Environment, Social and Governance Report

2021

Low-risk investments
Long-term returns

BBGI | INVESTING IN GLOBAL INFRASTRUCTURE

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Image: Solar panels on top of South Liverpool LIFT Clinic, UK
Front cover image: Our subcontractor's team at MerseyLink Gateway Bridge, UK

Foreword from our Co-CEOs

We are pleased to publish our 2021 ESG Report, our second annual stand-alone ESG Report. While 2021 marked our ten-year anniversary as a listed company, much of the progress we have made on our ESG journey only really began to take shape in the second half of the decade. The landscape for responsible investment has shifted markedly since 2011 and we continue to evolve the Company's reporting and monitoring of ESG performance.

At BBGI, we take pride in our reputation as responsible hands-on stewards of critical social infrastructure investments such as hospitals, schools, affordable housing, blue light[1] and modern correctional facilities and transportation assets. We are long-term custodians of public infrastructure and in the year of COP26, institutional investors' approach to climate change adaptation and mitigation has come under welcomed scrutiny. It has empowered the investment community to do more to support the global transition to a low-carbon economy.

We are excited to update our stakeholders on the progress we have made during the year in a number of areas, in particular:

- We became a signatory of the Net Zero Asset Managers initiative, having committed to supporting the goal of net zero greenhouse gas ('GHG') emissions by 2050. We have set out our specific net zero targets on page 23.
- We started reporting all Scope 1, 2 and 3 Corporate Emissions. These results have been independently verified and BBGI is certified as carbon neutral for 2021.
- We have started to track and report Scope 1 and 2 emissions at our 54 portfolio companies and will report this information from 2022 onwards and will share it with our public sector clients in the hope that it will influence outcomes that support a reduction in GHG emissions at the portfolio companies.
- We undertook a comprehensive stakeholder materiality assessment amongst our employees, shareholders, clients, partners and subcontractors to identify ten material topics influencing our ESG strategy. These ten topics have shaped key ESG commitments and KPIs which we are now tracking to ensure incremental progress in our delivery of positive stakeholder outcomes. Details of the materiality assessment can be found on page 16.
- We have introduced an enhanced ESG Best Practice Guide which is designed to support the implementation of BBGI's ESG & Sustainability strategy across all of our portfolio companies. It builds on the significant progress already made by all portfolio companies over the years to formalise and further integrate a strong ESG framework and reflects today's higher standards and expectations related to sustainability performance.
- We have been compliant with the new Sustainable Finance Disclosure Regulation ('SFDR') since it was launched in March 2021 and we have enhanced our disclosure in line with SFDR requirements. We believe that BBGI satisfies the scope of Article 8 and meets the criteria for socially beneficial investment. The SFDR seeks to provide a framework for greater transparency across those companies that make a genuine contribution to sustainable outcomes. We welcome the initiative and will actively report against the new standard as they emerge.
- We have once again included voluntary disclosures in line with the Task Force on Climate-Related Financial Disclosures ('TCFD') recommendations on page 25. BBGI continues to be a 'TCFD supporter'.
- We undertook a detailed climate risk assessment of our portfolio to consider how both physical and transition risks could impact our investments due to climate change. Modelling considered physical risk from eight different perils, under different climate scenarios over multiple time horizons. Details of the climate risk assessment can be found on page 33.

We remain focused on our goal of generating stable, predictable returns for our investors, while also delivering long-term positive outcomes for society and all of our stakeholders. We are pleased to report the steps we have taken to further integrate ESG, including climate change considerations, into our business model, but acknowledge there is still more to be done. We remain optimistic and have consistently found that value creation and sustainable business practices are complementary goals.

Duncan Ball
Co-CEO

Frank Schramm
Co-CEO

1 Fire stations and police stations.

UN Global Compact Communication on Progress

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.

In this annual Communication on Progress, 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.

This year, BBGI joined the UN Global Compact Early Adopter programme. As such we will also be submitting the enhanced Communication on Progress questionnaire on the UN Global Compact website.

Duncan Ball
Co-CEO

Frank Schramm
Co-CEO

COMMUNICATION ON PROGRESS

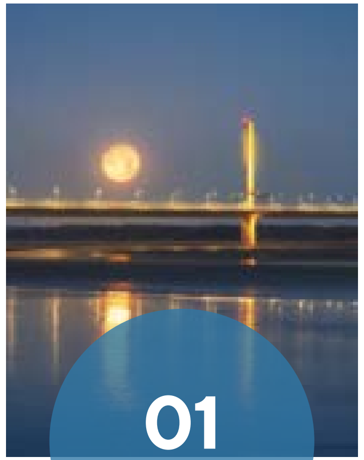
UN GLOBAL COMPACT

This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

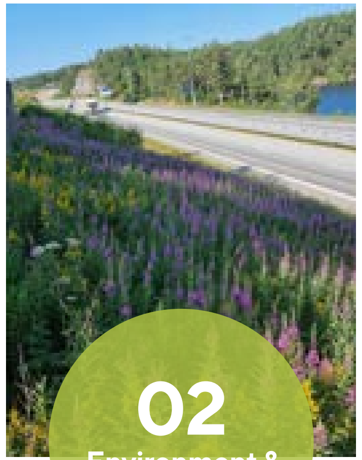
We welcome feedback on its contents.

