands based on the modelled damage climate change could potentially cause to asset. Scores range from: No Risk (0%), Very Low Risk (<0.01%), Low Risk (0.01% - 0.2%), Medium Risk (0.2% - 1%), High Risk (1% - 5%) to Very High Risk (>5%).
7 'High emissions' climate warming scenario with likely temperature increases ranging from +2.6°C to +4.8°C by 2100 (RCP8.5).
8 In 2019 (our baseline year) Corporate Emissions were 281 tCO_2e (market-based).
9 It is not always possible to achieve 100% adoption when we have co-shareholders.

ESG dashboard
continued

Commitment: Making an essential social contribution

Achievements
- 100% of our portfolio aligns with our 6 core SDGs.
- Maintaining 60% female board representation with at least one ethnic minority Board Director and female leaders for both Supervisory Board and Audit Committee.
- ESG annual training programme focused on human rights for all employees.
- Portfolio Companies donated over £135,000 to local charities, and offered various employees volunteering.
- BBGI donated £10,000 as matching donations for our employees' personal donations, fundraising or volunteering.

Outlook
- Improve the gender representation of our Directors at Portfolio Company boards.
- Enhance our oversight of material ESG risks and sustainable practices across our supply chains.

Social

Material sustainability topics	KPI	2020	2021	2022	2023	Target
Health and safety of employees, workers and at projects	Implementation of Health & Safety policy by our portfolio companies	100%	100%	100%	100%	– Recommend appropriate Health and Safety policy at all Portfolio Company Boards within six months after acquisition[10].
	Lost-time incidents at portfolio companies	7 (50 assets)	10 (54 assets)	8 (56 assets)	14 (56 assets)	– Number of lost-time incidents: tracking, quarterly reporting and investigations.
Fair employment and remuneration	Behaving like owners – Employees who have been provided shares or have share entitlements	✓	✓	✓	✓	– Reward our employees with shares or share entitlements.
	Long-term employment: – Retention rate[11] – Turnover rate[12] – Staff with flexible working arrangements	✓ 85% 16% 4%	✓ 92% 8% 8%	✓ 92% 8% 100%	✓ 100% 0% 100%	– Conduct annual review with each employee. – Maintain a high employee retention rate. – Provide flexible working arrangements (reduced working time, part-time, flexible working hours, teleworking).
	Fair employment: – Permanent staff – 'Zero-hour' contracts – Furloughed staff	100% 0% 0%	100% 0% 0%	100% 0% 0%	100% 0% 0%	
Learning and development	Average industry experience	16 years	17 years	18 years	20 years	– Employ a skilled and competent workforce.
	– Employees receiving training Average number of hours of training per year per employee	100% 5	100% 4	100% 22	100% 21	– 100% of employees receive training. – Pay 100% of any fees associated with appropriate courses.

10 It is not always possible to achieve 100% adoption when we have co-shareholders.
11 Employee retention rate: (Number of employees at the end of the period – Number of employees hired during the period)/Number of employees at the start of the period
12 Employee turnover rate: Number of employees who left/((Number of employees at the beginning + Number of employees at the end)/2).

ESG dashboard
continued

Commitment: Integrity and transparency

Achievements
- Published our first Principal Adverse Impact Statement under SFDR.
- Zero corruption incidents, fines, or penalties across our operations or at portfolio level.
- UN PRI Assessment 2023: Policy Governance and Strategy: ★★★★★ , Direct Infrastructure: ★★★★★ , Confidence Building Measures: ★★★★☆
- ISS E&S Disclosure Quality Score 2023: Environment (Decile Rank: 3) I Social (Decile Rank: 2)

Outlook
- Continuous oversight of our remuneration structure by the Remuneration Committee.
- Maintain our focus on data quality and explore external assurance of ESG data.

Governance

Material sustainability topics	KPI	2020	2021	2022	2023	Target
Creating long-term sustainable value	NAV per share growth	1.2%	2.1%	6.6%	-1.4%	– Positive NAV per share growth.
	Dividends (declared for the year)	7.18pps	7.33pps	7.48pps	7.93pps	– Progressive long-term dividend growth in pence per share.
	Annualised total shareholder return since IPO	11.0%	10.4%	8.8%	8.6%	– 7% to 8% on IPO issue price of £1 per share.
ESG factors are considered strategically	Management Board attendance to ESG Committee meetings	✔	✔	✔	✔	– Min. presence of two Management Board members at each ESG Committee meeting – ESG is considered as part of the Company's annual strategy review.
	Executive remuneration tied to ESG targets	✔	✔	✔	✔	– LTIP and STIP are tied to ESG targets.
	Proprietary ESG KPI survey	✔ (23 questions)	✔ (80+ questions)	✔ (100+ questions)	✔ (100+ questions)	– ESG KPI survey completed for 100% of portfolio.
Business ethics and integrity	Number of corruption incidents, fines, or penalties	None	None	None	None	– No corruption incidents and related fines or penalties at both corporate and portfolio company level.
	Political contributions	None	None	None	None	– No financial or 'in-kind' political contributions at corporate or Portfolio Company level.
	BBGI adherence to the Ten Principles of UN Global Compact	✔	✔	✔	✔	– Adherence with the Ten Principles of UNGC, publish Communication on Progress.
	BBGI standardised policies:					– Recommend BBGI standard policies at all Portfolio Company Boards within six months of acquisition[13].
	– Anti-slavery & Human Trafficking policy/Modern Day Slavery	96%	100%	98%	100%	
	– Code of Conduct including anti-bribery, anti-corruption and non-discrimination	100%	100%	100%	100%	
	– ESG	96%	98%	98%	100%	
	– Tax policy	90%	83%	95%	96%	
	– Responsible Contractor	n/a	88%	98%	98%	
	– Whistleblowing policy	96%	96%	98%	98%	
Quality of services	Asset availability	100%	100%	100%	100%	– 98% asset availability.
	Net Promoter Score ('NPS')	Great	Great	Great	Great	– At least 'good' NPS[14].
Cyber-security	– Cyber-security policy	90%	98%	100%	100%	– Recommend BBGI Cyber-security policy at all Portfolio Companies Boards within six months of acquisition.
	Annual intrusion test of BBGI's IT platform	✔	✔	✔	✔	– Testing performed annually by an external expert.
	Number of employees receiving cyber-security training	100%	100%	100%	100%	– 100% of our employees trained on cyber-security.

13 It is not always possible to achieve 100% adoption when we have co-shareholders.
14 Net Promoter Score ('NPS') is a widely used metric measuring the likelihood of customers recommending a company's product or service to others. The score can range from -100 to +100, with a higher NPS indicating a higher level of customer loyalty and satisfaction. BBGI derives its NPS from an annual client engagement survey.

Environment & climate change

Ohio River Bridges, US

Pathway to net zero

While our assets make a positive social contribution, it is crucial that they are maintained and operated without harming the environment.

Why does it matter?

Considering potential effects of climate change and prioritising GHG emissions reductions are crucial when operating and maintaining a portfolio of core social infrastructure assets.

Ensuring these assets are resilient to extreme weather and changing climate conditions is essential for their continuous operation and safety. Implementing energy-efficient technologies and practices not only mitigates climate change but also reduces operational costs and enhances the long-term efficiency of our assets. Additionally, addressing climate risks and reducing emissions protects local communities from climate-related hazards.

By prioritising climate resilience and lowering GHG emissions, we reduce environmental impact, ensure the longevity, reliability, and efficiency of our infrastructure assets and promote sustainable practices, benefiting both the environment and BBGI's shareholders, clients and wider stakeholders.

As a mid-sized company with a small team, our resources are limited, so it is critical that we leverage available expert and sector knowledge around carbon reduction to maximise the impact of our efforts. Although we do not have operational control over most of our assets, we acknowledge our responsibility to use our influence to advocate for environmental improvements.

What we have achieved so far

Do no significant harm principle

In line with the 'do no significant harm' principles defined by the SFDR, we assess our impact on the environment, are committed to minimise negative environmental impacts of those assets and use our influence wherever possible to implement measures that bring positive changes, both at the asset level and within the communities where they are located.

Net Zero Plan

Our Net Zero Plan, adopted in 2022, is focused on the reduction of our carbon footprint that pertain to our direct corporate activities ('Corporate Emissions') and our financed emissions being the emissions of our portfolio companies ('Financed Emissions').

We have reviewed what we believe are best practice in the infrastructure and the real asset sectors and additionally some frameworks to develop our Net Zero Plan and targets, as well as the concrete mechanisms to reduce our emissions.

There are several frameworks that can be followed when setting corporate net zero targets. The benefits of these frameworks are that they typically include guidance, criteria, and recommendations on how to best set targets consistent with limiting global temperature rise to 1.5°C. Following a set framework also gives credibility and helps stakeholders understand the approach taken.

Science-based targets

Targets adopted by companies to reduce GHG emissions are considered 'science-based' if they follow a pathway that is consistent with the latest climate science and keeping warming to 1.5°C. Science-based targets show how much and how quickly companies need to reduce their GHG emissions to prevent the worst effects of climate change.

Net Zero Asset Managers Initiative ('NZAM')

The NZAM is an international group of asset managers committed to supporting the goal of net zero GHG emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5°C; and to supporting investing aligned with net zero emissions by 2050 or sooner. To reinforce our commitment to reducing GHG emissions, we became a signatory of NZAM in 2021.

The Institutional Investors Group on Climate Change ('IIGCC') Guidance for Infrastructure assets

In 2021, IIGCC established a working group to develop additional components of the Net Zero Investment Framework ('NZIF') relevant to infrastructure. The NZIF for Infrastructure expands and enhances the NZIF by providing methodologies and approaches for the alignment of infrastructure assets. This methodology has been developed to support investors to include infrastructure assets within their net zero commitment, targets and strategy. As signatories to the NZAM, BBGI's targets to reach net zero emissions across our portfolio by 2050 or sooner were set in line with the Paris-Aligned Investment Initiative NZIF and the specific IIGCC guidance for the infrastructure sector, following a 1.5°C reduction pathway. In March 2023, our initial net zero targets have been validated and approved by the IIGCC.

Frameworks

TCFD	TCFD supporter and voluntarily report against all 11 recommendations.
The Net Zero Asset Managers initiative	We are signatories to the Net Zero Asset Managers Initiative since 2021.
IIGCC	Our net zero targets have been validated and approved by the IIGCC. We have used the NZIF for Infrastructure to articulate our net-zero ambitions and may adjust our approach as the standards develop.

Definitions

Corporate Emissions: GHG emissions that pertain to our business activities.

Financed Emissions: GHG emissions from our investments.

Carbon neutral: a state where the residual GHG emissions have been balanced out by financing activities that remove atmospheric CO_2 ('offsets').

Science-based targets: targets adopted by companies to reduce GHG emissions are 'science-based' if they follow a pathway consistent with the latest climate science and keeping warming to below 1.5°C.

Pathways: net zero pathways show how much and how quickly companies need to reduce their GHG emissions to reach their science-based GHG reduction targets.

Offsets: removing CO_2 from the atmosphere, by financing projects which are either creating natural carbon dioxide sinks or technology that captures carbon dioxide from the air. The long-term removals should be measurable, verifiable, permanent and additional. Offsets should not be done in isolation to combat climate change; they must be supported by science-based targets and GHG reduction pathways.

Pathway to net zero

Corporate Emissions

Corporate Emissions targets

Scope 1, 2 and 3

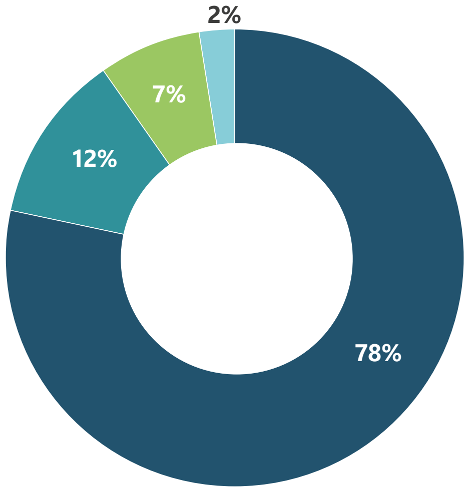
BBGI's Corporate Emissions targets to reach net zero emissions by 2040 align to the SBTi framework dedicated to Small and Medium Enterprises ('SMEs').

We aim to reduce absolute Scope 1, 2 and 3 GHG emissions by 50% by 2030 from a 2019 baseline, and to reach net zero by 2040.

We have aligned our approach with the SBTi guidance for Private Equity Sector and the SBTi guidance for SMEs. We have not taken the steps to have its targets officially approved by SBTi as there are no applicable industry standards for infrastructure investment at this time. However, we have used the SBTi target setting tool to model our targets in line with SBTi-approved criteria and methods.

Measuring progress	2023
All residual and unabatable Corporate Emissions are offset by purchasing high-quality certified offsets to obtain carbon neutrality since 2021.	✓
2030 (medium term): We aim for 50% of our Corporate Emissions Scope 1, 2 and 3 to reduce by 50% by 2030.	-22%
2040 (long term): We have a goal to reach net zero Corporate Emissions Scope 1, 2 and 3 by 2040.	

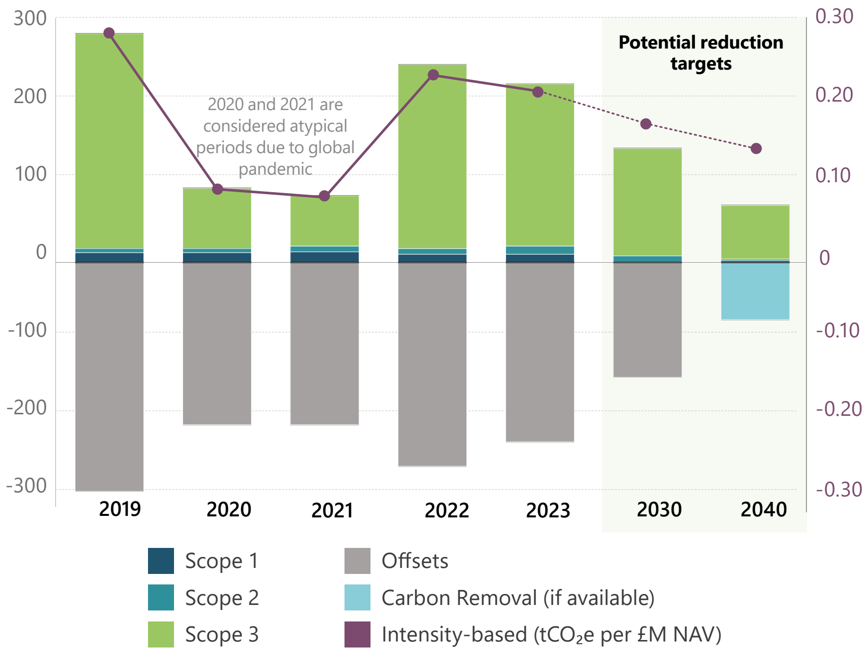
BBGI Corporate Emissions breakdown by emission source (Tonnes CO_2e)



Business travel	172
Office space and home-working	26
Commuting	16
Purchasing	5
Total	**219**

Absolute GHG Emissions (Tonnes CO_2e)

Intensity-based GHG Emissions (Tonnes CO_2e per £M NAV)



Read more

GHG inventory I Corporate Emissions

Solar panels on top of South Liverpool LIFT Clinic, UK

Methodology

Baseline year: 2019 was selected as the baseline year against which progress will be measured going forward, as it was considered the most recent full year 'typical' of normal operations and not impacted by the effects of the global pandemic.

GHG Scopes included: Corporate Emissions targets cover Scopes 1, 2 and Scope 3. BBGI has adopted the operational control approach (i.e.: emissions BBGI has the power to manage within its own operations) as the Management Board believes this reflects the level of emissions that can be actively controlled and reduced. Although BBGI has very limited control of our indirect Corporate Emissions (Scope 3), we nevertheless have a responsibility to use our influence to promote environmental improvements where possible. Our GHG inventory is based on the GHG Protocol Corporate Standard and the GHG Protocol Scope 3 Value Chain Standard ('GHG Protocol').

Scenario: 1.5°C reduction pathway using the absolute contraction approach (IPCC special report on global warming of 1.5°C)

Pathway to net zero

Financed Emissions

Portfolio coverage target

A portfolio coverage target, as defined by the NZIF for Infrastructure, is the percentage of assets under management that will be '**net zero**', '**aligned**' or '**aligning**' by a given year.

Aligning

The asset has short- and medium-term targets underpinned by science-based pathways; discloses all material scope emissions (including Scope 3) and evidences the governance of net zero plans.

Aligned

The asset must have forecast emissions performance against targets set as well as a decarbonisation strategy to support the reduction projection.

Net zero

The asset's actual emissions must match or outperform the science-based decarbonisation pathway for the sector.

Measuring progress	2023
100% of our Portfolio Companies report their Scope 1, 2 and to the extent possible, material Scope 3 emissions since 2022.	✓
2030 (medium term) We aim for 70% of our Financed emissions to be 'net zero', 'aligned', or 'aligning' to net zero by 2030. This means that by 2030, 70% of AUM (Portfolio Companies by value) will have a long-term goal to be net zero by 2050 or sooner.	◌
2040 (long term) We have a goal to have 100% of our Financed Emissions to be 'net zero' or 'aligned' by 2040.	◌

Portfolio engagement target

To decarbonise our portfolio, our greatest leverage lies in directly engaging with key stakeholders.

Direct engagement

The primary driver for achieving financed emissions reduction targets is the alignment of our Portfolio Companies with net zero pathways. We engage directly through board meetings and one-on-one meetings with our clients. As BBGI's investments are primarily PPP assets, we rarely have operational control and must adhere to pre-existing contract terms with limited flexibility. Achieving our targets ultimately depends on shared ambitions and collaboration with our public sector clients.

We focus our engagement on where we can contribute or influence:

- Supporting and improving the on-site data collection and reporting.
- Proposing asset energy audits, decarbonisation feasibility studies and net zero pathways assessments.
- Proposing GHG reduction initiatives through our board representation.
- Sharing the results of our climate resilience assessment.

Measuring progress	2023
2030 (medium term) We aim for 90% of our Financed Emissions to be subject to direct or collective engagement and stewardship actions by 2030.	◌

Indirect engagement

We engage indirectly through presentations with Portfolio Company management teams and participation in industry working groups.

We are part of the Infrastructure and Project's Authority working group on PFI Decarbonisation, and have adopted its handbook of good practices for the preparation and delivery of decarbonisation interventions – a staged approach to the contract change process to support decarbonisation interventions, with recommended activities and checklists at each stage.

90% we aim for 90% of our Financed Emissions to be subject to direct or collective engagement

Avoided emissions

Avoided emissions are the estimated emissions that have been avoided due to an uptake of renewables during the reporting year, or the emissions of a renewable energy financed project compared to what would have been emitted in the absence of the project. In this comparison it is assumed that the production of renewable energy (over the reporting period) might have avoided the need to run certain fossil fuel power plants.

We currently consider our renewable energy, John Hart, a 132MW hydroelectric power generation station on the Campbell River in British Columbia, Canada to account for c. 400,000 tCO_2e of avoided emissions[15] each year.

15 Avoided emissions were estimated based on IRENA's Avoided Emissions Calculator.

Outlook

During the year, we engaged with expert advisors to develop an initial programme, defining our approach and template for net zero plans. This effort, which began in 2023, is ongoing, with plans to roll out across our Portfolio Companies continuing in 2024.

Decarbonisation assessments require tailored approaches due to the unique nature of each asset. Our programme focuses on selecting larger assets with intensive emissions profiles, factoring in governance and budget availability.

Our pathway to net zero will not be linear, but we report on progress against our targets annually and will review our net zero targets in line with the ambitions of the Paris Agreement. We will continue to identify and explore ways to work with our public sector clients to reduce GHG emissions at our Portfolio Companies. Our net zero targets remain a priority to support global decarbonisation goals, protect societies from future uncertainties, and build a more resilient economy.

Read more

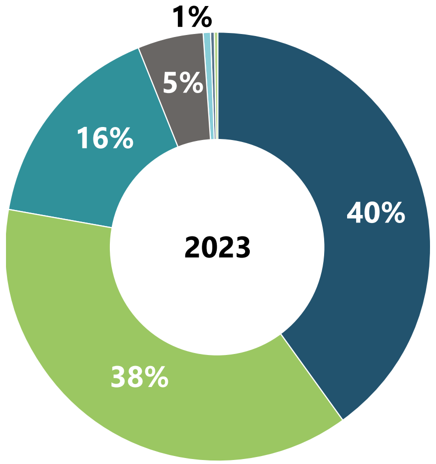
- Net Zero Plan
- IIGCC net zero guidance for infrastructure
- Infrastructure and Project's Authority (IPA) PFI Operational Decarbonisation document

Pathway to net zero - Financed Emissions continued

Portfolio emissions analysis

The below charts give a representation of the GHG emissions of our core social infrastructure portfolio. This representation is based on the emissions that are attributable to BBGI in line with PCAF guidance.

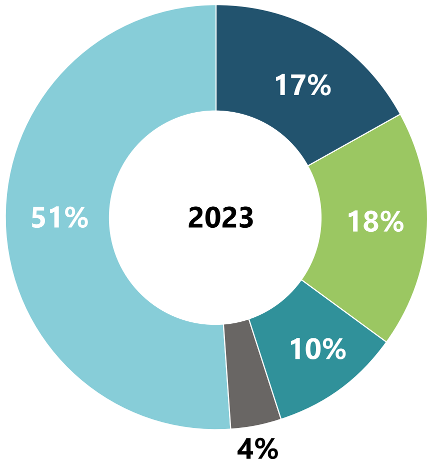
Emissions by sector



Modern correctional facilities	40%
Roads and bridges	38%
Healthcare	16%
Education	5%
Emergency services	1%
Administrative buildings & Social housing	0%
Hydroelectric power generating station	0%

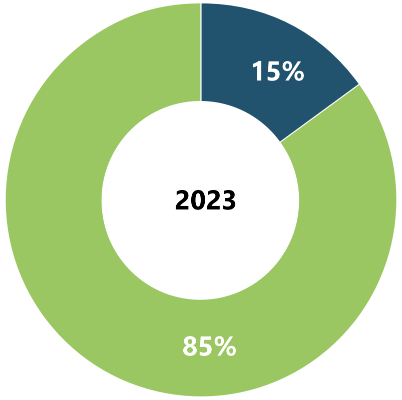
- Modern correctional facilities: *The 2023 emissions from modern correctional facilities are unusually high due to the ongoing expansion works at Victoria Correctional Facilities (Australia).*
- Roads and bridges: *The 2023 emissions from roads and bridges are unusually high due to the construction activities of Highway 104 (Canada), completed in 2023.*

Emissions by project status:



Operations:	
Scope 1	17%
Scope 2	18%
Scope 3	10%
Major lifecycle works:	
Scope 3	4%
Construction/expansion:	
Scope 3	51%

Energy production and consumption breakdown:



Non-renewable energy sources	15%
Renewable energy sources	85%

Energy production includes electricity generated by the asset from renewable sources (i.e.: solar PV panels) which is sold back to the grid and renewable electricity generted by John Hart hydroelectric generating station.

Methodology

GHG Scopes included: Financed Emissions targets cover the Portfolio Companies' Scopes 1 and 2 and to the extent possible material Scope 3 (when they are material to the Portfolio Company's activities). 100% of Portfolio Companies are requested to report their Scope 1, 2 and to the extent possible material Scope 3.

BBGI calculates GHG emissions from our investments in accordance with the GHG Protocol operational control approach and in line with SFDR Level 2 disclosure requirements.

Attribution factor: In accordance with the PCAF guidance, BBGI calculated its attributed emissions based on the proportional share of equity and subordinated debt held in the Portfolio Companies. GHG emissions reported the Scope 1, Scope 2 and material Scope 3 emissions of BBGI's investments, apportioned using an attribution factor

Estimates: The activity data is obtained directly from the Portfolio Companies' subcontractors; however, as procurement is largely controlled by the public authority, the values are based on reported figures.

As is commonly the case in infrastructure PPP projects, waste and water are rarely included in the project agreement, resulting in inconsistent granularity of reporting across our Portfolio Companies.

The assets maintenance and lifecycle services are the responsibility of our Portfolio Companies. Where Portfolio Companies have no control of an asset's emissions, as certain sources of emissions such as electricity procurement are handled directly by the public authority, we are reporting data where it has been successfully obtained.

For buildings, emissions related to the maintenance and lifecycle of the assets are calculated using spend-based conversion factors derived from the amounts spent by the Portfolio Companies' subcontractors.

For transport, emissions related to the maintenance and lifecycle of the assets are based on the most material sources of emissions, determined from the purchased materials.

Read more
GHG inventory - Financed Emissions
Independent Assurance Report - Financed Emissions

Pathway to net zero

Carbon neutrality and offsetting

Offsetting our Corporate Emissions

Why does it matter?

Despite collective efforts to reduce GHG emissions, some emissions will remain unabatable. A successful approach to net zero is to actively reduce our footprint where possible, and compensate unavoidable emissions with credible nature-based removal solutions, until technological solutions become more viable.

What we have achieved so far

We have been carbon neutral since 2021 and intend to maintain our carbon neutrality. Corporate Emissions since 2019 have been offset by purchasing verified high-quality offsets and by planting trees at various assets within our portfolio.

The main source of GHG emissions for our Corporate Emissions is business travel. Since 2019, we have made significant efforts to reduce emissions related to business trips by implementing a Sustainable Travel policy, being more conscious of our travel decisions, favouring virtual meetings and conferences, and introducing a teleworking policy for all employees.

These efforts have resulted in a 35% reduction in GHG emissions from business travel since 2019. However, active engagement in our portfolio's oversight requires travel to visit assets and meet clients. Currently, the airline industry's emissions are considered unavoidable, and we will continue to use offsets until viable technological solutions for the industry emerge.

Our Corporate Emissions for 2023 (219 tCO_2e) were compensated by purchasing vetted, high-quality carbon projects from an offset scheme facilitated by Cloverly (American Carbon Registry, Carbon Future, Biodiverse Reforestation Carbon Offset, Puro Earth). We have selected projects and geographies consistent with our assets locations, including Australia, the United States, Norway, Alaska and Germany. In addition, we will also be planting the equivalent of 100 trees at one of our projects.

Offsetting our Financed Emissions

As a general principle, we do not rely on purchased offsets to meet our decarbonisation targets for Financed Emissions. Consistent with best practices, we avoid offsetting emissions in one segment of our portfolio by accounting for avoided emissions in another. If we were to adopt such approach, the avoided emissions from our hydroelectric generating station ('John Hart') could nearly counterbalance the total absolute emissions from our portfolio (465,835 tCO_2e) with approximately 400,000 tCO_2e avoided annually.

250 trees were planted at 2 of our projects


Tree saplings at Eyemouth High School, Scotland


Tree planting at M80, Scotland

Read more
Offsetting portfolio

Corporate Emissions offsetting portfolio

Australia
5%

Plant trees to create a green corridor to restoring ecosystems
Carbon-removal with short-lived storage

United States
43%

Next-generation blowing agents in foam production
Carbon-avoidance with long-lived storage

United States
41%

Transition refrigeration units to low-GWP refrigerants
Carbon-avoidance with long-lived storage

Norway
5%

Convert local wood into construction timber
Carbon-removal with short-lived storage

Alaska
5%

Improved forest management with local communities
Carbon-removal with short-lived storage

Germany
2%

Production of bio-rich soil amendment for agriculture
Carbon-removal with long-lived storage

ACR
carbonneutral
puro·earth
Carbonfuture

Methodology

Framework: Our offsetting scheme aligns with the principles of the Oxford Offsetting Principles for Net Zero Aligned Carbon Offsetting (revised 2024).
Registry: American Carbon Registry (ACR 499, ACR527, ACR622) Puro Earth (643002406801000121), Carbon Future CF_576e2e15-c7b4-438c-a763-5217c and BRCO.

Climate-related risks

We remain dedicated to aligning our business with the TCFD recommendations, and over the past year we have made progress in several areas related to climate strategy, risk management, metrics and targets.

Read more

TCFD disclosures

What we have achieved so far

These steps represent our thorough and systematic approach to assessing and addressing the physical risks posed by climate change to our portfolio, and help us make informed decisions about how best to manage and mitigate these risks.

8 perils

Physical risk screening for all assets across 8 climate perils (riverine flooding, coastal inundation, surface water, extreme wind, forest fire, soil movement, freeze thaw and heat stress).

Physical risk assessment:
Process to consider the climate-related risks of our portfolio

2020

1. Qualitative screening

- Conducted a systematic climate-resilience survey for all assets in our portfolio based on the OECD 2018 Report on Climate Resilient Infrastructure and the World Bank Climate and Disaster Risk Screening policies.
- Reviewed potential climate change impacts and current climate-resilience mitigants in place across investments.

2021

2. Develop climate model methodology

- Engaged climate modelling specialists to conduct a detailed review of our infrastructure investments to assess the impact of physical and transition risks due to climate change.
- Performed a 'ground-up' exercise to identify key characteristics of each asset and allocate asset rebuild values to each component.
- Allocated asset archetypes to differentiate vulnerability parameters between (e.g., hospitals, schools or road surfaces).

3. Physical risk screening

- Modelled aggregate physical risk exposure for all assets across eight climate perils.
- Quantified physical impact severities of each asset based on 'Paris-aligned'[16] and 'high emissions'[17] scenarios across three time periods (2020, 2050 and 2100).

4. Quantitative screening

- Evaluated the change in financial impact from 2020 out to 2100 under each climate scenario.

2022

5. Asset-level assessments

- Deepened our understanding of our portfolio's risk exposure by conducting a deep dive analysis of 20 assets[18] with the highest exposure or strategic importance.
- Performed detailed scenario analysis for each asset, based on 'Paris-aligned,' 'intermediate'[19] and 'high emissions' scenarios, in decadal time steps from 2020 to 2100.
- Established the change in physical risk severity scores for all eight climate perils to identify specific perils driving the risk exposure (e.g., flood and wind).
- Produced a bespoke climate factsheet for each asset, providing a summary of overview risk exposure and the key driving perils identified.
- Conducted sensitivity analysis on each asset, integrating site-level mitigation already in place and engineering of our assets to refine modelled physical risk severities.

6. Due diligence

- Within six months of acquiring any new asset, systematic physical risk due diligence to establish existing risk exposure and how this will likely evolve under different warming scenarios. An output of which is a bespoke climate factsheet.
- Apply the same sensitivity analysis as 'Step 4'. If the risk remains high, investigate potential mitigation and adaptation measures to help remedy the risk exposure.

7. Engagement

- Share climate factsheets with public sector clients with collective action through influence and stewardship where necessary (e.g., mitigation, risk transfer).

2023

8. Site assessments

- Portfolio Companies mandated specific on-site assessment.
- Work with key parties to investigate potential mitigation strategies to embed greater resilience across the portfolio where required.

16 'Paris-aligned scenario (RCP2.6) as rapid global action occurs to limit mean temperature increase to ~+1°C.
17 'High emissions' scenario (RCP8.5) as emissions continue to rise with likely mean temperature increase of ~+3.7°C.
18 Includes assets with the greatest risk exposure and those that are strategically important investments for BBGI.
19 Intermediate' scenario (RCP4.5) as emissions continue to rise with likely mean temperature increase of ~+1.8°C.

Climate-related risks
continued

Approach to assessing climate-related risks

To ensure a robust assessment of physical risk, each of our 56 assets requires a bespoke approach that considers its unique characteristics. For example, accommodation assets may have multiple buildings on different sites, each requiring a separate physical risk assessment. Transportation infrastructure assets are often several kilometres long and contain features such as bridges and tunnels that require a more detailed modelling approach.

We worked with a specialist firm to design a 'ground-up' modelling methodology that assigns individual asset archetypes to each component. These archetypes assess the vulnerability of different asset components to physical risk, providing granular insights that support our climate risk strategy, governance and risk management approach. This methodology, coupled with a comprehensive climate scenario selection and additional sensitivity analysis, enables us to understand its climate-related exposure across the short, medium, and long term and take appropriate action to manage climate-related risks and opportunities as they arise.

30 years

Our portfolio's risk profile remains constant for 50 assets over the next 30 years

Key findings

Our scenario analysis shows the majority of the BBGI portfolio is very resilient to climate hazards today and under future climate warming scenarios

Low or very low exposure: **Top 20** assets by value have a low or very low exposure in 2050 under 'Paris-aligned' and 'high emissions' scenarios.	**Resilient portfolio:** **100%** of assets have a medium or lower-risk score today once existing resilience and mitigation measures are considered.
Sensitivity analysis: **20** assets went through an extensive deep-dive assessment and sensitivity analysis to consider the embedded resilience and engineering mitigation measures inherent to their design.	**Modelled assets:** **100%** of assets have been modelled based on 'Paris-aligned', 'and 'high emissions' scenarios across 3 time periods (2020, 2050 and 2100).
Risk score in 2050: **54** assets have a medium or lower-risk score in 2050 under a 'high emissions' scenario.	**Risk score under a 'high emissions' scenario:** **2** assets have a high risk in 2050 under 'worst case' scenario.

Definitions

Physical risks considered eight different acute and chronic climate perils, including: river flood, surface water/pluvial flood, coastal inundation including sea-level rise, windstorm/hurricane, forest fire, subsidence/soil movement, heat stress/extreme heat/drought and freeze-thaw.

Three different potential climate scenarios were considered: '**Paris-aligned**' scenario with a warming of ~+1.0°C by 2100 (RCP2.6), '**Intermediate scenario**' with a warming of ~+1.8°C (RCP4.5) and a '**High emissions**' scenario with a warming of ~+3.7°C by 2100 (RCP8.5). These different climate perils were modelled across three time periods (2020, 2050 and 2100) for each of the climate scenarios.

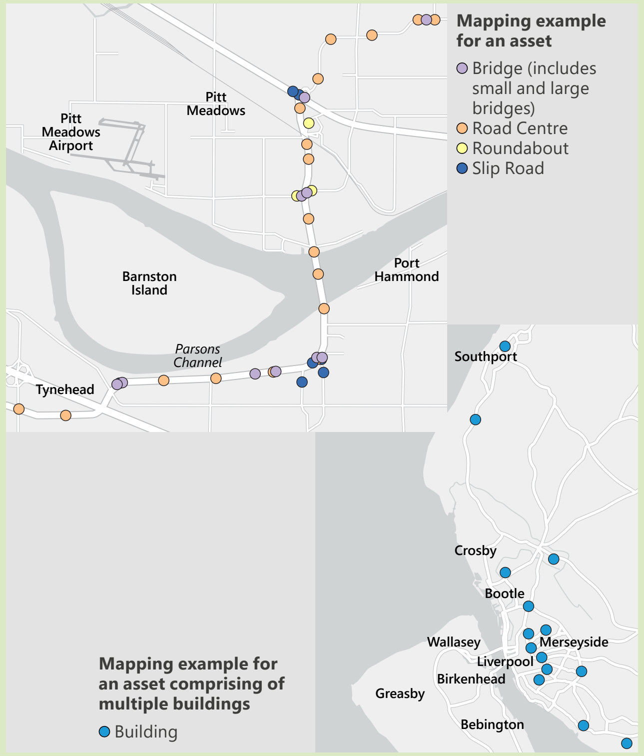
Transition risks considered included policy risks, legal risks, technology risks, reputational risks and change in market preferences. Transition risks and opportunities are also being considered and discussed.

Our subcontractor's team at Mersey Gateway Bridge, UK

Climate-related risks
continued

1 Map key components comprising each asset

We worked with our asset managers to manually map each key component of each asset. For our transportation assets, components included bridges, tunnels, railway stations and roads. Similarly, for our accommodation assets, many contain multiple buildings on multiple sites distributed across a wide geographic area, each requiring its own physical risk assessment.



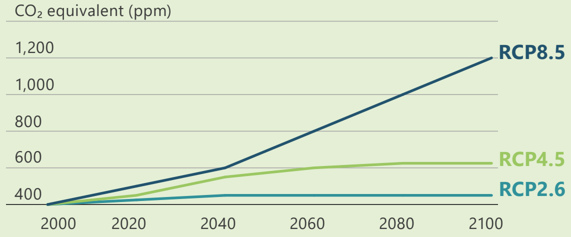
2 Climate scenario selection

The TCFD framework outlines requirements for undertaking climate risk analysis across a range of climate scenarios, including a 2°C or lower scenario across long-term (10+ year) time horizons. For our assessment, we examine potential physical risk impacts across well-recognised climate scenarios used in the Intergovernmental Panel on Climate Change ('IPCC') Fifth Assessment report.

We model physical risk impacts for each asset, for 2020, 2050 and 2100. The projected increases in warming across each scenario are shown below.

While climate change will alter the frequency and severity of physical risk impacts across all future scenarios examined, all scenarios considered broadly follow the same trajectory until 2040 before diverging, largely owing to carbon emissions already embedded within the climate system. Physical risk impacts to 2040 will likely remain similar across all scenarios examined, with the level of physical risk post-2040 differentiating more strongly under each climate scenario.

Illustrative CO_2e emissions trajectories and corresponding climate scenarios



IPCC Representative Concentration Pathways

- 'High emissions' scenario
  Climate action is not achieved: +2.6°C to +4.8°C
- 'Intermediate' scenario
  Global action begins quickly and escalates steadily: +1.1°C to +2.6°C
- 'Paris-aligned' scenario
  Rapid global action to reduce emissions: +0.3°C to +1.7°C

3 Quantifying financial impacts

Once mapped, we assign individual asset archetypes to each asset component. Archetypes are used to assess the vulnerability of different asset components to physical risk. For example, a large metropolitan hospital would have a significantly different set of characteristics compared to a school or bridge. Once assigned, we allocate rebuild values to each asset component, allowing our methodology to differentiate between the most critical areas of our infrastructure assets to more accurately reflect both criticality and materiality in our physical risk severity and financial impact modelling. Our final step involves overlaying climate modelling against each of the components identified.

With the initial modelling exercise complete, we conducted a sensitivity analysis for 20 selected assets. We considered existing resilience and specific engineering measures for each asset, highlighting their material impact on our risk exposure. Our gross risk (assuming no additional resilience or engineering measures) is greatly reduced once all existing measures are considered.

Measuring progress	2021	2022	2023
Maintain a portfolio with a high degree of climate resilience both today and under different climate warming scenarios	94% ✓	96% ✓	96% ✓

100% Climate risk scores shared with 100% of our Portfolio Companies' boards

4 Engagement

For the 20 assets selected to undergo deep dives, we were able to identify the specific perils driving the risk exposure for each asset. Using the results from this modelling, we produced a bespoke climate factsheet for each asset, providing an overview of the risk exposure and the distribution of risk driven by each of the 8 perils.

Below is an example of a bespoke climate factsheet for our largest investment: Golden Ears Bridge. We continue to share these documents with our clients.