The Ten Principles of the United Nations Global Compact		Description of actions
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2: make sure that they are not complicit in human rights abuses.	BBGI supports and upholds the protection of internationally proclaimed human rights and ensures that the Company is not complicit in human rights abuses in our supply chain. See section 'Fair employment and remuneration' on page 47 and 'Governance framework at our portfolio companies' on page 53.
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; and	BBGI upholds the principles of freedom of association and the right to collective bargaining in our business and in our supply chain. See section 'Fair employment and remuneration' on page 47 and 'Governance framework at our portfolio companies' on page 53.
	Principle 4: the elimination of all forms of forced and compulsory labour; and	BBGI does not, and will not, tolerate any form of slavery, human trafficking or forced labour. BBGI is committed to ensuring there is transparency within our business, and to preventing slavery and human trafficking in its corporate activities, day-to-day operations and in our supply chain. See sections 'Forced or Compulsory Labour' on page 47. Also see our Slavery and Human Trafficking Transparency Statement here: www.bb-gi.com/investors/policies/modern-slavery
	Principle 5: the effective abolition of child labour; and	
	Principle 6: the elimination of discrimination in respect of employment and occupation.	At BBGI we are an equal opportunity employer and have zero tolerance for any form of workplace discrimination. A cornerstone of our active asset management approach is to establish a strong governance framework at each portfolio company. BBGI's standard policies include a Code of Conduct including anti-bribery, anti-corruption and non-discrimination. See sections 'Fair employment and remuneration' on page 47 and 'Governance framework at our portfolio companies' on page 53.
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges; and	As signatories of the Net Zero Asset Managers Initiative (since 2021), of the UN Principles for Responsible Investment (since 2019) and to the UN Global Compact (since 2020), we acknowledge that there is an urgent need to accelerate the transition towards global net zero emissions and for asset managers to play our part to help deliver the goals of the Paris Agreement and ensure a just transition. See section 'Environment & climate change' on page 21.
	Principle 8: undertake initiatives to promote greater environmental responsibility; and	
	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.	We have a zero-tolerance approach to bribery, including facilitation payments and we require that our investment companies adopt equally stringent policies. See sections 'Business ethics and integrity' on page 56 and 'Governance framework at our portfolio companies' on page 53.

Contents

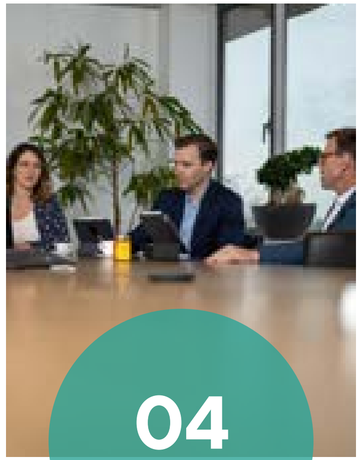


01 About BBGI



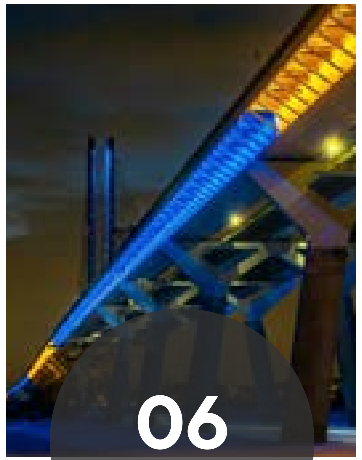
02 Environment & climate change

03 Social



04 Governance

05 Looking ahead



06 Appendices

Image: MerseyLink Gateway Bridge, UK (Credit: Andy Light)

01 About BBGI

Sustainability highlights

Our purpose is to provide access to a diversified portfolio of essential social infrastructure investments that generate long-term, sustainable returns and serve an inherent social purpose.

We invest in and actively manage a global and diversified low-risk portfolio of 54 social infrastructure investments across highly rated investment grade countries with stable, well-developed operating environments.

In alignment with our SFDR Article 8 product classification, we have a focused approach, investing in core social infrastructure assets which serve society.

Our portfolio includes investments in healthcare (hospitals and clinics), education (schools), affordable housing, blue light (fire stations and police stations), modern correctional facilities and transport (roads and bridges).

BBGI is a long-term custodian of these assets and we partner with the public sector to provide well maintained infrastructures. In return BBGI receives an availability-based[2] revenue stream that is paid by our public sector (backed) clients.

54
Social infrastructure investments

TCFD Task Force on Climate-Related Financial Disclosure

- Voluntary disclosures aligned with Task Force on Climate-Related Financial Disclosures ('TCFD') recommendations
- TCFD supporter since 2020

- Detailed climate risk assessment of our portfolio undertaken; modelling considered physical risk from eight different perils, under three different climate scenarios over multiple time horizons
- Portfolio demonstrates a high degree of climate resilience

Carbon Neutral Organisation

- All Scope 1, 2 and 3 corporate emissions reported and results have been independently verified
- Certified as carbon neutral for 2021
- Started to track and report Scope 1 and 2 emissions at our portfolio companies and will continue reporting from 2022 onwards

8 SFDR

- Compliant with the Sustainable Finance Disclosure Regulation ('SFDR') since March 2021
- Article 8 product classification and meet the criteria for socially beneficial investments
- Enhanced disclosure in line with SFDR requirements and we will actively report against the new standards as they emerge

- Comprehensive stakeholder materiality assessment undertaken involving employees, shareholders, clients, and subcontractors
- Identified ten material topics influencing our ESG strategy
- Introduced KPIs to track material topics and to ensure incremental progress in our delivery of positive stakeholder outcomes