An example of a bespoke climate factsheet for our largest investment: Golden Ears Bridge

Biodiversity

Why does it matter?

The connection between infrastructure and biodiversity is important due to the large scale and long-lasting nature of infrastructure projects. We work with our Portfolio Companies with the aim to minimise the impact of building, operating, and maintaining infrastructure on biodiversity loss and ecosystem degradation. This includes efforts to protect and restore natural habitats and enhance biodiversity when possible.

Infrastructure projects funded by the public sector are expected to comply with environmental protection laws, regulations, and minimum standards. Before construction begins, the public sector typically conducts environmental impact assessments in consultation with stakeholders such as local communities, environmental groups and government agencies. The goal is to identify potential environmental issues and develop strategies to mitigate any negative impacts. By conducting these assessments and consulting with stakeholders, public sector infrastructure projects are more likely to be built in an environmentally responsible manner and minimise harm to surrounding ecosystems.

What we have achieved so far

By actively promoting restoration efforts, we can help preserve and enhance the surrounding ecosystems, contribute to the reduction of GHG emissions and mitigate the impact of climate-related risks.

As investors, we recognise that most negative impacts on biodiversity are best mitigated when the project is built. Encouraging nature-based restoration measures during expansion and operation phases can also be effective.

Our assets are built in compliance with local regulations and using nature preservation measures, such as:

- noise and pollution reduction measures
- designs to minimise impacts on local species' natural habitats
- wildlife crossing corridors

During the concession period, we focus on promoting restoration efforts to improve degraded or removed ecosystems that act as natural carbon sinks and can improve resilience to climate-related damages, such as:

- habitats for indigenous species (i.e., bat boxes, insect hotels, beehives, wild bee hotels, fish ladders)
- expansion of green spaces in urban areas (i.e., planting indigenous tree species, shrubs and flower meadows)
- incorporation of wildlife passages, fencing and crossings
- surveys of specific species to monitor the efficacy of implemented mitigation measures.

As part of our commitment to monitor the biodiversity practices of our Portfolio Companies, we currently monitor several biodiversity-related metrics. These are disclosed in our SFDR Principal Adverse Impact Statement.

Risk and impact assessment

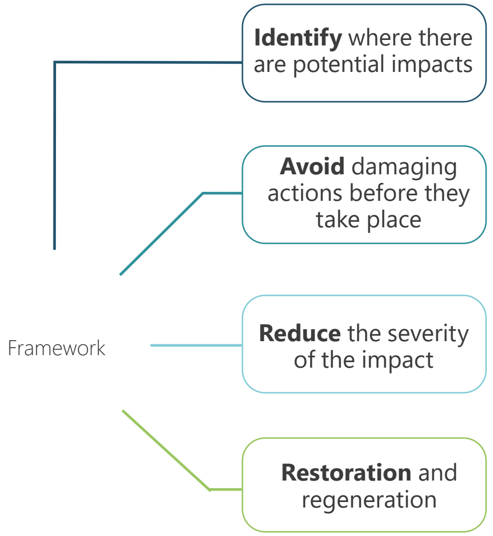
The ESG Committee is exploring how to conduct a robust biodiversity risk and impact assessment of our portfolio to improve our disclosures, metrics, and overall strategy to better understand biodiversity impacts and exposure.

Measuring progress	2022	2023
Features to protect/restore adjacent biodiversity, ecosystems or natural habitats (expressed in number of assets)		
Noise and pollution reduction measures	14	14
Design to minimise impact on natural habitats and local species	13	13
Wildlife crossing corridors	5	5
Habitats for indigenous species	25	25
Expanded green spaces	24	25

Biodiversity policy

As part of our standard set of policies, we have also rolled out a Biodiversity policy across our portfolio, which 98% of our Portfolio Companies have implemented.

The objective of this Biodiversity policy is to provide a set of high-level principles and best practice standards for the preservation of biodiversity, ecosystems and natural habitats directly affected by our projects.



Read more

- Biodiversity policy
- SFDR Principal Adverse Impact Statement


Fish salvage at John Hart generating station, Canada

Environmental case studies

Case study

Helping to clean up and protect the natural waterways of Kelowna, British Columbia, Canada

Teams from the Kelowna and Vernon Hospitals partnership in British Columbia have 'adopted' the local section of Mill Creek, cleaning up refuse from the waterway to revitalise the local natural environment and improving the water for drinking and recreational use.

The city of Kelowna's 'Adopt-a-Stream' programme helps protect and clean the area's waterways, which provide a home to 85% of the local wildlife species, valuable breeding areas for fish, and affect the quality of the region's drinking water.

During 2023, BBGI collaborated as part of a team at Infusion Health Kelowna and Vernon Hospitals ('KVH') Portfolio Company and enrolled in the scheme to help clean up and revitalise the section of Mill Creek that runs close to Kelowna General Hospital and close to the point where it enters Okanagan Lake.

Since then, the team and its partners at KVH have completed three extensive clean-ups with another planned in 2024 as part of its 2-year commitment. So far over 26 hours of time has been voluntarily given by different teams from the hospital partnership, including the Interior Health Authority, P3, the service provider Black & McDonald and the Infusion Health KVH team.

Each clean-up has included the removal of huge amounts of refuse from the waterway, such as bicycles, garden furniture, clothing and luggage, as well as smaller items from the waterway. This initiative is part of a larger network of stream-clean-ups throughout the city, with 50 stream areas each being cleaned at least once a year.

Due to the enthusiastic feedback from everyone involved, the team is looking at extending its participation for another 2 years.

BBGI's Portfolio Company, KVH, is the consortium chosen by Interior Health Authority to finance, design, construct, commission and deliver 4 new facilities between 2009 and 2012, including the 30-year maintenance and operations of these and the existing facilities.

Read more: Adopt-a-Stream, City of Kelown

> "The Adopt-a-Stream initiative has been very productive. The substantial amounts of large and small scape waste and refuse that has been removed by BBGI has greatly benefited the health and habitats of the local eco-system, which improves biodiversity as well as the water for drinking and recreation. Interior Health Authority is happy to see our P3 partners contribute to this type of programme and hope that they keep up the great work!"

Todd Yaseniuk,
Manager, P3 Operations

> "Your team is definitely eager and on-board!"

Jane Jones,
Parks Community Relations Coordinator, City of Kelowna

David Frost, Division Manager for our service provider Black & McDonald
Allan, Sheryl, and Tristan from BBGI's Kelowna and Vernon Hospitals Portfolio Company

Environmental case studies
continued

Case study

Reducing CO_2 emissions at Kelowna General Hospital

Working in collaboration with Kelowna General Hospital, Canada, we introduced an efficient on-demand system for the HVAC, saving over 31 tonnes of CO_2 and CAD$19,000 annually.

The Centennial Building of the hospital, which contains acute care departments including an emergency department and operating rooms, requires particularly high heating, ventilation, and air conditioning ('HVAC') standards while in use, such as increased air changes per hour and strict temperature ranges.

The operating rooms in the Centennial Building were originally intended to be used around the clock but, with another facility now running 24-hour operations, the rooms are no longer required on evenings or weekends. As a result, when facility staff learned in 2022 that reduced usage meant there is an opportunity to relax or 'setback' the HVAC parameters during unoccupied periods, we assembled a team to increase our energy efficiency.

The local renewable energy provider utility, FortisBC, funded an energy study that was completed by Rocky Point Engineering and supported by our partners Interior Health and facilities management company Black & McDonald. This study verified that significant energy savings were available and specified how best to achieve them.

Implementation of these required the re-programming of the original system to be synchronised with the new operating hours and installation of occupancy sensors to allow for on-demand HVAC usage for outside of scheduled periods. We worked with our partners to cost this up and then arranged the funding for the project, which was successfully delivered on 18 May 2024.


Air handling unit, Kelowna General Hospital, B.C., Canada

The scheme means that the hospital saves an estimated 31 tonnes of CO_2 per year and CAD$19,000. Additionally, the wear and tear on the HVAC equipment is also reduced, contributing to equipment reliability and reduced lifecycle expenditure over time.

Read more: Interior Health Climate Change Report 2023

"Interior Health appreciates the collaboration and dedication from our partners at Infusion Health and BBGI on sustainability projects like the HVAC setbacks at Kelowna General Hospital. Their commitment to ESG also contributes towards our climate change and sustainability goals."

Chris Katz, Corporate Director, Contracted Services & Partnership Management, Interior Health

"By looking closely at how a facility is actually being used, tweaks to some of the original settings can yield fantastic CO_2 reductions, improve equipment reliability and reduce lifecycle costs."

Tristan McEwan, Asset Manager, BBGI

Case study

Medicine wheel garden, Women's College Hospital, Toronto

A space for healing, celebration and tranquillity.

Toronto has the largest urban Indigenous population in Ontario. In 2020, the city's Women's College Hospital opened its Centre for Wise Practices in Indigenous Health to support a wellness system that acknowledges and respects Indigenous people, providing meaningful, culturally safe care, which is free of racism and discrimination.

Following a request from the Centre, BBGI funded £4,000 through the Portfolio Company and facilitated the construction of a rooftop medicine wheel garden. In Native American culture, the Medicine Wheel is a symbol of the circle of life. The Garden is a place to harvest native, medicinal plants and to be enjoyed by the Indigenous community.

Read more: Centre for Wise Practices in Indigenous Health

"When First Nations, Inuit or Métis patients come to Women's College Hospital for testing, treatments or procedures, we will have a viable means to offer them comforts for preparation, prayer, purification and spiritual healing by maintaining our own crop of medicinal instruments at the Medicine Wheel Garden."

Christine Monague,
Indigenous Peer Support and Relations Advocate


Centre for Wise Practices in Indigenous Health at the medicine wheel garden inauguration, Women's College Hospital, Toronto

Environmental case studies
continued

Case study

Supporting the growth in bee populations and improving biodiversity across our assets

BBGI is focused on increasing the creation of suitable nesting and feeding areas for bees at many of our assets.

These initiatives help to grow bee and insect populations and increase biodiversity. We have good support from our public sector clients for our initiatives.

BBGI often has access to large extensions of land alongside its transport projects, which lend themselves perfectly to creating new bee habitats, and we have launched such initiatives at some of our transport projects. Examples of such initiatives include the E18 Motorway (Norway), Northwest Anthony Henday (Edmonton, Canada), Northeast Stoney Trail (Calgary, Canada) and Golden Ears Bridge (Vancouver, Canada). Additionally, some of our social assets initiated the creation of bee hotels on their roofs or surrounding areas, being Rodenkirchen schools (Cologne, Germany) and Liverpool & Sefton Clinics LIFT (Liverpool area, UK). Altogether, these initiatives have already created c.150 bee habitats, which are homes to c.10 million bees.

A critical factor in the success of restoring bee numbers and habitats is the creation, improvement and growth of surrounding vegetation for them to feed. Across our assets c.200 acres were set aside and planted with wildflowers and forage areas. Examples of such initiatives include a wildflower field planted on one of Rodenkirchern school's rooftops. At E18 Portfolio Company, the green areas around the road are mowed only once in late summer, resulting in increasing wildflowers and their density. Along North East Stoney Trail and Northwest Anthony Henday Drive we created c.80 hectares of ponds, drawing wildlife and vegetation back to the area, allowing native vegetation and birds to flourish.

The 125 beehives at E18 produce on average 6 metric tonnes of wildflower honey, and 2023 produced c.2.4 metric tonnes. BBGI works with a local beekeeper, who manages the hives. The honey is collected and packaged to meet local health standards, with donations made to a local food bank in Luxembourg.

"We are proud to support the expansion of nesting and feeding areas for bees and insects. Based on the success from these initiatives, we plan to share our learnings across BBGI and explore the feasibility of implementing similar programmes in other locations."

Trond Heia, BBGI Director

Case study

Restoring a community wellness garden at Finchley Memorial Hospital

Finchley Memorial Hospital delivers a range of planned diagnostic procedures as well as providing cancer treatment and screening services, and antenatal and postnatal clinics for the North London area.

BBGI's Portfolio Company, North London Estate Partnerships, provided funding to volunteers from Our Home Our Planet, a local gardening group, to restore and care for the planters in the sensory garden, and plant them with edibles and flowers. The was to help raise awareness of growing fruits, vegetables, and plants that encourage pollinators, promoting sustainability and awareness of environmental issues, while highlighting how gardening can help mental health and wellbeing.

Initially the community garden will be maintained by the volunteers and any produce will be either taken to a food bank or available to staff and patients. As the project evolves the hope is to engage with communities in the local area.

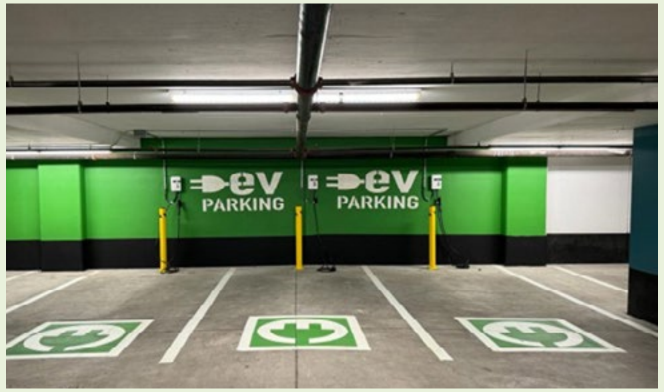
Case study

Reducing CO_2 emissions by upgrading EV charging

Women's College Hospital ('WCH') is a teaching hospital with a focus on health for women, health equity and health system solutions, consisting of a 40,295m², 10-storey building with 18,561m² of parking, located in Toronto.

To replace 12 existing EV chargers and add 8 new chargers, BBGI donated 5 of the new EV chargers and added new signage to highlight the availability and location of them. The initiative was proposed by the hospital and was implemented in collaboration with BBGI's Portfolio Company created for the design, construction, financing, maintenance, and rehabilitation of the hospital.

The Portfolio Company's subcontractor, Black and McDonald, supported the hospital in selecting the best proposal. The funding was split between the hospital and the Portfolio Company, which contributed c.£5,000, covering the cost for 5 of the new EV chargers. Currently, on most business days, all 20 charging stations are being used. The 20 charging stations will allow an estimated 10,000 vehicles to be charged per year.



Environmental case studies
continued

Case study

Advantages of electric vehicles for highway patrols at Ohio River Bridges

We are upgrading the operations fleet with an electric vehicle suited to meet the unique needs of highway maintenance.

Highway operations and maintenance involve various tasks such as routine inspections, debris removal, pothole repairs, snow ploughing and emergency response. Traditionally, these tasks rely on conventional gasoline or diesel-powered vehicles, contributing to elevated carbon emissions and high operational costs. The emergence of electric vehicles ('EV') presents an opportunity to address these challenges while promoting sustainability and enhancing public perception.

In 2023, BBGI, through its Portfolio Company, acquired the first EV for the Ohio River Bridge Project fleet: a Ford F-150 Lightning specially outfitted to meet the unique needs of highway operations.

This EV offers multiple advantages, including operating without air pollutants, lower maintenance requirements and operating costs, connectivity with smart technologies with real-time data and acting as a portable supply power for hand tools for interventions without the need of a generator.

With an estimated range of over 300 miles per charge, a maximum payload of 2,200 lbs, and a towing capacity of 10,000 lbs, the Ford F-150 Lightning effectively meets the operational requirements of highway maintenance tasks. The existing solar panel array provides enough capacity to charge the 98 kWh battery of the vehicle.

Electric operations and maintenance vehicle at Ohio River Bridges

"The incorporation of the Ford F-150 Lightning into our highway operations and maintenance fleet exemplifies the potential of electric vehicles to transform traditional infrastructure management practices. By embracing EV technology, BBGI has not only achieved environmental and economic benefits, but also positioned itself as a leader in sustainable transportation."

Volker Ellenberg,
BBGI Global Head of Asset Management

Case study

Planting trees at Eyemouth high school

Eyemouth High School, in Berwickshire, the Scottish Borders, educates around 500 students.

In November 2023, several members of the Scottish Schools' Senior Leadership Team came together to plant 80 trees for Eyemouth high school. We donated the trees to improve the outdoor space at the school, which also helps to reduce the carbon footprint both of the school and BBGI as a corporate.

BBGI's Portfolio Company maintains 3 schools in the region. The schools are among the most environmentally sustainable schools in Scotland, with zoned heating areas to control internal temperature and minimise energy consumption, or high ceilings to maximise daylight, assist natural ventilation and improve air quality.

"Thank you all again for taking time out of your busy schedules and joining in today. I can go back to my Board and tell them that 80 trees have been planted today on their behalf and I know what team to draft in for next year!"

Linda Craig, Avison Young

Social

Staffordshire Fire and Rescue, UK

Health and safety

Why does it matter?

Employee health, safety and wellbeing is a top priority at BBGI. As a responsible employer, we believe it is our duty to ensure that our employees have a protected and safe working environment. The impact of the pandemic has taught us that health and safety is a broad topic and we recognise both the importance of the physical health, safety and mental well-being of our employees.

What we have achieved so far

Health and safety at BBGI

We prioritise a healthy and safe working environment for our employees and visitors to our offices. We are dedicated to complying with all applicable health and safety legal requirements and implementing best practice health and safety management standards across the company.

We believe that everyone at BBGI has a role to play in creating a healthy and safe working environment, including the identification of possible workplace practices or actions which may cause, or contribute to, the physical and/or mental illness of our team. Our employees are expected to take ownership of their safety and are encouraged to report any concerns they may have.

Our Management Board is responsible for ensuring that the appropriate policies, procedures and safeguards are put in practice, assessed, recorded, monitored and reported by our certified Health and Safety Officer. This includes ensuring that all BBGI employees have access to the necessary information, instruction, training, and supervision.

We use a risk-based approach to managing health and safety, which involves identifying principal risks and reporting them to the Inspectorate for working conditions and protection of employees at work in Luxembourg ('ITM'), our headquarters.

We adopt strategies to minimise personal health and safety risk, such as providing and maintain safe physical environments, equipment and systems. Identified risks include: office noise in open spaces, stress-related psychosocial effects, neck, back, and upper extremity problems, and commuting accidents.

Mental health remains an area of focus. Mental health check-ups are on the agenda of all employee reviews, while flexible working and variable work schedules are now part of our standard approach to workplace management. We received feedback from our employees that these arrangements were beneficial to provide them with greater flexibility regarding when and how they work and better work-life balance.

Additionally, we continued to offer our team access to Headspace, a globally available app that helps with meditation, mindfulness, stress release and sleep. We also provided our employees with access to the Peleton app that gives them access to live and on-demand fitness, cycling, yoga and strength training. Employees were also provided with an annual health check-up.

Health and safety at our Portfolio Companies

Health and safety is on the agenda of every Portfolio Company board meeting. Our asset managers work actively with the Portfolio Companies or their management service providers, to promote a strong health and safety culture, facilitate the sharing of best practices, and promote appropriate governance structures across our various investment companies. As directors of these companies, these individuals have personal liability in some jurisdictions, which enforces the importance of health and safety aspects.

Portfolio health and safety metrics are reported quarterly to the Management Board and are part of our annual ESG survey. These metrics include the number of recordable lost-time incidents, Lost Time Incident Incidence Rate ('LTIIR') and Lost Time Incident Frequency Rate ('LTIFR').

As part of our annual ESG monitoring, we ensure that regular site visits are performed by a BBGI Director, one of our co-shareholders (if applicable), lenders technical assessors or the client. Additionally, each Portfolio Company regularly conducts a fire or health and safety audit.

We endorse a zero-tolerance approach to occupational health and safety incidents. In cases where there is a lost time incident in one of our Portfolio Companies, an investigation is generally conducted to identify the root cause, and measures are implemented from lessons learned, if required, to reduce the possibility of an incident happening again.

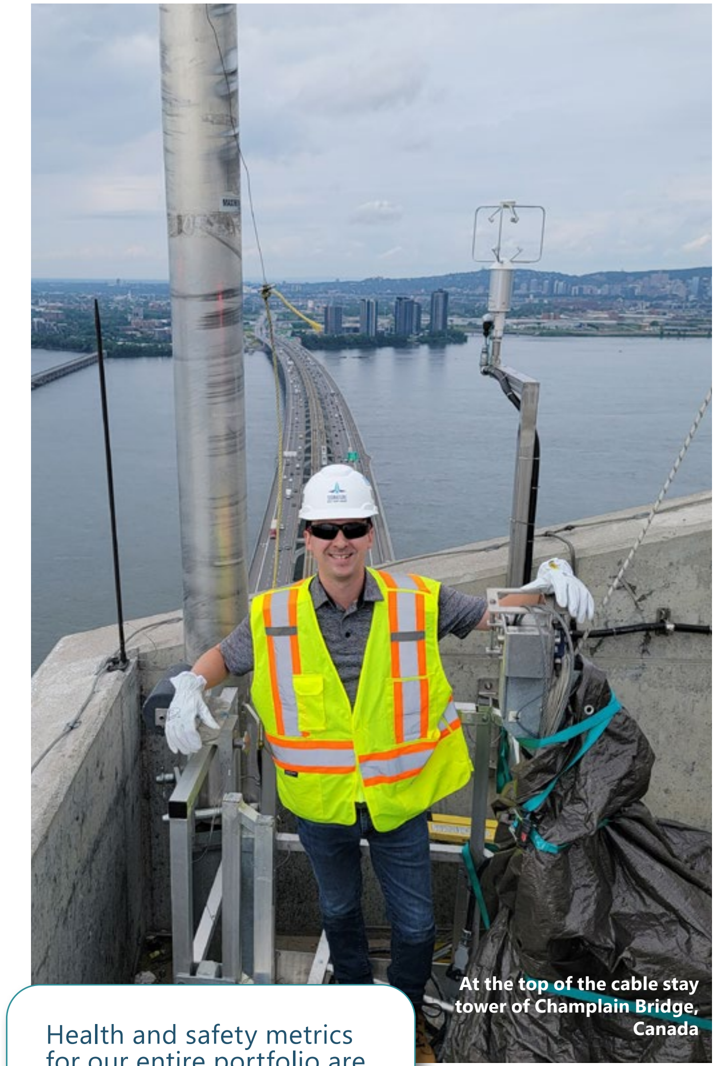
100% of our Portfolio Companies and 100% of facilities maintenance contractors for our accommodation assets or operation and maintenance contractors for our transports assets, have a Health and Safety policy in place.

Supply chain monitoring

We strive to promote health and safety best practices across our supply chain. As part of our corporate responsibility, we ask our subcontractors to confirm they maintain a workplace health and safety programme that meets or exceeds applicable local regulations.

Measuring progress	2020	2021	2022	2023
Health and safety of employees and workers, and at projects				
Implementation of Health and Safety policy by our Portfolio Companies	100%	100%	100%	100%
Lost-time incidents at Portfolio Companies	7[i]	10[ii]	8[iii]	14[iii]

i Across a portfolio of 50 assets.
ii Across a portfolio of 54 assets.
iii Across a portfolio of 56 assets.



At the top of the cable stay tower of Champlain Bridge, Canada

Health and safety metrics for our entire portfolio are reported quarterly to the Management Board

Fair employment and remuneration

Why does it matter?

Our teams are the driving force behind our purpose as a responsible company and their actions are a critical determinant of BBGI's success.

What we have achieved so far

Fairness

Treating our employees fairly is a core belief at BBGI. For our employees to feel they work in a respectful work culture and are treated fairly, we strive to provide a safe, respectful and inclusive working environment. All our employees are required to demonstrate the principles of respect, fairness and loyalty in their work.

Non-discrimination

All our employees should feel they work in a respectful work culture and are treated fairly. We have a zero-tolerance approach for any form of workplace discrimination. These expectations include:

- respect for each individual and rejection of discrimination in any form;
- contributing to a respectful environment and interactions, enabling everyone to perform to their maximum potential;
- appreciation for all individuals as a sign of tolerance and openness, and as a practical necessity for BBGI to succeed as an international organisation.

Harassment

Harassment can be any offensive act, comment or display that humiliates, insults or causes embarrassment, or any act of intimidation or threat. We strive to provide all employees with a working environment free of all forms of harassment or bullying, whether physical, verbal, sexual or psychological, or any other form. This is in accordance with our legal provisions, and we take swift and appropriate action if any individual is the victim of any act of harassment.

Remuneration at BBGI

We are committed to complying with all applicable minimum wage legal requirements.

The objectives of our Remuneration Policy are to:

- Attract and retain highly qualified executives and employees with a history of proven success.
- Align the interests of BBGI's Management Board and employees with shareholders' interests, executing our investment policy and fulfilling our investment objectives.
- Support strategy and promote our long-term sustainable success.
- Establish performance goals that, if met, are accretive to long-term shareholder value.
- Link compensation to performance goals and provide meaningful rewards for achieving these goals. This incorporates both financial and non-financial performance indicators, including key ESG goals and health and safety factors.

Remuneration at our Portfolio Companies

Monitoring fair remuneration practices is part of our ESG KPI survey. It is impractical for BBGI to report on gender pay gap, as the majority of our Portfolio Companies (85%) do not have any employees, and among the remaining 15%, most employ a small workforce. This makes calculating a gender pay gap infeasible, as the sample size is very small, and there are no instances where individuals of different genders perform the same role.

From our ESG monitoring, we assess that 100% of our Portfolio Companies have systems or processes in place to verify that subcontractors working on projects receive local minimum wage, and 70% of our Portfolio Companies verify that their subcontractor's employees receive an adequate living wage.

Behaving like owners

Our corporate culture encourages everyone to think and act like owners. To reinforce this mindset, employees are granted shares, fostering a sense of ownership and long-term commitment.

Both Supervisory and Management Board members have invested in shares, as have employees at all levels below the Management Board.

Share ownership	
Supervisory Board	100%
Management Board	100%
Employees owning shares	64%
Employees having share entitlements	87%

Read more

Annual Report I Remuneration Committee Report

Measuring progress	2020	2021	2022	2023
Long-term employment				
Conduct an annual review with each employee	✓	✓	✓	✓
Retention rate	85%	92%	92%	100%
Turnover rate	16%	8%	8%	0%
Staff with flexible working arrangements	4%	8%	100%	100%
Fair employment				
Permanent staff	100%	100%	100%	100%
'Zero hour' contracts	0%	0%	0%	0%
Furloughed staff	0%	0%	0%	0%

Diversity, equality and inclusion

Why does it matter?

BBGI recognises the value of having a diverse workforce from different backgrounds and with different abilities which provides us with diversity of thought: recognising how different perspectives, skills, abilities, knowledge, attitudes and information styles, or a combination of these, can inform our approach to solving problems.

What we have achieved so far

Diversity, equality and inclusion at BBGI

Diversity can be influenced by many factors based on visible (nationality, race, colour, gender, age, ethnicity, civil partnership, education) or non-visible (physical or mental disability, sexual orientation, religious beliefs, cultural and socio-economic background) factors.

We consider equality as the fairness of access, opportunity, and advancement for all. Inclusion is the state in which any employee can be and feel respected, valued, safe and fully engaged.

As a global company, we are proud to have a 27-person team with 14 nationalities represented – and 17 languages spoken across eight different countries in various time zones. Our diversity in nationalities is an integral part of our business success.

We strive to create a workplace environment where everyone has an equal opportunity to perform at the highest levels, realise their potential and be recognised for it. This applies to all aspects of our business, employment policies and practices including:

- recruitment
- terms and conditions of employment
- compensation and benefits
- working conditions
- personal development
- career progression and promotions.

Board members' appointment

The process of appointing new directors is led by the Nomination Committee. In recruiting new directors, the Nominations Committee actively seeks diversity by gender, ethnicity, nationality and other criteria, while working towards selecting members on merit with relevant and complementary skills to help us maximise stakeholder value. We will continue to make future appointments at all levels based on the full merits of the individual candidates, and the strengths, skills and experience that they would bring to the composition and balance of the Management and Supervisory Boards or BBGI as a whole.

Board members' diversity

We wholeheartedly support the initiatives and regulatory efforts aimed at advancing gender and ethnic diversity within publicly-listed companies. This includes initiatives such as the FTSE Women Leaders and the Parker Review.

In light of the FTSE Women Leaders' Report published in February 2024 identifying BBGI as maintaining an all-male Executive Committee, we wish to clarify an important aspect of our corporate structure that has a significant impact on the interpretation of these findings.

BBGI operates under a two-tier board system, which the Report does not fully take into account. This structure distinctively separates the roles and responsibilities of our Supervisory Board from those typically associated with an Executive Committee. It is crucial to note that our Supervisory Board boasts a 60% female representation, with both a female Chair of the Supervisory Board and a female Audit Committee Chair, showcasing our firm commitment to diversity and inclusion at the highest levels of governance. This level of female representation is among the highest within the FTSE 350 companies and significantly contributes to the effectiveness and diversity of thought within our leadership.

Furthermore, the characterisation of our Management Board as an equivalent to an Executive Committee does not accurately reflect our operational structure. In reality, a broader Executive Committee within our organisation would encompass a wider range of senior roles, including direct reports that significantly bolster female representation beyond the three Executive Directors. Female representation at the level reporting directly to the Management Board is at 39%.

We strive to meet gender and ethnic compositional goals at all levels, including our Management Board and their direct reports. 20% of the Supervisory Board and 8% of direct reports to the Management Board are considered to be from an ethnic minority background as categorised by the Parker Review.

Diversity, equality and inclusion at our Portfolio Companies

We acknowledge the importance of board gender diversity and tracks gender diversity across our Portfolio Companies' boards. As of 31 December 2023, our Portfolio Companies' boards are composed of 89% male and 11% female. 75% of our Portfolio Companies (which employed a minimum of 3 people), have a diversity policy in place.

We acknowledge the challenges to improve diversity of its boards considering the limited size and very stable structure of BBGI asset managers who represent BBGI on our Portfolio Companies' boards.

We continue to monitor diversity practices as part of our ESG monitoring.

Gender diversity at BBGI

Two-tier board (Supervisory and Management Board)
5 Male: **62%** 3 Female: **38%**

Supervisory Board

♂♂♀♀♀

2 Male: **40%** 3 Female: **60%**

Management Board

♂♂♂

3 Male: **100%**
1 CEO, 1 CFOO (unchanged since IPO), 1 Executive Director

Direct reports to the Management Board

♂♂♂♂♂♂♂♀♀♀♀♀

7 Male: **58%** 5 Female: **42%**

Team members

♂♂♂♂♂♂♂♂♀♀♀♀

8 Male: **67%** 4 Female: **33%**

Portfolio Companies Boards (56 assets)

♂ Male: **89%** ♀ Female: **11%**

Portfolio Companies staff (11 assets)

♂ Male: **74%** ♀ Female: **26%**

Human rights

Why does it matter?

Human rights refer to basic standards of treatment to which all people are entitled. It is a broad concept with economic, social, cultural, political and civil dimensions. Our main responsibilities lie in several material human rights areas, connected with operations and/or supply chain: treating employees fairly, employees' rights to equal treatment and inclusion, promoting a diverse workforce and Boards, and aiming to prevent human rights violations in our supply chain.

What we have achieved so far

Human rights at BBGI Corporate level

We support the principles contained within the Ten Principles of UNGC, the Universal Declaration of Human Rights and the International Labour Organization's ('ILO') Declaration on Fundamental Principles and Rights at Work.

Across our operations there has been no record of any violation of one or more of the UNGC Principles, and/or the OECD Guidelines for Multinational Enterprises, and/or the UN Guiding Principles on Business and Human Rights.

Read more

Human Rights, Diversity, Equality and Inclusion policy

Anti-Slavery, human trafficking and forced labour

We do not, and will not, tolerate any form of slavery, human trafficking or forced labour. BBGI is determined to ensure there is transparency within its business, and to preventing slavery and human trafficking in its corporate activities and day-to-day operations. We produce a UK Modern Slavery statement, every year, setting out our standards and values in relation to slavery and human trafficking.

Across our investments, 100% of our Portfolio Companies and 98% of facilities maintenance contractors have an Anti-Slavery and Human Trafficking policy (or equivalent UK Modern Slavery statement) in place.

Read more

UK Modern Slavery statement

Freedom of association and collective bargaining

We respect our employees' rights to join, form or not to join a labour union without fear of reprisal, intimidation or harassment. The right to freedom of association and the effective recognition of the right to collective bargaining are legally protected rights in the countries where BBGI operates.

Whistleblowing policy and hotline

We promote a culture of transparency and fairness. We actively encourage our employees to voice their concerns and provide input into key decisions. If an employee believes there is misconduct of any sort within BBGI we have a whistleblowing programme and policy in place. Employees can anonymously bring forward issues through an independent 'hotline' service provided by Integrity Counts, an external third party.

As part of our whistleblowing policy, we endorse a culture where there is no reprisal for coming forward.

Across our investments, 98% of our Portfolio Companies have a whistleblowing policy in place.

Read more

Whistleblowing hotline

Human rights at our Portfolio Companies

We expect our Portfolio Companies to formally commit to the respect of human rights and are expected to apply a zero-tolerance approach to human rights violations and incidents.

Across our investments, there has been no record of any Portfolio Company being exposed to a violation of one or more of the UNGC Principles, and/or the OECD Guidelines for Multinational Enterprises, and/or the UN Guiding Principles on Business and Human Rights.

As of 31 December 2023, 100% of our Portfolio Companies, had an Anti-slavery & human trafficking policy in place (or equivalent Modern Day Slavery statement in the UK).

Supply chain monitoring

We have identified the sectors that could be exposed to risks of human rights breaches across our operations, supply chains and business relationships. These are sectors where an element of risk exists in relation to lower skilled and lower paid levels of service provision, such as: construction, facilities services, maintenance services and manufacturing of IT equipment. This work is invariably undertaken by subcontracted businesses that we outsource to reputable third-party subcontractors. Whilst we therefore continue to consider the risk of modern slavery to be low within BBGI's business, we nonetheless pay close attention to the processes in place to mitigate these risks.

As of 31 December 2023, 98% of our Portfolio Companies subcontractors had an Anti-slavery & human trafficking policy in place (or equivalent Modern Day Slavery statement in the UK).

We will continue to engage with the one Portfolio Company which does not have an Anti-slavery & human trafficking policy in place (or equivalent Modern Day Slavery statement in the UK) in place.

Training

To ensure a high level of understanding of the risks of modern slavery in our supply chains and our business, our staff are annually reminded of our policies.

During 2023, all staff enrolled and completed mandatory ESG training with a special focus on business and human rights, in addition to other topics of their choice. This training focused on operationalising the UN Guiding Principles and human rights commitment into business practice, as well as the deepening of Human Rights Due Diligence and Decent Work in Global Supply Chain.

At the end of 2023, staff received a total of 72 hours of training on human rights, including the above-mentioned trainings.

Operating room at Kelowna Hospital, Canada

Learning and development

Why does it matter?

We recognise that our people are a key factor in our success. By building a skilled and knowledgeable team, we enhance our reputation, strengthen our relationships, and achieve our strategic objectives.

We are focused on continuing to invest in learning and development opportunities for our employees, so they can thrive and grow together with the company. Their technical expertise, industry knowledge, and relationships with our clients, partners and subcontractors are vital to maintaining our reputation and long-standing relationships with our stakeholders.

What we have achieved so far

We are proud to be a responsible employer that supports our people's personal and professional development. We have a robust performance appraisal process with both formal year-end and mid-year evaluations, as well as informal feedback throughout the year. This fosters open communication, trust, and collaboration between employees and managers. Employees are encouraged to pursue initiatives that enhance their skills and knowledge, and to help them achieve personal and professional growth while also contributing to our success.

We provide our employees with access to training programmes and courses that help them build their skills and expertise. We fully support these initiatives and cover 100% of any associated fees.

In 2023, all our employees participated in anti-money laundering and counter-terrorism financing training, as well as cyber-security training. This ensures that they are equipped to comply with regulations and protect our data and assets.

All our employees, including all asset managers, received ESG training during 2023 to integrate ESG considerations into their work, promoting sustainability and responsible investment practices across the portfolio.

Measuring progress	2020	2021	2022	2023
Employee competency development				
Average industry experience	**16 years**	**17 years**	**18 years**	**20 years**
Employees receiving training	**100%**	**100%**	**100%**	**100%**
Average number of hours of training per year per employee	**5**	**4**	**22**	**21**

100% employees receiving training

Tania, Cristina, Cécilia and Ritesh, all BBGI employees

Social case studies

Case study

Increasing access to local youth centre in Tower Hamlets, London

Increasing access for young people and under-represented groups.

The Poplar Baths affordable housing and recreation centres development project included the Haileybury Youth Centre, which runs several sessions for local youth groups. One of the early initiatives was to provide youth club sessions for young people from the local community, providing a safe space for them to socialise and increase levels of engagement in and with the community.

However, the building wasn't being fully used due to budget constraints. As part of our supporting initiatives that benefit communities living near to our assets, BBGI, committed to help fund the centre for 4 years, through BBGI's Portfolio Company.

By donating £20,000 each year, we are enabling Haileybury Youth Centre to increase its range of sessions, engage more effectively with local young people and reach out to underrepresented groups. During 2023, Haileybury Youth Centre reached around 200 more young people with over 350 hours of additional contact each week as a result of this additional funding.

> "The Folera/BBGI funding has provided a marked increase in our ability to deliver enhanced services and activities from the Haileybury building to the local youth community, whilst helping to improve our engagement with them."
>
> **Abzal Ali,** Deputy Head YPS, LBTH

BBGI's funding through the Folera Portfolio Company is continuing into 2023/24 to help deliver a range of opportunities and access for different youth groups across different activities, including plans for:

- Weekly SEND Youth Club
- Community hockey programme utilising the rooftop sports pitch
- Girls' summer camp
- Leadership programmes providing a diversionary programme that supports the development of young women into leadership roles and developing those in care into leadership opportunities
- Young womens music programme


Group work with young people with SEND

Young people learning podcasting

Case study

A hospital at the heart of its community

Ayrshire and Arran's Acute Mental Health and Community Hospital is engaging with its community via local work placements and regional purchasing.

The hospital strives to support its local community by engaging with its residents, purchasing from local companies and providing employment opportunities.

To guarantee consistent delivery of these socio-economic benefits, the public authority has made the requirements to have dedicated targets in place. The Portfolio Company has the obligations to deliver this set of targets with the hospital's operations and maintenance contractor.

- The local procurements targets aim to spend at minimum 50% with sub-contractors that operate within a 30-mile radius of the site, and 80% with Scottish-based companies.
- The local employment targets aim to attract applications from residents, offer work placements and apprenticeships to surrounding schools and colleges.

In addition, the project also researches for opportunities to provide financial support, time or business partnership with regional charities and trusts.