- Introduction of enhanced ESG Best Practice Guide across all portfolio companies
- 80+ questions screening tool covering all aspects of our ESG oversight
- Supports the implementation of BBGI's Sustainability strategy and SFDR disclosure obligations

NET ZERO

- BBGI became a signatory to the Net Zero Asset Managers initiative in 2021
- Committed to supporting the goal of net zero GHG emissions by 2050
- Set net zero targets for our Corporate and Financed emissions

SUSTAINALYTICS

- The ESG Risk Rating is deemed to be negligible by Sustainalytics
- The Company's overall ESG Risk Exposure is low, while the Company's overall management of ESG issues is strong

PRI Principles for Responsible Investment / WE SUPPORT

- Signatory of UN Global Compact since 2020
- Signatory of UN Principles for Responsible Investments since 2019; rated A (Strategy, Governance, Infrastructure)
- 59% of our assets have a sustainability certification

2 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-based'.

Portfolio at a glance

Based on portfolio value at 31 December 2021 (% by NAV)

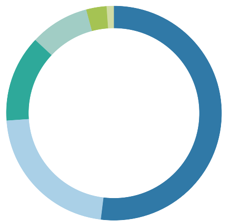
Geographical split

Geographically diversified in stable developed countries.

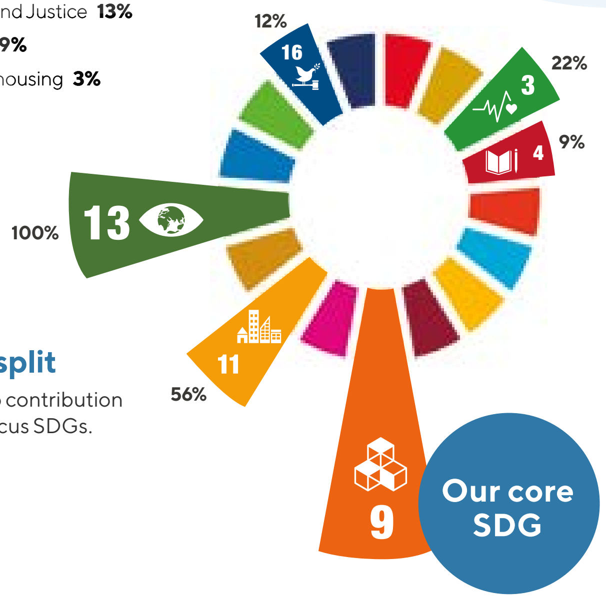
- Canada **36%**
- UK **33%**
- Australia **11%**
- Cont. Europe **11%**
- USA **9%**

Sector split

Social impact portfolio with well diversified sector exposure.



- Transport **52%**
- Health **22%**
- Blue Light and Justice **13%**
- Education **9%**
- Affordable housing **3%**
- Other **1%**



SDG split

Portfolio contribution to our focus SDGs.

Social impact of our portfolio

(by number)

Healthcare

41
Essential healthcare facilities

Education

33
Schools and colleges

Blue light

4
Police stations

26
Fire stations

Justice

4
Modern correctional facilities

Affordable housing

3
Affordable residential housing

2
Community centres

Transport

18
Roads and bridges including 1 fully electric public transit line

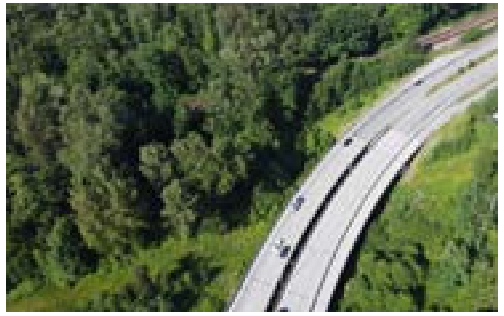
Looking back on our achievements

2021 has been an important year in accelerating our ESG efforts and we are pleased to report our progress. We transformed aspirations into tangible programmes and have set a solid foundation to reach our goals and ambitions.

Completed

Ongoing

Started



Environment and climate change 2021 objectives:

- Measure and disclose the carbon footprint from our corporate activities
- Measure and disclose the carbon footprint from our investment portfolio
- Setting a GHG reduction target in line with the Paris Agreement
- Voluntary compliance with the TCFD requirements in our 2021 disclosures
- Reducing our business travel and continue to use video conferencing solutions

Social 2021 objectives:

- Perform a robust materiality assessment based on stakeholder engagement
- Improve our reporting on both positive and negative impacts
- Develop our approach to measuring the social value provided by our investments
- ESG training for our staff
- Consider gender and ethnic diversity within our team

Governance 2021 objectives:

- Expand our ESG data collection process amongst our portfolio companies, including SFDR Principal Adverse Sustainability Impacts indicators
- Engage our portfolio companies to reduce their GHG emissions
- Engage our portfolio companies to set a GHG reduction target in line with the Paris Agreement
- Screen all our investments against our climate change questionnaire
- Perform a full assessment of our portfolio to understand our risk and exposure in relation to climate change

Approach to responsible investment

Our investment strategy embodies the Company's purpose to help provide the responsible capital required to build and maintain the developed world's social infrastructure, reflecting our SFDR classification as an Article 8 product, where we promote social characteristics in combination with good governance practices.

ESG is an integrated part of our investment process

BBGI has implemented a robust framework for ESG integration into all aspects of the investment cycle from initial screening through to end of investment life.