68% Local spend with subcontractors within 30 miles
Target: 50%

Ayrshire and Arran's Acute Mental Health and Community Hospital

Social case studies
continued

Case study

Liverpool & Sefton Health Partnership delivers programme to support 497 young people's mental health and wellbeing

In 2023, BBGI collaborated with Liverpool & Sefton Health Partnership ('LSHP') to fund and provide space for the Action for Children's Wellbeing Star Programme.

The Wellbeing Star Programme is a community intervention, which helps young people think and begin conversations about their mental health and wellbeing, as well as learning the skills and tools they can use to look after themselves.

In recent years, there has been a significant increase in the number of children and young people from the local community needing support for their mental health.

With this funding and space provided, the Wellbeing Star Programme was delivered in Mere Lane Community Practice, as well as in local primary schools by a trained staff member.

The Programme supported students in years 3-6 in 4 primary schools, delivering 25 groups and supporting 497 children and young people. The programme is a community-based intervention to start conversations with young people about their mental health.

After completing the Programme, more than 95% of students said they now know who to go to if feeling sad, that they had learnt helpful tips to lift their mood and they now understand how exercise can improve mood.

Mere Lane Group Practice provided a space for collaborative group work. The young people benefited from a learning space, as learning in a new environment can be useful for transition to secondary school.

Wellbeing Star Programme at Mere Lane, LSHP

> "We really appreciated the visit at our school and working with our children. The feedback from our staff and children was really positive and on behalf of Gwladys Street, I cannot thank the Wellbeing Star Programme enough."
>
> **Designated safeguarding & mental health lead,** Gwladys Street Primary School

> "We found the the Wellbeing Star Programme team to be extremely professional and effective. They communicated well in the run up to the work, were flexible and supportive and very organised. The children and adults appreciated the sessions and found them useful. A pleasure to work with."
>
> **Deputy Headteacher,** Whitefield Primary School

Case study

Donated a fully operational MRI to a primary healthcare clinic in India

Working with Royal Women's Hospital in Melbourne, Australia, we led the initiative to donate a much needed fully-operational MRI machine worth AU$2 million to a primary healthcare clinic in India.

When the Royal Women's Hospital had to relocate its MRI suite, it decided to install a new machine rather than relocating an existing one, which was still fully operational and had not reached the end of its life.

BBGI took the view that the machine, being functional and very expensive, should be relocated rather than prematurely scrapped, and began working with other parties to find a new home for it. In June 2023, an agreement was reached with a clinic in India, and GE Healthcare technicians began shutting the system down and deinstalling it.

Siemens, who had won the tender for the replacement, removed the old 11 tonnes machine. EverX, a specialist in supplying pre-owned radiology imaging equipment, assisted on the logistics with the clinic in India.

Thanks to the machine's relocation, we hope to positively impact numerous lives in India and provide diagnostic abilities previously unavailable to the local communities. The project also minimised the environmental impact of scrapping the machine, with the huge amount of embedded energy required to manufacture a new one.

Relocating a MRI machine from Royal Women's Hospital in Australia to India

> "We are providing multiple positive environmental and social outcomes by donating a fully operational MRI machine, worth around AU$2 million, that is much needed by local communities in India, that was previously unavailable. We are sharing our experience across BBGI to implement similar initiatives across our investment portfolio."
>
> **Luke Falla,** BBGI Director

Social case studies
continued

Case study

Raising funds for paediatric cancer at the Lëtz Go Gold Race

As part of our commitment to social responsibility, BBGI sponsored 6 staff members and their children to participate in a charity run that supports paediatric cancer research.

At the Lëtz Go Gold race, organised annually by the Fondation Kriibskrank Kanner in Luxembourg, participants commit to raising funds to finance new treatments, improve existing ones, and understand the causes of paediatric cancers. The event, held every September, includes various race distances to accommodate runners of all ages and abilities.

BBGI's Workplace Giving Programme sponsored 6 staff members and their children to participate in the 2023 Lëtz Go Gold race. This sponsorship covered registration fees and fundraising commitments, allowing participants to focus on contributing to the cause.

Together with their families, BBGI employees raised £4,200 for the Kriibskrank Kanner Fondatioun, with a further £1,900 donated by BBGI through the workplace giving programme.

The race provides an excellent opportunity for employees to bond outside of the workplace, promoting team cohesion and a sense of collective achievement. By engaging in this event, BBGI employees demonstrated our dedication to supporting critical health initiatives while fostering team spirit.

Read more: Lëtz Go Gold

> "Running in the Lëtz Go Gold race together with colleagues and our families, kids was incredibly rewarding. It brought us closer together and allowed us to contribute to a cause that truly matters."
>
> **Tina, Jakob, Philip, Nlamh, Conny and Cécilia,**
> BBGI employees

LËTZ GO GOLD to fight childhood cancer! by FONDATIOUN KRIIBSKRANK KANNER





Governance

A7 motorway, Germany

ESG monitoring

Why does it matter?
Within our approach to responsible investment, a key pillar is the governance framework we have developed across our Portfolio Companies.

What have we achieved so far
Our governance framework includes the following practices:

Active management

Regular attendance at Portfolio Companies' Board meetings. In 2023, at least one BBGI Board member was present for 100% of all Board meetings where BBGI has a seat. Regular asset visits and client meetings are also part of this philosophy.

Standard policies

To establish a strong governance framework across our investments, we ensure that each Portfolio Company has robust policies and procedures in place and clear board-level responsibility to monitor their application. The ESG standard policies that we strive to implement across all Portfolio Companies where we have a Board seat include:

- Biodiversity policy
- Code of Conduct, including anti-bribery, anti-corruption and non-discrimination
- Conflict of interest
- Cyber-security
- Diversity
- ESG
- Health and safety (workplace accident prevention)
- Anti-slavery & Human Trafficking policy (Modern Day Slavery)
- No-idling (for transport assets only)
- Rapid escalation
- Responsible contractor
- Tax
- Whistleblowing

While we recommend these standard ESG policies at all Portfolio Companies, it is not always possible to achieve 100% adoption when we have co-shareholders.

Engagement

Once invested, we use our influence with Portfolio Companies to consider ESG and sustainability factors that have the potential to impact the asset. We provide support in the evaluation and delivery of specific projects.

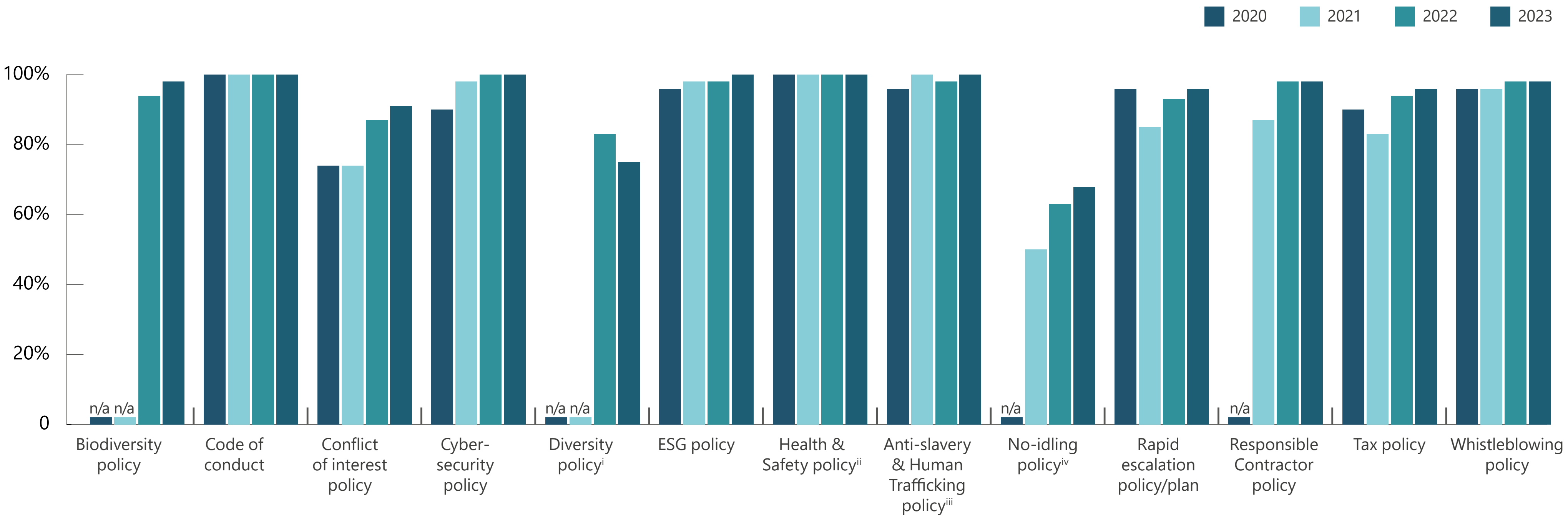
Reporting

For each of our 56 infrastructure investments, we publish an individual ESG information sheet, which describes ESG initiatives at the individual project level.

Read more
Our portfolio

Measuring progress

Policy implementation at our Portfolio Companies



i Applicable only if a minimum of 3 people employed by the Portfolio Company
ii Workplace accident prevention policies
iii Modern day slavery
iv Applicable for transport assets only

ESG monitoring
continued

Our proprietary ESG KPI survey provides a framework for our asset managers to consider the inherent ESG risks and opportunities in each investment. Developed recently, and subject to annual review and refinement, the ESG KPI survey allows us to identify specific areas of improvements, which are then addressed individually through specific engagement with our Portfolio Companies.

All our asset managers and management service providers for our Portfolio Companies attend the webinar each year, which provides them with guidance and sharing best practices.

Our ESG KPI survey, composed of 100+ questions, covers all core areas of our ESG oversight. The topics covered in the ESG KPI survey are selected based on their materiality, either because of impacts the investments could cause on the environment and society or because of the positive impacts it creates.

The core areas of our ESG oversight:

Environment: GHG emissions and reduction targets, implementation of efficiency measures for energy, water and waste, biodiversity, water usage and water recycling, waste management, certifications and environmental management systems, and positive environmental impacts.

Social: human rights, board gender diversity, health and safety, gender pay gap, supplier's responsible business practices, and positive social impacts.

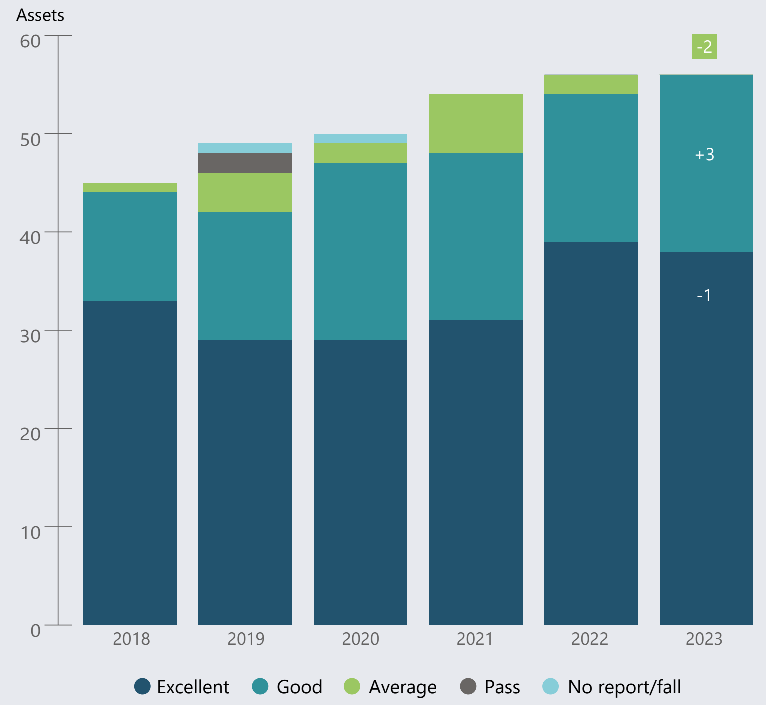
Governance: general governance, anti-corruption and anti-bribery matters, delegation and oversight, data and cyber-security, risk and compliance.

Each survey response is scored against our own minimum requirements, industry benchmarks, national statistics or against a relative year-to-year improvement. Over time, our portfolio becomes a reference group and the resultant data is used to set the targets for future improvements. Our experience over the last 6 years has taught us that by tracking non-financial performance metrics, we have achieved incrementally better ESG performance each year.

100+ questions in our ESG KPI survey

Measuring progress

Portfolio ESG scores



Each is scored, with a 'pass' being greater or equal to 50%, 'average' being greater or equal to 65%, 'good' being greater or equal to 80% and 'excellent' being greater or equal to 90%.

If a score is 'average' or 'good', asset managers are encouraged to actively engage with the key stakeholders and work to improve the score. If a project already has a strong score, focus is directed to maintaining consistency and further improvements.

Measuring progress	2020	2021	2022	2023
ESG factors considered strategically				
Management Board attendance at ESG Committee meetings	✓	✓	✓	✓
ESG considered as part of our annual strategy review	✓	✓	✓	✓
Proprietary ESG KPI survey completed for 100% of our portfolio	✓[i]	✓[ii]	✓[iii]	✓

i. 2020: 20+ questions ii. 2021: 80+ questions iii. Since 2022: 100+ questions

Creating long-term sustainable value

Why does it matter?

Our purpose is to deliver social infrastructure for healthier, safer and more connected societies, while creating sustainable value for all stakeholders.

In return for long-term investment in, and active ownership of, essential social infrastructure investments such as education, healthcare, police and fire stations, affordable housing, modern correctional facilities, clean energy and transport procured using availability-style[20] investment models, BBGI receives stable, predictable and contracted cash flows with an attractive inflation linkage. These cash flows are underpinned by government or government-backed counterparties.

Measuring progress	2020	2021	2022	2023
Creating long-term financial and sustainable value				
NAV per share growth	**1.2%**	**2.1%**	**6.6%**	**-1.4%**
Dividends (declared for the year)	**7.18 pps**[i]	**7.33 pps**	**7.48 pps**	**7.93 pps**
Annualised NAV total return per share since IPO	**9.0%**	**8.8%**	**9.1%**	**8.6%**

i Pence per share (pps)

What we have achieved so far

Low-risk

- Availability-style investment strategy.
- Secure, public sector-backed contracted revenues.
- Stable, predictable cash flows, with high-quality inflation linkage and progressive long-term dividend growth.

Internally managed

- In-house management team focused on portfolio construction and delivering shareholder value, not simply growing assets under management.
- Management interests aligned with those of shareholders.
- Strong pricing discipline and portfolio management.
- Lowest comparative ongoing charges.[21]

Globally diversified

- Focus on highly rated investment grade countries.
- Stable, well-developed operating environments.
- A global portfolio, serving society through supporting local communities.

Ownership Culture

- 100% of the Management Board owns shares.
- 100% of the Supervisory Board owns shares.
- 87% of our employees own shares or have vesting shareholder entitlements.
- ‘Behaving like owners’ is part of our DNA.

Kelowna General Hospital, Canada

20 Investments where payments received by the Portfolio Companies from the public sector client and hence the revenue streams from the investments do not generally depend on the level of use of the project asset and as such are ‘availability-style’.
21 In comparison to the latest publicly available information for all closed-ended, London Stock Exchange-listed equity infrastructure investment companies.

Business ethics and integrity

Why does it matter?

Ethics and integrity are the critical foundation for any business that hopes to achieve success over the long term. Ethics and integrity help build and maintain a strong reputation amongst stakeholders, support employee growth and meaning, help maintain a moral course during turbulent times, help recruit and retain staff, and avoid costly penalties and fines.

What we have achieved so far

Code of conduct including anti-bribery, anti-corruption and non-discrimination

As part of our commitment to uphold the Ten Principles of the UNGC, BBGI supports and upholds the principle of working against corruption in all its forms, including extortion and bribery.

We have a zero-tolerance approach to bribery, including facilitation payments and we require that our investment companies adopt equally stringent policies. BBGI does not offer, pay or accept bribes and is determined to work only with third parties whose standards of business integrity are consistent with its own.

We ensure that all staff are familiar with its business ethics and values through an annual manual of procedures that includes the Code of Conduct addressing questions of ethics such as corruption, discrimination, illegal employment, bid-rigging, bribery, donations, gifts/entertainment and dealing with confidential information. All staff are required to read it and we encourage questions to clarify their obligations in their role.

Each Portfolio Company has also implemented a code of conduct and is committed to avoiding corruption in all its forms and to complying with anti-bribery, anti-fraud and anti-money laundering laws applicable to them.

We conduct ongoing monitoring of delegates and key service providers through onsite visits, regular meetings, KPIs, and gathering justifying documentation, summarised in a due diligence report for each third party. BBGI also conducts in-depth due diligence before any asset acquisition, screening counterparties against watchlists maintained by UN, EU, FATF, and national regulators using Dow Jones' data. Relevant counterparties are added to our database for daily screening using uComply name screening software. The Compliance function reviews any alerts generated and escalates them to the Management Board when necessary.

Taxation approach

We are committed to good corporate citizenship and this includes paying the appropriate taxes in a timely manner. We manage our taxation processes and obligations in a way that safeguards compliance with all applicable laws in each country where we operate.

Anti-money laundering and counter terrorism financing

As part of applicable regulatory requirements, we have a dedicated policy for anti-money laundering/counter terrorism financing ('AML/ CTF'), which we update each year.

There is an increasing focus by the regulatory authorities in Luxembourg and worldwide on the undertaking of complete and thorough AML due diligence or KYC ('Know Your Customer'), with appropriate record-keeping and cooperation with competent authorities. On top of the annual AML/CTF training, which is organised for all staff, we organise additional tailored training sessions for those staff directly involved in satisfying the required AML/CTF protocols in their day-to-day roles.

Read more

Annual Report I Corporate Governance

Compliance

Our Compliance function is headed by a Head of Compliance and Risk, overseen by the designated Management Board member. The Compliance function tracks the performance of controls throughout the year using a compliance monitoring programme, which is reported to the Management and Supervisory Boards and the financial regulator. The internal auditor verifies and assesses the Compliance function's work, while the external auditor does so to a lesser degree.

Compliance training is part of an annual mandatory training programme for all BBGI employees, in accordance with internal and external requirements, and changes in applicable regulations.

Measuring progress	2020	2021	2022	2023
Business ethics and integrity				
Number of corruption incidents and related fines or penalties	**None**	**None**	**None**	**None**
Political contributions	**None**	**None**	**None**	**None**
BBGI's adherence to the Ten Principles of the UN Global Compact	✓	✓	✓	✓

BBGI supports and upholds the principle of working against corruption in all of its forms, including extortion and bribery.

Avon & Somerset Police HQ, UK

Quality of services

Why does it matter?

As part of our mission, we maintain the day-to-day operations of important infrastructure and it is critical that these social infrastructure assets are available for the local communities they serve.

What we have achieved so far

Our key metric to measure the quality of our services is the level of availability our assets maintain throughout the year.

Satisfied public sector clients are critical to our business model and to deliver a high standard of long-term investment stewardship by delivering well-maintained, safe and secure social infrastructure facilities and services.

The positive experience of the people who use our assets and the communities who live near our assets are vital to ensuring our success as a responsible global infrastructure investment company.

Measuring progress	2020	2021	2022	2023
Quality of services provided				
Asset availability	**99.8%**	**99.9%**	**99.9%**	**99.9%**
Net Promoter Score[i]	**Great**	**Great**	**Great**	**Great**

i Net Promoter Score ('NPS') is a widely used metric measuring the likelihood of customers recommending a company's product or service to others. The score can range from -100 to +100, with a higher NPS indicating a higher level of customer loyalty and satisfaction. BBGI derives its NPS from an annual client engagement survey.

Case study

Award-winning McGill University Health Centre is a sustainable leader in Québec


McGill University Health Centre, Canada

The McGill University Health Centre ('MUHC') recently won the 2024 Prix d'Excellence in the Sustainable Development category at the Health and Social Services Network Excellence Awards ceremony.

The Prix d'Excellence in Sustainable Development recognizss the MUHC's Glen site as an example of green building in the hospital sector. In 2016, the MUHC was the first hospital in Québec to receive the prestigious Leadership in Energy and Environmental Design (LEED) Gold certification for new buildings. In 2019, after ongoing efforts to integrate sustainability principles, the Glen site's LEED certification was renewed to the Gold certification for existing buildings.

LEED certifications are awarded to buildings that have been designed and built to achieve high performance in areas related to community and environmental health, including water and energy savings. With a view to continuous improvement, the MUHC team and its partners are currently working to maintain the hospital's LEED Gold certification at the next renewal, which is scheduled for 2024.

Sustainable development principles were incorporated into the Glen site's design from the project's inception. As part of the McGill Health Infrastructure Group General Partnership, AtkinsRéalis carried out the design, engineering, construction and financing of the site from 2010 to 2014. At the time, AtkinsRéalis design and construction teams developed specific sustainable development initiatives, such as the integration of underground garages and white roofs to minimise the effect of urban heat islands.

In addition to building the Glen site, they will also operate and maintain it until 2044 in collaboration with Johnson Controls. AtkinsRéalis teams have worked closely to improve the hospital's energy performance, notably by replacing 37,000 neon tubes with LED tubes, which resulted in 2.8 million kWh in energy savings. This measure, combined with other energy and drinking water conservation initiatives, eliminates nearly 3,365 tonnes of CO_2, which is equivalent to the annual emissions of 1,051 cars. These initiatives enable the MUHC to rank among the most energy-efficient buildings in Canada.

Gold | LEED Gold certification for existing buildings

Read more

Health and Social Services Network Excellence Awards

Cyber-security

Why does it matter?

A breach of data security could occur by accident or as a result of an external cyber-attack. A cyber-attack could affect our IT systems or those of our Portfolio Companies, causing theft, loss of data, or damage to the infrastructure's control systems and equipment.

The threat of cyber-attacks means that businesses can no longer afford to be reactive. A cyber-attack could affect not only BBGI's reputation but could also have legal, financial, and operational repercussions for the Group.

What we have achieved so far

Cyber-security at BBGI Corporate level

BBGI has taken several measures to reduce the risk of a cyber-attack.
We have outsourced the hosting of our IT platform to an industry specialist to benefit from access to IT security experts, with our platform monitored by an advanced IT security system. This approach would be less cost-effective if our IT infrastructure was maintained onsite.

Every year, we engage an external expert to carry out an intrusion test on our IT platform to identify and patch any vulnerabilities.

We perform business continuity tests, carry out disaster recovery tests every year, and our employees periodically undergo cyber-security training.

Cyber-security at Portfolio Companies

In a typical public-private partnership ('PPP') structure, public sector clients have their own IT systems. However, most of our Portfolio Companies do not maintain their own IT systems. Instead, subcontractors of a Portfolio Company (such as management service providers, facility maintenance contractors for accommodation assets, and maintenance contractors for transport assets) will have their own IT systems, which will likely house data relating to an asset.

In a typical PPP structure, such as those in BBGI's portfolio, risks are passed down to subcontractors by the Portfolio Company. However, any liability is capped to contractually agreed amounts, including risks relating to design and construction, warranties for IT systems (such as a warranty that the system will meet specifications requiring it to meet robust security requirements), and the risk of a cyber-attack interrupting the provision of services to a project.

Measuring progress	2020	2021	2022	2023
Cyber-security				
Implementation of cyber-security policy by our Portfolio Companies	**98%**	**100%**	**100%**	**100%**
Annual intrusion test of BBGI's IT platform	✓	✓	✓	✓
Number of employees receiving cyber-security training	**100%**	**100%**	**100%**	**100%**

Outlook

During 2024, the Management Board has been in the process of implementing an Artificial Intelligence ('AI') policy and providing AI training for all employees.

> Business continuity tests are performed regularly, disaster recovery tests are performed annually, and all staff undergo cyber-security training.

Appendices

Champlain Bridge, Canada

SFDR disclosures

The EU Sustainable Finance Disclosure Regulation ('SFDR') is a set of regulations to increase transparency and standardise disclosures within the financial markets.

The SFDR aims to ensure that investors can make informed decisions and have a clear understanding of the sustainability characteristics of the financial products in which they invest. We welcome this legislation because we believe the financial sector can make an important contribution to a more sustainable economy.

BBGI promotes social characteristics. In accordance with its Article 8 SFDR classification, a minimum proportion of 75% of our investments qualify as sustainable investments with a social objective, while we screen 100% of our investments with the aim of ensuring that they do not significantly harm any environmental or social objective and follow good governance practices.

BBGI's SFDR-related disclosures comply with SFDR Level 2 requirements.

Pre-contractual disclosure

The pre-contractual disclosure for the SFDR specifically addresses our disclosure obligations under Article 8 of the SFDR, supplemented by Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 and Commission Delegated Regulation (EU) 2023/363 of 31 October 2022.

Find out more

Pre-contractual disclosures

Entity level disclosure

The entity level, sustainability risks and principal adverse impacts disclosure for the SFDR specifically address our disclosure obligations under Articles 3, 4, 5, 6, and 7 of the SFDR.

Find out more

Entity-level disclosure

Product-level disclosure

The product level disclosure for the SFDR specifically addresses the Fund's disclosure obligations under Article 10 of the SFDR, supplemented by Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022.

Find out more

Product-level disclosure

Periodic disclosure

The periodic disclosure for the SFDR specifically addresses our disclosure obligations under Article 11 of the SFDR, supplemented by Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 and Commission Delegated Regulation (EU) 2023/363 of 31 October 2022.

Find out more

Periodic disclosure

Principal Adverse Impact ('PAI') statement

The PAI statement specifically addresses how BBGI's internal policies are conducted to identify and prioritise PAI on sustainability factors.

Find out more

SFDR Principal Adverse Impact statement

75% minimum portion of sustainable social investments

Philip and Tina, both BBGI employees

TCFD disclosures

We are pleased to present our third voluntary disclosure against all 11 of the recommended TCFD disclosures

As the Company is considered an investment trust it does not fall in the scope of the Financial Conduct Authority's ('FCA') requirement for commercial companies with a premium listing to make TCFD disclosures. Notwithstanding this exemption, the Management Board recognises the importance of the TCFD and its related disclosures and has, as a result, taken the voluntary decision to report against the TCFD recommendations.

In the following section we report the progress we have made across each of the TCFD's four pillars: governance; strategy; risk management; and metrics and targets. We have made material improvements towards assessing our climate-related risks and opportunities, embedding stronger climate governance and risk management, and developing a robust awareness of risk metrics and targets to monitor and track progress.

Governance

TCFD Recommendation		Progress to date
1	Describe the Board's oversight of climate-related risks and opportunities.	Our Supervisory Board and Management Board recognise the importance of climate-related risks and opportunities. The Management Board has established an executive-led ESG Committee as a sub-committee, comprising the CEO, the CFOO, the Business Development Executive Director, the Global Head of Asset Management, the ESG/Sustainability Director and the Corporate Secretary to govern all climate and sustainability-related activities. The Management Board considers climate-related issues when setting strategy, considering new investment opportunities, approving annual budgets, monitoring performance metrics and targets and approving climate change-related disclosures. The Supervisory Board's constituted Remuneration Committee designs reward structures for our Management Board to foster long-term value-creation and reinforce the organisation's ability to achieve its climate change goals and targets. The Remuneration Committee oversees the ESG targets related to the LTIP award which, since 2021, contains objectives related to reducing GHG emissions and implementing net zero plans across our portfolio. **Annual Report I Remuneration Committee Report**
2	Describe management's role in assessing and managing climate-related risks and opportunities.	The ESG Committee meets at least quarterly, in relation to environmental matters and reviews both the climate-related risks facing the Company and its GHG emissions reductions targets. The Risk Manager and the Management Board ensure that any risks/opportunities can be addressed through the Company strategy, risk management procedure and responsible investment approach. Our ESG Committee is led by our dedicated ESG Director, and, together with the Management Board, maintains our ongoing commitment to manage the dual impacts of both physical risk events on our assets and the transition towards becoming a low-carbon business. The Management Board's roles cover the following areas: – The **investment decisions** incorporate ESG and climate-related risks and opportunities assessments during the due diligence phase for new acquisitions. All existing and all new investment opportunities are screened for climate risks and ESG factors. – The **Risk Management Function** assesses the firm's exposures across all risks compared with its stated risk appetite, including the long-term consequences of climate change along our asset's concession periods. – **Corporate governance** obligations and oversight responsibilities in relation to climate-related risks and the review of the Company's approach to disclosures, including those relating to climate change. – The **Compliance Function** undertakes an internal compliance monitoring programme, including our policies relating to sustainability including climate change. **ESG Committee Terms of Reference.**

TCFD disclosures
continued

Strategy

TCFD Recommendation	Progress to date
3 Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	**Physical risk insights** **Overall, scenario analysis has highlighted that the majority of BBGI's portfolio is very resilient to climate hazards both today and under future climate warming scenarios.** – Out of 56 assets modelled, only two have a high risk under a 'high emissions' scenario by 2050. The potential exposure identified from flood risk, coastal inundation and extreme winds only extends to one specific building within the two asset and the theoretical impact on the NAV is not considered material. For both assets, we note that our concession period terminates between 2035 and 2050, and thus we do not expect them to have material impacts on our wider portfolio. – Under a 'Paris-Aligned' scenario there are no assets with a high-risk exposure across the same timeline. – All 20 of BBGI's top 20 assets have a low or very low risk exposure today and in 2050 under 'Paris-Aligned' and 'High emissions' scenarios once existing resilience and mitigation measures are considered. – The risk profile of BBGI's portfolio remains constant for 52 assets over the next 30 years. – Beyond 2051, the period when most our concessions end and most assets revert to public sector clients, climate change could represent a higher risk for three buildings, most notably under a 'high emissions' scenario. While BBGI will not have a financial interest in the assets during this future period, it may create opportunities for BBGI to propose and invest in climate mitigation and adaptation measures. – Under a 'Paris-Aligned' scenario BBGI may take advantage of opportunities arising from energy transition investment plans from the public sector, during planned retrofit interventions or for additional investments. Our assessment considered climate impacts over short (1–5 years), medium (5–10 years) and long-term (10+ years) time horizon, covering the contractual investment life duration of our current portfolio. We note that modelling currently only considers present-day government-funded defence infrastructure in place. When local mitigation measures are also considered, the exposure of our assets to climate change reduces further. **Transition risk insights** We recognise the effects transition risks have on our business. BBGI are working to understand the impact transition risks will have on the portfolio, particularly where rapid, unexpected changes in legislation or government policy occur. In the following table, we outline the potential impacts of policy, technology, reputational and market risks across the infrastructure sector.

Strategy

TCFD Recommendation	Progress to date		
	Transition risk category	**Industry trends**	**Mitigating actions**
3 Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term. *(continued)*	Policy and legal risk		
	Legislation enacted by national and local governments to price and penalise GHG emissions.	We anticipate that, as society attempts to reduce global warming, the cost of carbon taxation will increase and potentially impact businesses. Carbon pricing and exposure to litigation may also increase globally, encouraging businesses to reduce their own GHG emissions.	We are actively seeking ways to reduce our carbon footprint in order to align with our net zero targets. Our main focus is on reducing Corporate and Financed Emissions. Net Zero Plan
	Technology risk		
	Disruptive technology changes in key sectors of the economy responding to changing energy needs.	Technology risks may arise across infrastructure assets where changes and adaptations to new, low-carbon materials and technologies arise.	To achieve our goals, we are exploring the use of more sustainable and environmentally-friendly materials in our assets. This includes low-carbon alternatives for road surfaces, electric vehicles charging infrastructure, solar panels on buildings' roofs and any other energy-efficient alternatives suited within the operations and maintenance lifecycle of infrastructure projects. Additionally, we are investigating energy purchase contracts prioritising renewable sources of energy.

TCFD disclosures
continued

Strategy

TCFD Recommendation	Progress to date		
3 Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term. *(continued)*	Reputational risk		
	Investor and client sentiment influenced by Company's actions to manage climate change risk.	Globally, there is increasing focus on businesses to minimise their carbon footprint. Reputational risk may arise where companies do not take sufficient action to decarbonise or integrate sustainability across their operations.	We have set a target for our Financed Emissions to be 'net zero', 'aligned', or 'aligning' to net zero' by 2030. To achieve this, we are also working with our public sector clients.
	Market risk		
	Market disruption, changes in client preferences, cost of capital and valuation changes as investors prioritise returns from low-carbon companies.	Transitioning into a low-carbon society has potential implications on client and investor appetite and demand.	In order to comply with investor priorities and ESG and sustainability regulations, we report in line with SFDR Level 2 requirements, make voluntary TCFD disclosures, and monitor future ESG and sustainability regulations and reporting requirements to maintain our compliance.

Strategy

TCFD Recommendation	Progress to date
4 Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	We are committed to ensuring our investment strategy, financial planning and decision-making accounts for climate-related risks and opportunities, ensuring we work with our clients to consider appropriate risk mitigation, adaptation and resilience measures where necessary. In 2021–2022 we engaged with a climate modelling specialist firm, leveraging their expertise in climate risk, to conduct a detailed climate change impact assessment for our entire portfolio to identify and assess climate-related risks and opportunities across various climate scenarios. The results of this in-depth exercise continue to inform our long-term strategy and have set the foundation. During the same period, we also commissioned an independent carbon footprint assessments and verification of our Corporate Scope 1, 2 and 3 GHG emissions. The results of the quantitative climate change assessment have fed into our Company's strategy in a number of ways. It informs us on the type of climate risk each of our assets is exposed to, the magnitude of that risk (from low risk to high risk, if any) and the corresponding reinstatement value (i.e. the potential cost of damage from physical climate risks). There is currently no climate-related cost forecasted in our financial models but this may change in relation to increased insurance premiums; however, there is a degree of contractual protection from increased insurance costs. The screening of physical climate-related risks is systematically embedded for each asset in the due diligence and monitoring phases of our investment cycle. The results of the deep dive assessments materialised in a bespoke factsheet which we have shared with our public sector clients and across the Portfolio Companies' boards, helping to raise awareness and drive our engagement initiatives on mitigation measures where physical risks may materialise. Our Net Zero Plan lays the foundation of how BBGI intends to transition to a low-carbon business as we leverage the outcomes of the quantitative climate-change assessment to set our targets and objectives, as well as inform future acquisition screening and strategic portfolio construction. **Net Zero Plan**
5 Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Portfolio-level findings from the quantitative climate change assessment confirm a high-degree of resilience to climate change impacts under the various scenarios tested. **Climate-related risks** The climate modelling demonstrates that our investment strategies focus our investments into infrastructure assets which are built to the latest engineering standards and which, due to the long-term nature of these assets, consider the long-term effects of climate change when they are built. In our capacity as an investor we are developing our resilience by transitioning to net zero through a mix of portfolio decarbonisation, engagement with key stakeholders and an ESG integrated investment approach. A transition to a lower carbon economy may also present a number of opportunities for client-supported change orders and new investment, should the business case support it.

TCFD disclosures
continued

Risk Management

TCFD Recommendation	Progress to date
6 Describe the organisation's processes for identifying and assessing climate-related risks.	The Company's approach to internal controls is risk based. All material risks are identified, analysed, assessed, reported and managed. Since outlining our goal to better improve our understanding of climate-related risks and opportunities we have chosen to focus on two areas: 1) embedding climate due diligence into our on-boarding process for new acquisitions, and 2) better quantifying our corporate GHG emissions footprint to support identification of future risks as well as opportunities for engagement arising as we develop our decarbonisation strategy. In accordance with our commitment to executing due diligence on new acquisitions, within six months of an asset integrating into our portfolio we perform a systematic screening for various risks and identification of climate-related risks is carried out through physical risk due diligence. A summary of the risk exposure is provided under a 'Paris-Aligned' scenario and a 'High emissions' scenario from today and then in decadal time steps until 2100. The output from the screening is a bespoke climate factsheet. To ensure our portfolio remains resilient to climate risk, we continue to embed these insights into our investment screening process, ensuring physical climate risk impacts are assessed for all new investments.
7 Describe the organisation's processes for managing climate-related risks.	Climate risks identified through our climate risk modelling are managed by our Risk Manager and the Management Board with work continuing to ensure climate risk considerations are formally embedded within risk management procedures. Recognising that climate risk cuts across both our value-driven asset management approach and the essential infrastructure we provide to our clients, work is ongoing to ensure climate risks, where identified, will be shared with public sector clients with the objective of a collective action through influence and stewardship where necessary (e.g. mitigation, risk transfer). It should be noted that BBGI rarely has operational control at its Portfolio Companies, so achieving the targets and objectives is highly dependent on successfully influencing stakeholders (typically our public sector clients) into taking action. We have systematically reviewed all existing investments for physical climate change exposure against eight climate perils through quantitative scenario-analysis. We conducted further work on 20 assets performing deep dives. For each asset, a bespoke climate factsheet was produced, providing a summary of the risk exposure. We extended our systematic review for physical climate change exposure to also include our two new acquisitions. We expect to continue this due diligence process for all new acquisitions. By voluntarily applying the TCFD regulatory framework, BBGI is gradually reinforcing numerous aspects of sustainability: risk and opportunities identification, management of climate-risk exposure and disclosure of relevant metrics and targets.

Risk Management

TCFD Recommendation	Progress to date
8 Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Climate-related risks have been integrated into our risk management procedures. Where material climate risks are identified, these are escalated where necessary to the Management Board, ensuring risks can then be appropriately assessed, managed and monitored per our risk management procedure. To ensure our portfolio remains resilient to climate risk, we will embed our findings into our investment screening process which ensures physical climate risk impacts are assessed for all new investments.
9 Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Through scenario analysis, we continue to embed enhanced physical risk metrics across our risk management processes and climate-related risks and opportunities in line with our strategy. – We have quantified both physical severity risk scores and potential projected financial impacts from 2020 to 2100 for every asset under each warming scenario assessed. – For each time horizon and for each warming scenario, each asset is scored with a climate risk score, on a scale from very low to very high. – For the 20 assets which have undergone a deep-dive assessment, we conducted a further sensitivity analysis that considers all existing resilience measures and the engineering of our assets in the climate risk score. We recognise the importance of continually improving both our climate scenario analysis methodology and the metrics we use to track and monitor exposures across our portfolio. We will review and update our results and key metrics as necessary to ensure we maintain an up-to-date picture of climate risk across our investments and future acquisitions. Climate-related risks BBGI is required to comply with SFDR. Since June 2023, BBGI discloses the following climate-related metrics in line with SFDR Level 2 requirements, as part of its Principal Adverse Impact Statement: – GHG emissions; – Carbon footprint; – GHG intensity of portfolio companies; – Exposure to companies active in the fossil fuel sector; – Share of non-renewable energy consumption and production; – Energy consumption as per high impact climate sector; and – Breakdown of energy consumption by type of non-renewable sources of energy. Sustainability disclosures

TCFD disclosures
continued

Metrics and Targets

TCFD Recommendation	Progress to date
10 Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks.	**Corporate Emissions** Refer to section **GHG inventory I Corporate Emissions**. **Financed Emissions** Refer to section **GHG inventory I Financed Emissions**.
11 Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	**Climate-risk targets:** In 2022, we performed deep dives on our assets with the greatest risk exposure and those that are strategically important investments for BBGI. For 20 of our assets, a bespoke climate factsheet was produced, which we continue to utilise when engaging with clients. To date we have shared the climate factsheet or the climate risk score in the following circumstances: – Portfolio Company's boards: 100% of projects. – Public sector clients: 84% of projects. – Formal meeting with client to discuss conclusions of climate modelling and potential joint 'next steps' – 14% of projects. **Net zero targets:** **Corporate emissions (Scope 1, 2 and 3):** BBGI commits to reduce absolute Scope 1, 2 and 3 GHG emissions 50% by 2030 from a 2019 baseline and to reach net zero by 2040. BBGI has aligned its approach with the SBTi guidance for Private Equity Sector and the SBTi guidance for SMEs, BBGI has not taken the steps to have its targets officially approved as there are no applicable industry standards for infrastructure investment at this time. However, BBGI has used the SBTi target setting tool to model its targets in line with SBTi approved criteria and methods. **Financed Emissions (Portfolio Companies' Scopes 1, 2 and material Scope 3)** We aim for 70% of our Financed Emissions to be 'net zero', 'aligned', or 'aligning' to net zero by 2030. This means that by 2030, 70% of AUM (portfolio companies by value) will have a long-term goal to be net zero by 2050 or sooner. We have a goal to have 100% of our Financed Emissions to be 'net zero' or 'aligned', by 2040. BBGI has set its targets in line with the Paris Aligned Investment Initiative Net Zero Investment Framework and the specific guidance for the Infrastructure sector.