End of investment life

- Hold investment for duration or realise value through exit
- Share ESG information acquired during our concession period with our public sector clients
- Responsible and collaborative approach to asset hand back to public sector

Reporting

- Communicate results to stakeholders
- Annual reporting of UN PRI, UN Global Compact, SFDR and TCFD on ESG activities
- Continuous improvement of process and reporting

Monitoring

- Semi-annual proprietary ESG KPI survey for each investment
- Active ESG management at portfolio company level through engaged board representation
- Regular health and safety, fire audits, cyber reviews and other monitoring
- Monitor climate risk mitigation performance and improve data collection processes over time
- Discussed ESG at Management Board meetings, as well as at individual portfolio company board meetings
- Semi-annual reporting of ESG initiatives
- Identify areas of improvement

Sourcing

- Screening to determine compatibility with BBGI's ESG policy
- Public data searched to identify ESG issues
- Pre-defined exclusions list: adult entertainment, alcohol production, arms production, arms trade, fossil fuels, gaseous fuels, coal, gambling, nuclear energy, nuclear weapons and tobacco production

Due diligence

- Detailed proprietary ESG KPI survey covering SFDR Principal Adverse Sustainability Impacts indicators[3]
- Assess climate risk against a 'Paris-Aligned' RCP[4] 2.6 scenario (~+1°C warming) and a 'High emissions' RCP8.5 scenario (~+3.7°C warming) across three time periods (2020, 2050 and 2100)
- Seek, when necessary, appropriate environmental and technical due diligence carried out by independent third-party experts
- Anti-money laundering screening and counter terrorism financing database checks
- ESG assessment completed as part of Investment Committee papers

Stewardship

- Implement ESG policy at portfolio company level
- Review and monitor assets for ESG-related issues and performance
- Work with stakeholders to implement strategic and operational objectives
- Review our staff's achievement of ESG targets and executive compensation tied to ESG targets
- Seek to share ESG best practices inside and outside of the Company and engage with stakeholders
- Invest to improve energy efficiency and reduce GHG emissions/ carbon footprint where appropriate

3 The EU Sustainable Finance Disclosure Regulation (SFDR) is a new set of European Union rules that came into effect on 10 March 2021, providing a set of pre-defined metrics for assessing the ESG impacts of the investment process, referred to as Principal Adverse Sustainability Impact indicators.

4 RCP: Representative Concentration Pathway. More details on climate scenario analysis can be found in the section 'TCFD Disclosures'.

Contribution to Sustainable Development Goals

The Sustainable Development Goals ('SDGs') are a fundamental tenet to BBGI's ESG framework and are used to assess, measure and monitor the environmental, social and sustainable attributes of investments either already held as part of the Company's existing portfolio or those being assessed as potential investment opportunities.

As part of our vision to fulfil our social purpose and show leadership in responsible infrastructure investment, alignment with the UN SDGs is an integral part of our approach to ESG. In the past we were focused on five SDGs, but have now expanded our focus to also include SDG 13, given the importance of addressing climate change. We acknowledge that through our direct operations and investment portfolio we can also create negative impacts and we address these impacts in the relevant sections of this Report.

Through our direct operations, BBGI can generate profits, employment and provide access to essential services in countries where we have investments. Through partnerships with government and the public sector, we can ensure that the benefits of the social infrastructure assets we finance extend beyond our investment, so that the funded project has an overall positive impact and serves an inherent social purpose in its local community.

BBGI is committed to invest responsibly, with the target to promote the improved education and well-being of local communities, help reduced transit times and congestion, build and upgrade infrastructures while also striving to preserve biodiversity and natural habitats, operate assets with less waste, monitor the safety of users, incorporate new sustainable technologies, curb emissions and improve environmental stewardship.

Image: Waiting room at Barking Child and Family Health Centre, UK

Contribution to Sustainable Development Goals continued

Our core SDG

Sustainable Development Goals	Target 3 Good health and well-being	Target 4 Quality education	Target 9 Industry, innovation and infrastructure	Target 11 Sustainable cities and communities	Target 13 Climate action	Target 16 Peace, justice and strong institutions
Portfolio impacts	• 41 essential healthcare facilities • Over 2,400 beds • More than 4.4 million patients treated in the last year	• 33 schools and colleges • Providing an effective learning environment for over 39,000 students • Total serviced area of more than 400,000m^2	Portfolio of social infrastructure investments helping to build resilient infrastructure, promoting inclusive and sustainable industrialisation, and fostering innovation	• 3 affordable residential housing and 2 community centres • Providing 100 residential housing units, sport and leisure centres for the local community • 18 transportation investments globally including 1 fully electric public transit system investment powered by green energy • Safe, accessible and sustainable transport systems for all • Reduce travel times for over 300 million vehicles each year	• In 2021, BBG has set net zero targets in line with Net Zero Asset Manager Initiative using science-based targets, with the aim of enhancing asset-level resiliency to climate change across our portfolio	• 4 police stations keeping a community of over 1.6 million people safe • 4 modern correctional facilities
Portfolio SDG contribution[5]	22%	9%	100%	56%	100%	12%

5 Based on portfolio value as at 31 December 2021.

Contribution to Sustainable Development Goals continued

In 2021, BBGI invested GBP 79.2 million, which included four new investments contributing towards SDG 11, through providing three affordable residential housing facilities, two community centres and 59-kms of resilient roads and bridges, SDG 3 through a 206-bed patient care and health facilities, SDG 16 through 16 fire stations, all contributing to SDG 9, being social, reliable, sustainable and resilient social infrastructure assets.

Poplar Affordable Housing & Recreational Centres, UK

The historic Poplar Baths building, on East India Dock Road in London, now includes a 25m swimming pool, a learner pool, 'vapour baths', a Sports England standard sports hall, two studios for exercise classes, a gym and a rooftop multi-use games area, while the historic features of this Grade II listed building have been protected and restored. These facilities are open to the public. The residential housing units were designed and built in compliance with best practices to ensure excellence in design quality, amenities and sustainability.

Find out more:

www.bb-gi.com/our-portfolio/our-assets/europe/poplar-affordable-housing-recreational-centres/

Ayrshire and Arran Hospital, UK

The project facilities include mental health beds, a rehabilitation unit, addiction ward and elderly mental health beds across 11 wards, as well as general accommodation for administrative support, office space and public areas. The accommodation is designed to be as home-like as possible and each ward has a private courtyard with an external garden, providing a calm and therapeutic atmosphere in which patients can receive care. The facility was awarded a BREEAM rating of 'Very Good' and is equipped with low or zero carbon heating and power technology.

Find out more:

www.bb-gi.com/our-portfolio/our-assets/europe/ayrshire-and-arran-hospital-npd/

Aberdeen Western Peripheral Route, UK

This major 59-kms infrastructure development on the outskirts of Aberdeen replaced a dual carriageway through the city which was unsuitable for heavy goods vehicles (HGVs) as they could not cross the Bridge of Dee. The road was designed to have a positive impact on traffic along routes which were heavily congested and prevented the need for HGVs to enter the city. Air quality has improved for approximately 75,000 households. In 2019, the first full year after opening, there was a significant reduction in congestion ranging from 14% to 31% and travel times reduction ranging from 10 to 27 minutes.

Find out more:

www.bb-gi.com/our-portfolio/our-assets/europe/aberdeen-western-peripheral-route/

North West Fire and Rescue, UK

The 16 community fire stations, of which seven are in Merseyside, five in Cumbria, and four in Lancashire, represent well modernised operational facilities with additional resources for community use, such as meeting rooms, multi-function lecture rooms and gyms. The stations were constructed on a mixture of new and existing sites in a range of locations from rural stations to busy inner-city stations.

Find out more:

www.bb-gi.com/our-portfolio/our-assets/europe/north-west-fire-and-rescue/

Stakeholder engagement

We are stewards of important social infrastructure investments and there are many stakeholders who are impacted by our actions: users of the infrastructure, communities, employees, investors, partners, the environment, and society at large. We take this responsibility seriously.

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, and that we manage and reduce adverse impacts. BBGI has consistently engaged with our stakeholders through a variety of channels over the years.

We have summarised on the next page BBGI's general engagement approach with its key stakeholders, representing the main groups that benefit, are influenced by or interact with our business activities.

75%
We met with more than 75% of the investors' register

Image: Our team in action

Stakeholder engagement continued

Who are the Company's key stakeholders? Why are these stakeholders important?	What actions is the Company taking to build and maintain strong relationships with its key stakeholders?	What are the types of engagement and the metrics used by management, to monitor and assess relationships with stakeholders?
Our people Our people are the driving force behind our purpose. 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 allows our talented people to be empowered to successfully deliver sustainable outcomes from our assets. We promote an inclusive work environment where all people are treated equally and supported to achieve their potential.	• Annual and mid-year assessments • Direct liaison with the Management Board • Regular meetings • Well defined expectations and targets, including ESG targets for most staff • Whistle-blower hotline
Our 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 such that our public sector clients are satisfied.	• Regular client meetings • Service quality feedback • On-going reporting • Client satisfaction survey
Our subcontractors Our long-term subcontractors are critical to ensure that we provide our public sector clients with operational and available assets. We monitor our subcontractors to ensure that they conduct their business according to the high standards of ethics and integrity that we expect.	Our portfolio companies collaborate with the subcontractors and strive to develop mutually beneficial long-term relationships.	• Sub-contractor monitoring • Portfolio companies quarterly Board meetings with a BBGI Director • Regular meetings • ESG onboarding • Annual ESG KPI survey • Ongoing ESG engagement topics
Our communities and users 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 as a responsible global infrastructure investment company.	We maintain critical social infrastructure assets upon which people rely on a daily basis.	• Client satisfaction discussed at Board meetings • Partnership, sponsorship and donations • Community engagement initiatives
Our investors Our investors provide capital, feedback on our business model and help shape our plans for the future.	Our goal is to generate predictable, inflation-linked, sustainable returns for our long-term investors. We measure progress against key KPIs.	• Virtual investor meetings, representing more than 75% of the register. We hope to return to more in-person meetings in 2022 • Investor relations activities, including meetings, roadshows and discussions with senior executives • Close interactions and feedbacks with our Corporate Brokers • Annual General Meeting • ESG report • Website

While, as a Luxembourg-based company, BBGI is not obliged to comply with the UK Companies Act 2006, we are voluntarily complying with the spirit of the Section 172 requirement by including details describing how the decision-making of our Directors considers the interest of our stakeholders.

Materiality assessment

In 2021, we undertook a comprehensive materiality assessment exercise and recorded the results in a robust materiality matrix, summarising our ten most material sustainability topics and strategic ESG areas of focus.

A broad and diverse group of stakeholders contributed to this exercise, representing the ecosystem of our operations in our various operating countries: employees, investors, clients, partners and subcontractors. We would like to thank all respondents for sharing constructive feedback, which complemented and shaped our thinking on current and emerging issues and the future of our environmental, social and governance commitments.