Climate scenario

Climate scenario	Mean temp. change by 2100	Description	Climate scenario: Entire portfolio (step 2)	Climate scenario: Deep dives (step 4)
'High emissions' scenario RCP8.5 Climate action is not achieved	+3.7°C	**'High emissions'** scenario as emissions continue to rise throughout the 21st century Limited climate action taken by both government and businesses globally Likely temperature increases ranging from +2.6°C to +4.8°C	✓	✓
'Intermediate' scenario RCP4.5 Global action begins quickly and escalates steadily	+1.8°C	**'Intermediate'** scenario, which assumes temperatures are capped around 2°C Faster transition to a low-carbon society and immediate climate action taken Likely temperature increases ranging from +1.1°C to +2.6°C		✓
'Paris-aligned' scenario RCP2.6 Rapid global action occurs to reduce emissions	+1.0°C	**'Paris-aligned'** scenario, which limits temperature rise to below 2°C Rapid, global move to decarbonise with aggressive climate action implemented Likely temperature increases ranging from +0.3°C to +1.7°C	✓	✓

Note on TCFD disclosures

The purpose of climate scenario analysis is to support an understanding of potential future risk outcomes rather than 'predict' absolute future impacts. Current modelling takes into account individual asset archetypes. Archetypes are used to assess the vulnerability of different asset components to physical risk and building-specific characteristics (e.g. a hospital's typical building materials, number of storeys, type of construction) and embeds present-day government-funded defence infrastructure in place; local/site-specific mitigations have not been included within the model due to limited data availability. With this in mind, we recognise that scenario analysis is a gradual process to be improved iteratively as models themselves improve and our own asset portfolio requires it. The methodology outlined in this Report has been structured to offer both quantitative and qualitative perspectives on future physical risk outcomes and enables us to repeat our analysis as necessary.

We note that while internally we have granular, component-based outputs to support decision making and inform risk management processes, for the purposes of simplifying our reporting here, we have aggregated our risk scoring to the asset level. Asset-level physical risk scores are calculated using a weighted representation of total risk which reflects both each individual component risk severity and its rebuild value.

Both physical and transition risk are key considerations for BBGI. We also note that many of our investments are relatively new and benefit from having climate change considerations incorporated into the design and construction of the infrastructure. Many of the financial consequences resulting from climate-related perils have been mitigated by having insurance in place.

The results presented in this Report are based on best-available data and judgements of subject-matter experts both internally and externally, where required. Climate scenario models may differ in meaningful ways from traditional macroeconomic scenarios; they are neither forecasts nor predictions and should be used for 'insights, not numbers'.

GHG inventory

Scope and boundaries of our GHG inventory

The GHG Protocol defines three approaches for determining the organisational boundaries of institutional GHG inventories: operational control, financial control, and equity share.

BBGI has adopted the operational control boundary approach for the measurement of emission as the Management Board believes this reflects the level of emissions that can be actively controlled and reduced. A company has operational control over a Portfolio Company if it has the full authority to introduce and implement its operating policies at the Portfolio Company level. As an example, at a school or a hospital investment, BBGI typically does not have the ability to control the temperature or implement energy saving initiatives without client consent.

We are committed to responsible asset management, acting as long-term stewards of the assets. However, in almost all cases, BBGI does not have operational control at its Portfolio Companies. We do recognise that, as investors, we have a degree of influence with our Portfolio Companies and as an active and responsible manager, we will work with our public sector clients, our co-shareholders, and our subcontractors to encourage actions which will reduce climate change impacts.

BBGI's Corporate Emissions

Application of the GHG Protocol boundaries to BBGI's inventory:

Scope 1

Direct

Energy consumption from gas use in corporate offices

Scope 2

Indirect

Energy consumption from purchased electricity use in corporate offices

Scope 3

Indirect

Business travel (flights, rail, taxi travel, bus travel, rental cars, personal vehicles for business purposes)

Employee commuting

Home-workers

Purchases (IT equipment, paper)

Cloud-based storage

Waste

Water supply and wastewater

Electric transmission & distribution

BBGI's Financed Emissions

Scope 3 Category 15

Financed Emissions

No operational control
Ability to influence only

Emissions from BBGI's Portfolio Companies

Scope 1 **Scope 2**

And to the extent possible material **Scope 3** emissions

Methodology: Adopted for BBGI from Private Sector Guidance and GHG Protocol.

GHG inventory

Corporate Emissions

Carbon Footprint Ltd. has assessed the GHG emissions from 1 January 2023 to 31 December 2023 resulting from the energy consumption at BBGI's facilities and its business transport activities. Corporate Emissions were calculated in accordance with the Greenhouse Gas Protocol Corporate Standard and the GHG Protocol Scope 3 Value Chain Standard.

BBGI's total market-based emissions are 219 tCO_2e in 2023 (location-based are 213 tCO_2e). The most significant source of emissions is emissions related to business travel, accounting for 78% of total market-based emissions. This is followed by emissions related to office and home-working emission (12%), employee commuting (7%) and purchase of IT equipment (2%).

In comparison to the baseline year 2019, market-based emissions have decreased by 22%, largely due to a decrease in flights.

2019 was selected as the baseline year against which progress will be measured going forward. 2019 was selected as it was considered the most recent full year which was 'typical' of normal operations and not impacted by the effects of the global pandemic, when business travel was greatly reduced.

The GHG Protocol's dual-reporting method requires both location and market-based GHG emissions to be reported alongside one another.

The carbon footprint appraisal is derived from a combination of BBGI's data collection and data computation by the third-party expert's analysts.

Scope	Activity	2019	2020	2021	2022	2023	Variation to 2019
		GHG emissions (tonnes CO_2e)					
Scope 1	Gas	**12**	**12**	**13**	**10**	**10**	-13%
Scope 1 Sub Total		**12**	**12**	**13**	**10**	**10**	
Scope 2	Electricity (location-based)	5	4	4	5	4	-12%
	Electricity (market-based)	5	5	8	7	10	90%
Scope 2 Sub Total (location-based)		**5**	**4**	**4**	**5**	**4**	
Scope 2 Sub Total (market-based)		**5**	**5**	**7**	**7**	**10**	
Scope 3	Flights	226	46	33	162	146	-35%
	Upstream well-to-tank emissions (market-based)[i]	–	–	11	28	21	–
	Employee commuting	19	8	4	13	16	-14%
	Home-workers	1	6	5	2	5	297%
	Purchase of IT equipment	8	8	5	12	4	-47%
	Personal vehicles for business purposes	9	4	4	5	4	-53%
	Other	1	0	1	3	1	-
Scope 3 Sub Total		**263**	**67**	**69**	**252**	**215**	
Total location-based total tonnes of CO_2e		280	89	80	241	213	-24%
Total market-based total tonnes of CO_2e		**281**	**90**	**83**	**243**	**219**	**-22%**

i WTT emissions not assessed for 2019 and 2020.

Definitions

Scope 1 – Energy consumption from gas use in corporate offices

Scope 2 – Energy consumption from purchased electricity use in corporate offices

Location-based approach – reflects the emissions from electricity coming from the national grid energy supply. This method utilises location-based factors.

Market-based approach – reflects the emissions from the electricity sources or products that the consumer has specifically chosen. This method uses supplier-specific factors as a preference, with residual factors used where supplier-specific factors are not available.

Scope 3 – Business travel from air and rail travel, taxi and bus travels, personal vehicles for business purposes, upstream well-to-tank emissions, employee commuting, home-workers emissions, electricity transmission and distribution, water supply and treatment, waste, emissions stemming from cloud-based storage and purchases of paper and IT equipment. Well-to-tank emissions factors have been used to calculate the upstream emissions for fuels and energy. The emissions factors include an average of all GHG emissions released in the production, processing and delivery of fuels or energy.

carbon footprint standard
CO_2e Assessed Organisation

GHG inventory

Financed Emissions

BBGI undertook a comprehensive data collection exercise to capture a complete set of primary activity data from all Portfolio Companies, covering the years 2019 to 2023.

GHG data availability has been incorporated for every investment.

BBGI will continue to work collaboratively with the Portfolio Companies and their operations and maintenance contractors to further streamline their own data collection and reporting.

Methodologies used:

BBGI has quantified Scope 1, Scope 2 and material Scope 3 GHG emissions from its portfolio in accordance with GHG Protocol and PCAF guidance.

Attribution factor:

In accordance with the PCAF guidance, BBGI calculated its attributed emissions based on the proportional share of equity and subordinated debt held in the Portfolio Companies. GHG emissions reported the Scope 1, Scope 2 and material Scope 3 emissions of BBGI's investments, apportioned using an attribution factor.

Avoided emissions:

According to PCAF guidance, avoided emissions are the estimated emissions that have been avoided due to an uptake of renewables during the reporting year, or the emissions of a renewable energy financed project compared to what would have been emitted in the absence of the project. In this comparison it is assumed that the production of renewable energy (over the reporting period) might have avoided the need to run certain fossil fuel power plants. The estimated avoided emissions correspond to:

- John Hart hydroelectric generating station (John Hart), estimated using IRENA avoided emissions calculator.
- electricity generated by the asset from renewable sources (i.e.: solar PV panels) and sold back to the grid.

Find out more

SFDR Principal Adverse Impact statement

expressed in tonnes CO_2e	Attributable emissions		Total emissions	
Scope	**2023**	**2022**	**2023**	**2022**
Emissions from operational assets:				
Scope 1	10,103	8,843	77,486	73,325
Scope 2	10,840	8,862	61,317	54,797
Scope 3	6,150	5,825	38,808	33,660
Total emissions from operational assets	**27,092**	**23,530**	**177,612**	**161,783**
Emissions from major lifecycle works[i]:				
Scope 3	2,582	620	33,969	5,002
[i]The emissions from major lifecycle works primarily relate to significant lifecycle interventions, such as road resurfacing on our transportation assets.				
Total emissions from major lifecycle works				
Emissions from assets under construction/expansion[ii]:				
Scope 3	31,392	24,289	254,650	183,788
[ii]The 2022-2023 emissions from assets under construction relate to the construction activities of Highway 104 (Canada), completed in 2023. The 2022-2023 emissions from assets under expansion relate to the ongoing expansion works at Victoria Correctional Facilities (Australia).				
Emissions from assets under construction/expansion				
Total portfolio emissions	**61,066**	**48,440**	**466,230**	**350,573**
Avoided emissions (estimated)	*92,058*	*84,530*	*477,069*	*441,101*

Restatement of information: The values reported for attributable GHG emissions for 2022 have changed compared to the 2022 values reported in last year's SFDR PAI Statement last year. These changes are due to:

- an updated database of conversion factors, however, it should be noted that a number of these conversion factors do not relate to 2023.
- using the applicable audited accounts (for those entities for which the audited accounts were not yet completed at the time of last year's statement);
- application of the latest guidance from the GHG Protocol;
- changes in reported previous years values from the Portfolio Companies which now have more precise reporting available.

The above led to recalculations of historical attributable emissions. While this may appear as an increase in past reported emissions, this is mainly a reflection of the improved data and methodology. All revisions have been applied retrospectively for consistent year-over-year comparisons.

Estimates: The activity data is obtained directly from the Portfolio Companies' subcontractors; however, as procurement is largely controlled by the public authority, the values are based on reported figures. As is commonly the case in infrastructure PPP projects, waste and water are rarely included in the project agreement, resulting in inconsistent granularity of reporting across our Portfolio Companies. The assets maintenance and lifecycle services are the responsibility of our Portfolio Companies. Where Portfolio Companies have no control of an asset's emissions, as certain sources of emissions such as electricity procurement are handled directly by the public authority, we are reporting data where it has been successfully obtained. For buildings, emissions related to the maintenance and lifecycle of the assets are calculated using spend-based conversion factors derived from the amounts spent by the Portfolio Companies' subcontractors. For transport, emissions related to the maintenance and lifecycle of the assets are based on the most material sources of emissions, determined from the purchased materials.

Boundaries

Building assets:

- **Scope 1** includes emissions from fossil fuels burnt on-site for space heating and hot water.
- **Scope 2** includes purchased electricity consumed on-site for heating, air-conditioning, hot water and lighting.
- **Scope 3** includes emissions which are material to the Portfolio Company's activities, such as: emissions from maintenance, repairs and retrofits; soft services such as cleaning and landscaping performed by the operator; water and waste (where applicable); and business travel from BBGI Directors. Scope 3 also includes major lifecycle works or expansions works, which create emissions peaks.

Transportation assets:

- **Scope 1** includes emissions from fossil fuels burnt on-site (e.g. operator's site depot) for space heating and hot water or back-up diesel generators (where applicable).
- **Scope 2** includes electricity consumed on-site (operator's site depot) for heating, air-conditioning, hot water and lighting; and electricity consumed by the asset itself for road lighting, electrical signs, or pumps (where applicable).
- **Scope 3** includes emissions which are material to the Portfolio Company's activities, such as: emissions from routine maintenance and treatment of road surfaces, de-icing material, waste generated by the asset (where applicable); emissions from operator's vehicles used for road maintenance; business travel from BBGI Directors; and water and waste consumption from the asset or operator's depot (where applicable). Scope 3 emissions also includes major lifecycle interventions, such as road resurfacing, which create GHG emissions peaks.

Assets under construction/expansion:

GHG emissions from assets under construction or expansion during the reporting period are also accounted for and reported separately from emissions related to the assets' operational lifecycle.

Independent Assurance Report

Financed Emissions

PRIME ADVOCATES

Prime Advocates Limited, Ground Floor, 55 Gee Street, London EC1V 3RS | primeadvocates.com | info@primeadvocates.com | 020 3665 6157

26th August 2024

To the Management Board of
BBGI Global Infrastructure S.A.
6E Route de Treves
L-2633 Senningerberg
Luxembourg

Independent Assurance Report

Scope of our work

We have been engaged by BBGI Global Infrastructure S.A. ("**BBGI**") to provide limited assurance on selected Greenhouse Gas ("**GHG**") emission information for the period 1 January to 31 December 2022 and 2023 represented in BBGI's Sustainability Report for the year ended 2023 (the "**Assurance**"). This information includes the reporting of GHG emissions across Scope 1, Scope 2, and material Scope 3 emissions of BBGI's apportioned financed investments, in accordance with the relevant GHG Protocol and PCAF Guidance.

This Assurance statement is made conditional to the fulfilment by BBGI of our core recommendations. The full form of the assurance report has been presented to BBGI.

Our conclusion

Based on our limited assurance work we have performed, process analytics, and the evidence we have obtained, nothing has come to our attention that causes us to believe that the "Selected Financed GHG Emissions" information above (refer to Attachment A below) has not been properly prepared, in all material respects, in accordance with BBGI's outlined reporting criteria and in alignment with the GHG Protocol and PCAF Guidance relevant to infrastructure/project finance.

This conclusion is to be read in the context of the scope and limitations of the Assurance, data provided, and in particular the Limitations of the Engagement section below.

Selected subject matter of Financed GHG Emissions assurance:

The scope of our work includes only the information disclosed within the Selected Financed GHG Emissions information table for Financed GHG Emissions under BBGI's Sustainability Report for the year ended 2023. This includes absolute and attributable financed emissions for the years 2022 and 2023 disclosed by BBGI. The assurance engagement does not cover any information relating to earlier periods or other sustainability information. The assurance engagement looks to the appropriateness of BBGI's policies and procedures, systems and controls in relation to GHG emission information collection, management and calculation.

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Assurance criteria

The assurance criteria we use is divided into the three categories: i) compliance with applicable GHG/relevant ESG regulatory requirements; ii) adherence to leading voluntary codes of practice identified by Prime Advocates as relevant to reporting on "financed" GHG emissions data for an infrastructure firm; and iii) assessment criteria derived from our own proprietary ESG methodology.

The reporting criteria used to form our judgements are based on the GHG Protocol and PCAF Guidance. The Selected Financed GHG Emissions information should be read together with Prime Advocates' Assurance Methodology Criteria and any other relevant documentation.

The criteria used to evaluate and assure the subject matter mirrors BBGI's methodology, was designed for the sole purpose of carrying out an effective GHG emissions Assurance engagement of BBGI's Selected Financed GHG Emissions information, and may therefore not be suitable for any other purpose.

Key assurance work performed:

Our work involved obtaining an understanding of the key processes, systems, and controls in place over the preparation of the Selected Financed GHG Emissions information. This included:

- Interviews with BBGI management, relevant staff, control functions and asset's management service providers to understand the processes and internal controls related to the Selected Financed GHG Emissions information;
- Interviews and review processes applicable to BBGI's appointed expert professional third party adviser supporting data collation, mapping process and emissions conversions factor application;
- Examination of the data and underlying records used to prepare the Selected Financed GHG Emissions information;
- Evaluation of the appropriateness of the emission factors and other unit conversion factors, and the attribution process used in calculation;
- Verification of the data accuracy through limited asset sample testing and recalculation where appropriate;
- Assessment of the risks of material misstatements in the subject matter, with regard to the applicable criteria;
- Composition of independent conclusions based on the results of our assessment; and
- Presentation of the report or review findings to the Management Board of BBGI.

Based on the procedures performed and evidence obtained, we provide a limited level of assurance on the Selected Financed GHG Emissions information. The procedures we performed were designed to obtain a meaningful level of assurance but not a guarantee of absolute accuracy.

Limitations of the engagement

Our engagement was limited to the information presented related to the Selected Financed GHG Emissions information. We have not assessed the following ESG information relevant to BBGI and such data is outside of scope for the Assurance:

- GHG data related to the Corporate emissions of BBGI (our focus herein remains on the Financed Emissions of BBGI's assets as disclosed);
- GHG emissions related to the primary construction of the assets, as BBGI's model begins post asset completion and addresses asset operation and maintenance;
- Data related to GHG emissions or ESG factors not presented or presented but defined as outside of the "organisational boundary" of BBGI's defined portfolio assets. We note a standard Infrastructure sector issue with obtaining data for assets where tenant clients procure utilities services themselves or for outputs (triggering a standard emission) which are not metered or financially accounted for by asset management services providers. Data gaps and reasonable estimates may abound in such cases. Outputs related to Water and Waste are especially inconsistent in their application and we note BBGI's

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improving and reasonable endeavour actions. Prime Advocates makes no assurance as to process and related values affected materially by Waste and Water related GHG emissions;
- A multitude of sectoral and geographical GHG emission factors alternative to those GHG emission conversion factors presented by BBGI and its appointed expert professional third party adviser [operating as a conversion factor methodology expert, some reliance is made on their written opinion on the process];
- Avoided emissions application in accordance with PCAF, although stated to be present in the portfolio, did not appear in our broad sample set test, therefore no opinion is made as to it application at this time;
- Empirical evidence at source (that provides for the asset related ESG data points populating BBGI's GHG emissions estimates), when such evidence is not procurable or evident from conducted due diligence interviews with BBGI management, relevant staff, control functions and asset management service providers; and
- GHG emissions not disclosed or non-material GHG emission sources.

The nature of sustainability reporting as a non-financial reporting aspect, means that it is subject to certain limitations. For example, methodologies and data used to calculate and report on sustainability metrics and GHG emissions are subject to uncertainty and evolving standards. As such, the information presented is subject to inherent limitations including the accuracy of source data and the interpretation of reported metrics. The Selected Financed GHG Emissions information has been developed and reported on by BBGI, and our insights into BBGI's financed emissions sustainability performance may differ from information presented by other organizations or over different reporting periods.

The procedures performed in a limited assurance engagement vary in nature and timing from and have a smaller scope than a full reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed an unlimited reasonable assurance engagement. We believe that the evidence we have obtained is sufficient and appropriate to provide a fair basis for our opinion.

Responsibility of the Management Board

The Management Board of BBGI are responsible for the preparation of the presented Selected Financed GHG Emissions data in accordance with the applicable reporting criteria and for such internal control as the Management Board determine necessary to enable the preparation and presentation of Selected Financed GHG Emissions information that is free from material misstatement. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation of the ESG data/management or calculations of the GHG emissions and its reported statement that is free from material misstatement, whether due to fraud or error.

Professional standards, independence and competence

We undertook limited assurance on Selected Financed GHG Emissions information indicators in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) and ISAE 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board. These procedures included inquiries, analytical procedures, and a review of the processes and controls related to BBGI's GHG emission data collection, management, calculation and reporting. These standards require that we plan and perform the assurance engagement so as to determine if BBGI's GHG emissions summarised in the Selected Financed GHG Emissions information is not fairly stated, in all material respects, in accordance with the relevant criteria. Therefore, we do not express an opinion as to whether BBGI's GHG emissions data is accurate or complete, but rather conclude that, based on the work performed, we are not aware of any material modification (that has not been corrected) that should be made to BBGI's Selected Financed GHG Emissions information for it to be fairly stated in accordance with the specified criteria

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Independent Assurance Report

Financed Emissions (continued)

As a regulated UK law firm specialising in social finance/impact finance and as an ESG advisory boutique, we applied robust and reasoned analytical and due diligence methods. We complied with Prime Advocates' independence policies, which address and in certain cases exceed the requirements of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants in a role as independent auditors. Therefore, we are precluded (and prevent individuals with conflicts from partaking in preparation of this Report) from taking financial, commercial, governance and ownership positions which materially affect (or may be perceived to affect) the assurer's independence and impartiality. Prime Advocates has confirmed to the Management Board of BBGI that it has maintained appropriate independence and objectivity throughout the preceding year and no prohibited services or activities impair Prime Advocates' independence and objectivity.

Prime Advocates' assurance report does not include testing of source data especially standardised third party data providers' data (unless specifically identified as undertaken) or the operating effectiveness of processes and internal controls above the requirements for effective Assurance.

Our responsibility

In our role as an evaluator of the data provided to us by BBGI, we are responsible for the evaluation of the subject matter against the criteria as devised by us. Based on a consideration of risks and materiality we have undertaken procedures to seek to obtain sufficient appropriate evidence. The procedures selected depend solely on our judgment.

Our responsibility as an assurance practitioner is to independently express a limited assurance conclusion on the Selected Financed GHG Emissions information disclosed and reported based on our performed procedures and evidence obtained. In accordance with ISAE 3000 (Revised) and ISAE340, we are responsible for planning and performing the engagement in a way that allows us to obtain limited assurance about whether the report is free from material misstatement.

In accordance with the engagement agreement, our duty of care for this engagement only extends to the Management Board of BBGI. The Management Board is the sole intended audience of this report and, as such, the information contained within it may not be relevant or useful for any other party.

Lead Assurer
On behalf of **Prime Advocates Limited**

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Attachment A


GHG inventory
Financed Emissions

BBGI Sustainability Report 2023.

5

Net Zero Investment Framework for Infrastructure

(Paris-Aligned Investment Initiative)

A portfolio coverage target, defined by The Net Zero Investment Framework for Infrastructure, is the percentage of assets under management that will be '**net zero**', '**aligned**' or '**aligning**' by a given year. To be considered '**aligning**', an asset or Portfolio Company must have short- and medium-term targets that are underpinned by science-based pathways for the sector; it must disclose all material scope emissions (including Scope 3) and evidence the governance of net zero plans.

The requirements of '**aligned**' have a greater focus on implementation. The asset must have forecast emissions performance against targets set as well as have a decarbonisation strategy to support the reduction projection.

To be considered '**net zero**,' actual emissions must match or outperform the science-based decarbonisation pathway.

For operational assets, if an asset is achieving against all criteria set out below it can be considered 'aligned' to a net zero pathway. If an asset is achieving these indicators but already has an emissions intensity of the 'net zero' level required for its sector in 2050, it would be considered 'net zero' already.

Criteria for Operational Assets		Net zero	Aligned	Aligning
1 Performance & Target	Current and forecast Scope 1, 2 and material Scope 3 emissions performance level (relative to target or to a net zero benchmark/pathway, or asset's science-based target, over time).	Asset with emissions intensity required by the sector and regional pathway for 2050 and whose ongoing operational model will maintain this performance	✓	Either ✓ OR all of the below marked criteria
2 Ambition	Long-term goal for the asset to be net zero emissions by 2050 or sooner.		✓	✓
3 Disclosure	Disclosure of Scope 1 and 2 emissions, and disclosure of material Scope 3 within a reasonable timeframe and in line with regulatory requirements.		✓	✓
4 Targets	Short- and medium-term targets for Scope 1, 2 and material Scope 3 emissions in line with science-based 'net zero' pathway. These may be absolute, or intensity based: a. Where available, a sectoral decarbonisation approach ('TPI/SBTi') or 'carbon budget' approach ('Carbone4') should be used b. Minimum for other assets is a global or regional average pathway.		✓	✓
5 Decarbonisation Strategy	Development and implementation of credible decarbonisation strategy for Scope 1, 2, and material Scope 3 emissions.		✓	
6 Governance	Governance/management responsibility for targets/decarbonisation plan.		✓	✓

GRI content index

Statement of use	BBGI Global Infrastructure S.A. has reported the information cited in this GRI content index for the period from 1 January 2023 to 31 December 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI standard/ other source	Disclosure	Location
General disclosures		
GRI 2: General Disclosures 2021	2-1 Organisational details	p. 4
	2-2 Entities included in the organisation's sustainability reporting	p. 2
	2-3 Reporting period, frequency and contact point	p. 2
	2-4 Restatements of information	p. 52
	2-5 External assurance	p. 2; p. 53
	2-7 Employees	p. 4
	2-8 Workers who are not employees	None
	2-9 Governance structure and composition	p. 7
	2-10 Nomination and selection of the highest governance body	Annual Report Remuneration Committee Report p. 84
	2-11 Chair of the highest governance body	Annual Report p. 68
	2-12 Role of the highest governance body in overseeing the management of impacts	p. 7
	2-13 Delegation of responsibility for managing impacts	p. 7
	2-14 Role of the highest governance body in sustainability reporting	p. 7
	2-15 Conflicts of interest	p. 40
	2-16 Communication of critical concerns	No critical concerns reported to the Management Board

GRI standard/ other source	Disclosure	Location
General disclosures		
	2-17 Collective knowledge of the highest governance body	Not reported
	2-18 Evaluation of the performance of the highest governance body	Annual Report p. 84
	2-19 Remuneration policies	Annual Report p. 84
	2-20 Process to determine remuneration	Annual Report p. 84
	2-21 Annual total compensation ratio	Annual Report p. 84
	2-22 Statement on sustainable development strategy	p. 8
	2-23 Policy commitments	p. 1
	2-24 Embedding policy commitments	p. 8-55
	2-25 Processes to remediate negative impacts	p. 8-55
	2-26 Mechanisms for seeking advice and raising concerns	Whistleblowing hotline p. 31
	2-27 Compliance with laws and regulations	p. 44-55
	2-28 Membership associations	p. 1
	2-29 Approach to stakeholder engagement	p. 8-9
	2-30 Collective bargaining agreements	p. 31

GRI content index
continued

Statement of use	BBGI Global Infrastructure S.A. has reported the information cited in this GRI content index for the period from 1 January 2023 to 31 December 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI standard/ other source	Disclosure	Location
Material topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	p. 8-9
	3-2 List of material topics	p. 8; 10-12
Pathway to net zero		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 14; 19
Reduce our Corporate Emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 15; 18
Reduce our Financed Emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 16-17
Mitigate impacts on biodiversity		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 22
Health and safety of employees, workers and at projects		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 28
Diversity and inclusion		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 30

GRI standard/ other source	Disclosure	Location
Material topics		
Fair employment and remuneration		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 29
Learning and development		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 32
Creating long-term sustainable value		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 39
ESG factors are considered strategically		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 7; 37-38
Business ethics and integrity		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 40
Quality of services		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 41
Cyber-security		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 42

SASB content index

BBGI published for the first time in relation to the year ended 31 December 2023 against Sustainability Accounting Standards Board ('SASB') standards.

SASB Standards guide the disclosure of financially material sustainability information by companies to their investors. The Standards identify the subset of environmental, social, and governance (ESG) issues most relevant to financial performance in each industry. This disclosure includes BBGI's activities as asset manager and asset owner. This document also signposts publicly available information, where appropriate.

<table>
<tr><th colspan="4">SASB Standard: Asset Management & Custody Activities industry</th></tr>
<tr><th>SASB Topic</th><th>Indicator</th><th>Indicator code</th><th>Disclosures</th></tr>
<tr><td rowspan="3">Transparent Information & Fair Advice for Customers</td><td>(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings</td><td>FN-AC-270a.1</td><td>BBGI does not have any covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings to report.

Covered Employees: 3

The data included in response to this item is based on the population of covered employees (which BBGI assumes to be its Management Board) on 31 December 2023.</td></tr>
<tr><td>Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product related information to new and returning customers</td><td>FN-AC-270a.2</td><td>BBGI does not have any monetary losses as a result of legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers.</td></tr>
<tr><td>Description of approach to informing customers about products and services</td><td>FN-AC-270a.3</td><td>All investors communications are produced in line with the requisite regulations and guidance as prescribed by our regulators. The main categories of materials produced are:
– Annual Report, Interim Report, Sustainability Report
– Website
– SFDR disclosures
– Investor relations activities (meetings, webinars, roadshows and direct discussions)
– Close interactions and feedback with our Corporate Brokers
– Annual General Meeting

Reporting against voluntary frameworks (see p. 1)

For all investors we provide information and documentation (including objectives, performance, risks, costs, and ESG integration approach) on our website (www.bb-gi.com/investors) in line with relevant regulations and through LSE's Regulatory News Services.</td></tr>
<tr><td>Employee Diversity & Inclusion</td><td>Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees</td><td>FN-AC-330a.1</td><td>Sustainability Report p. 30
<table><tr><th>Category</th><th>Gender[i]</th><th>Ethnicity</th></tr><tr><td>(1) Executive management[ii]</td><td>38%</td><td>N/A</td></tr><tr><td>(2) Non-executive management[iii]</td><td>42%</td><td>N/A</td></tr><tr><td>(3) Professionals</td><td>31%</td><td>N/A</td></tr><tr><td>(4) All other employees</td><td>None</td><td>N/A</td></tr></table>[i] Gender is defined as women
[ii] Supervisory Board and Management Board
[iii] Direct reports to the Management Board

The data included in response to this item is based on the population for the above categories (as defined by SASB) on 31 December 2023.</td></tr>
</table>

SASB content index
continued

<table>
<tr><th colspan="4">SASB Standard: Asset Management & Custody Activities industry</th></tr>
<tr><th>SASB Topic</th><th>Indicator</th><th>Indicator code</th><th>Disclosures</th></tr>
<tr><td rowspan="3">Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory</td><td>Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (‘ESG’) issues, (2) sustainability themed investing, and (3) screening</td><td>FN-AC-410a.1</td><td>Sustainability Report p. 6
<table><tr><th>Approach</th><th>AUM</th></tr><tr><th colspan="2">Asset class: Infrastructure</th></tr><tr><td>(1) Integration of ESG issues</td><td>100%</td></tr><tr><td>(2) Sustainability themed investing</td><td>100%</td></tr><tr><td>(3) Screening</td><td>100%</td></tr></table>
The data included in response to this item is based on the population for the above categories (as defined by SASB) on 31 December 2023.</td></tr>
<tr><td>Description of approach to incorporation of environmental, social, and governance (‘ESG’) factors in investment and/or wealth management processes and strategies</td><td>FN-AC-410a.2</td><td>Sustainability Report p. 5-12</td></tr>
<tr><td>Description of proxy voting and investee engagement policies and procedures</td><td>FN-AC-410a.3</td><td>SFDR entity-level disclosure – section ‘Summary of engagement policies’</td></tr>
<tr><td rowspan="2">Business Ethic</td><td>Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations</td><td>FN-AC-510a.1</td><td>BBGI does not have any monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice or other related financial industry laws or regulations.</td></tr>
<tr><td>Description of whistleblower policies and procedures</td><td>FN-AC-510a.2</td><td>Whistleblowing Hotline: www.bb-gi.com/investors/policies/bbgi-s-whistleblowing-hotline
Whistleblowing policy: https://www.bb-gi.com/media/2094/whistleblowing-policy-v21-approved-sb-270122-_clean.pdf</td></tr>
<tr><td colspan="2">(1) Total registered and (2) total unregistered assets under management (‘AUM’)</td><td>FN-AC-000.A</td><td>(1) Total registered AUM: £1,056.6m
(2) Total unregistered AUM: None</td></tr>
<tr><td colspan="2">Total assets under custody and supervision</td><td>FN-AC-000.B</td><td>£1,056.6m</td></tr>
</table>

UN Global Compact index

BBGI became a signatory to the UN Global Compact in 2020. We are pleased to confirm that BBGI Global Infrastructure S.A. reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

This Report forms part of BBGI's annual Communication on Progress, alongside the submission of the Communication on Progress questionnaire on the UN Global Compact website.

We disclose our continuous efforts to integrate the Ten Principles into our business strategy, culture and daily operations, and contribute to United Nations goals, including the Sustainable Development Goals.

COMMUNICATION ON PROGRESS

UN GLOBAL COMPACT

Read more

UN Global Compact Communication on Progress

The Ten Principles of the United Nations Global Compact		Location
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	p. 31
	Principle 2: Make sure that they are not complicit in human rights abuses.	
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	p. 31
	Principle 4: Elimination of all forms of forced and compulsory labour.	p. 31
	Principle 5: Effective abolition of child labour.	
	Principle 6: Elimination of discrimination in respect of employment and occupation.	p. 29
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges.	p. 14-26
	Principle 8: Undertake initiatives to promote greater environmental responsibility.	
	Principle 9: Encourage the development and diffusion of environmentally friendly technologies.	
Anti-corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	p. 40

Disclaimer

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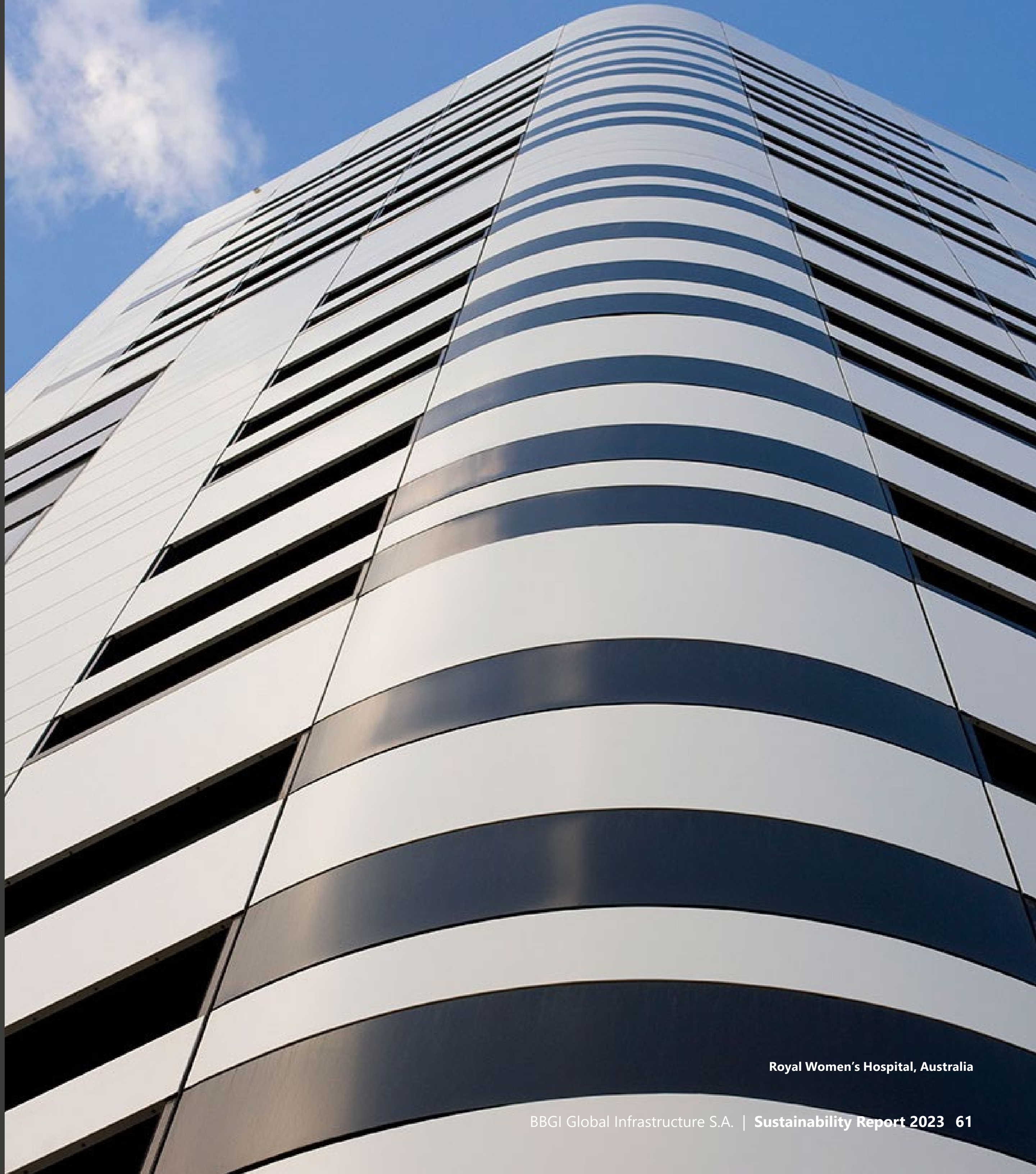

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