The materiality process consisted of the following steps:

Step 1 – Identify sustainability impacts

- Sustainability-focused standards
- Industry-specific resources
- Peer benchmarking (infrastructure and investors)
- ESG rating agencies

We consider a sustainability impact as any actual or potential impact our activities and business relationships may have on the economy, environment, and people, including impacts on their human rights. We may have caused, contributed to, or be directly linked to an impact.

- Actual impacts are those that have already occurred, and potential impacts are those that could occur but have not yet occurred.
- These impacts include negative and positive impacts, short-term and long-term impacts, intended and unintended impacts, and reversible and irreversible impacts.

Step 2 – Stakeholders priorisation

Three-dimensional prioritisation:

- Is the stakeholder dependent on BBGI?
- Is BBGI dependent on the stakeholder?
- What is the nature of the relationship between BBGI and the stakeholder?

Our approach is consistent with the AA1000 Stakeholder Engagement Standard.

Step 3 – Engage with stakeholders to gain insight

A comprehensive survey was sent to a broad and diverse group of key stakeholders groups in September and October 2021. An open-ended question was included in the survey to allow for free expression of expectations from BBGI's stakeholders on ESG issues.

Each topic was ranked by the respondents on a scale ranging from "none" to "significant" to reflect the level of importance they attach to each sustainability topic.

Step 4 – Assess each impact's significance

The Management Board subsequently assessed and ranked each topic by the impact on the environment and society.

Our approach is aligned with GRI Standards (2021): GRI 3 Material Topics and OCED (2014): Due diligence in the financial sector: adverse impacts directly linked to financial sector operations, products or services by a business relationship.

Step 5 – Analysis and scoring

The results obtained from steps 3 and 4 were consolidated in a materiality matrix, with equal weighting for all stakeholder and responses.

We consider a sustainability topic as material if it has the potential to impact the long-term viability of the Company and/or is of concern to our internal and external stakeholders.

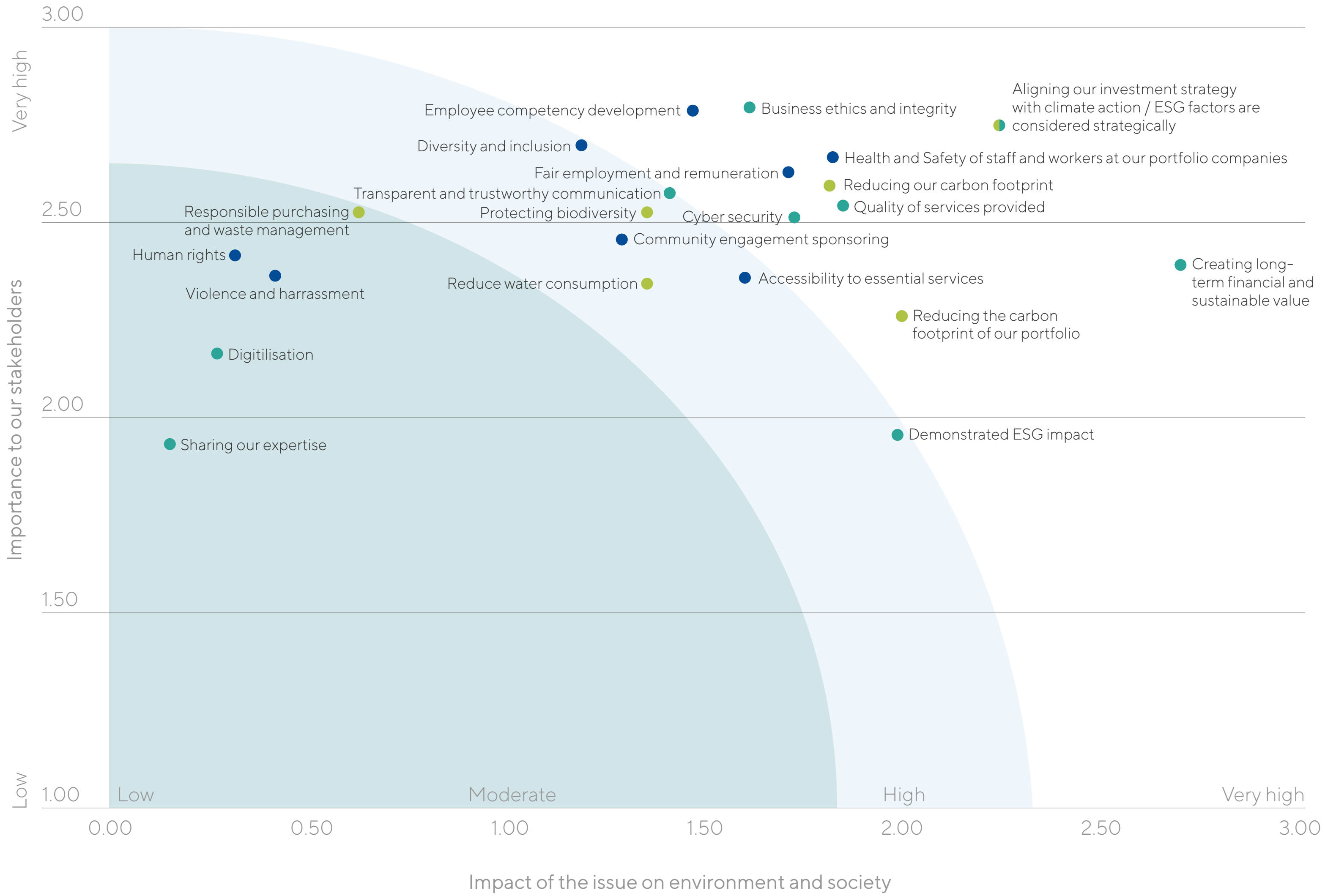
Step 6 – External review

BBGI engaged an external firm to assess and independently verify the approach employed in conducting the materiality analysis against best practice methodology.

The assessment confirmed that our process was well aligned with best practice sustainability standards.

Materiality assessment continued

Our ten most material topics are presented in our materiality matrix:



Of the ten topics which were deemed most material: three are related to the environment and climate change, three to social matters and four to governance:

Environment & climate change

- Aligning our investment strategy with climate action
- Reducing our carbon footprint
- Reducing the carbon footprint of our portfolio companies

Social

- Health and Safety of staff and workers at our portfolio companies
- Fair employment and remuneration
- Learning and development

Governance

- Creating long-term financial and sustainable value
- Business ethics and integrity
- Quality of services provided
- Cyber security

Environment & climate change
Social
Governance

ESG performance scorecard

Our materiality assessment enabled us to identify ten sustainability issues that are priorities for our stakeholders and where our impact is most significant.

These ten topics define our roadmap and allow us to focus on what is most material to our business activity. To ensure that our approach is robust, we have defined a performance indicator for each priority sustainability issue, which allows us to measure the impact of our initiatives. Finally, our ESG Committee has set specific targets for each indicator. The details of our roadmap are disclosed here:

Sustainability topics	KPI	2020	2021	Target
Environment & climate change				
Aligning our investment strategy with climate action	Maintain a portfolio with a high degree of climate resilience both today and under different climate warming scenarios	n/a	✓	• Minimum 90% of our portfolio value with a medium or lower risk score in 2050 under a 'High emissions'[6] scenario
	Executive compensation tied to ESG targets	n/a	✓	• For 2021 awards, 90% of the award will be subject to Net Asset Value (NAV) Total Return targets and 10% will be subject GHG Corporate Emissions reductions targets
Reducing our carbon footprint	GHG Corporate Emissions reduction targets	82 TCO_2e	78 TCO_2e	• Reduce BBGI's Corporate Emissions (Scope 1, 2 and 3 categories 1-14) by 50% by 2030[7]
	Carbon Neutral	✓	✓	• Carbon neutral organisation from 2021 onwards
	Waste Management certification	✓	✓	• External certification of our waste management at our headquarter[8]
Reducing the carbon footprint of our portfolio companies	GHG inventory across our portfolio companies	n/a	35%	• 100% portfolio companies report Scope 1 and 2 GHG by end of 2022 • Develop net zero plans for 50% of portfolio companies by 2025 • Develop net zero plans for 100% of portfolio companies by 2030 • Aligning our investment strategy with climate action
Social				
Health and safety of staff, workers and at projects	Implementation of Health & Safety policy by our portfolio companies	100%	100%	• Appropriate Health & Safety policies implemented by all portfolio company Boards within six months after acquisition[9]
	Lost-time incidents at portfolio companies	7 (50 assets)	10 (54 assets)	• Number of lost time incidents: tracking, quarterly reporting and investigations

6 'High emissions' climate warming scenario with likely temperature increases ranging from +2.6°C to +4.8°C by 2100 (RCP8.5).
7 Baseline year: 273 TCO2e (market-based) in 2019
8 SuperDrecksKëscht
9 It is not always possible to achieve 100% adoption when we have co-shareholders.

ESG performance scorecard continued

Sustainability topics	KPI	2020	2021	Target
Social continued				
Fair employment and remuneration	**Long-term employment:** • Employee tenure • Retention rate • Turnover rate **Fair employment:** • Permanent staff • 'Zero-hour' contracts • Furloughed staff	5 years 96% 16% 100% 0% 0%	4.5 years 100% 8% 100% 0% 0%	• Conduct annually one formal and one informal review with each employee • Maintain a high employee retention rate
Learning and development	Average industry experience Number of employees receiving training	17 years 100%	17 years 100%	• Employ a skilled and competent workforce • 100% of employees receive training • BBGI continues to pay 100% of any fees associated with appropriate courses
Governance				
Creating long-term financial and sustainable value	NAV per share growth Dividends (declared for the year) Annualised total shareholder return since	1.2% 7.18pps 11.0%	2.1% 7.33pps 10.4%	• Positive NAV per share growth • Progressive long-term dividend growth in pence per share • 7% to 8% on IPO issue price of £1 per share
ESG factors are considered strategically	Management Board attendance to ESG Committee meetings Proprietary ESG KPI survey	✓ ✓ (23 questions)	✓ ✓ (82 questions)	• Minimum presence of two Management Board members at each ESG Committee meeting • ESG is considered as part of the Company's annual strategy review • ESG KPI survey completed for 100% of our portfolio
Quality of services provided	Asset availability Net Promoter Score	99.8% Great	99.9% Great	• > 98% asset availability • At least 'Good' NPS[10]

10 BBGI calculates its NPS from an annual client engagement survey. What do we qualify as a 'Good' NPS score? A score between 0 and 30 is 'Good', a score higher than 30 is 'Great', a score higher than 70 is 'Excellent'.

ESG performance scorecard continued

Sustainability topics	KPI	2020	2021	Target
Governance continued				
Business ethics and integrity	Number of corruption incidents, fines, or penalties	None	None	• No corruption incidents and related fines or penalties at both corporate and portfolio company level
	Political contributions	None	None	• No financial or in-kind political contributions at corporate and portfolio company level
	BBGI adherence to the Ten Principles of UN Global Compact	✓	✓	• Adherence with the Ten Principles of UN Global Compact and publication of an annual Communication on Progress
	Implementation of BBGI standardised policies by our portfolio companies:			• Recommend BBGI standard policies at all portfolio companies Boards within six months after acquisition[11]
	• Anti-slavery & Human Trafficking policy/Modern Day Slavery	96%	100%	
	• Code of Conduct including anti-bribery, anti-corruption and non-discrimination	100%	100%	
	• ESG	100%	100%	
	• Tax policy	90%	83%	
	• Responsible Contractor	n/a	88%	
	• Whistleblowing policy	96%	98%	
Cyber security	Implementation of cyber security policy by our portfolio companies	90%	98%	• Recommend BBGI Cyber security policy at all portfolio companies Boards within six months after 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% of our staff trained on cyber security

11 It is not always possible to achieve 100% adoption when we have co-shareholders.

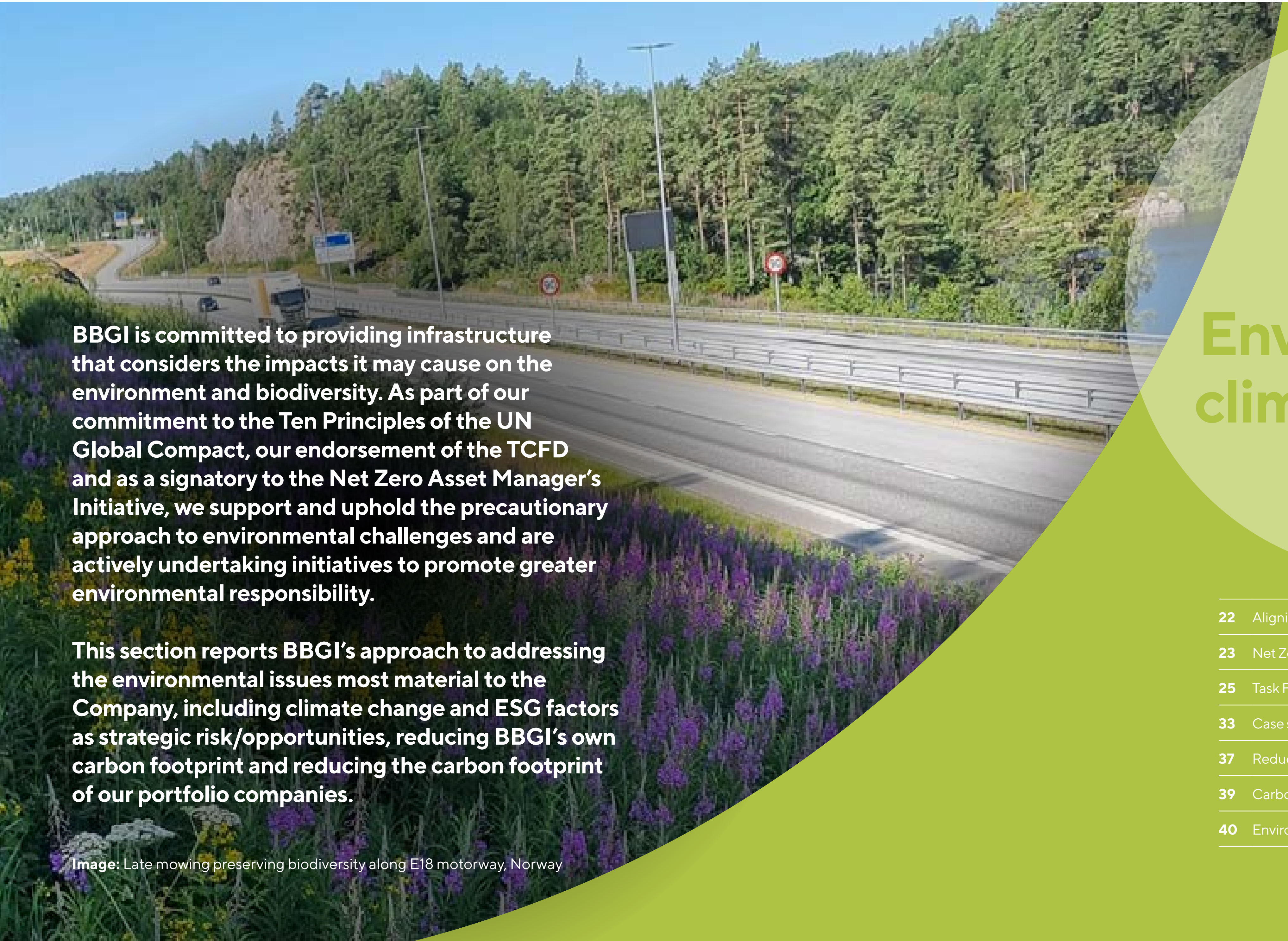


Image: Late mowing preserving biodiversity along E18 motorway, Norway

02 Environment & climate change

BBGI is committed to providing infrastructure that considers the impacts it may cause on the environment and biodiversity. As part of our commitment to the Ten Principles of the UN Global Compact, our endorsement of the TCFD and as a signatory to the Net Zero Asset Manager's Initiative, we support and uphold the precautionary approach to environmental challenges and are actively undertaking initiatives to promote greater environmental responsibility.

This section reports BBGI's approach to addressing the environmental issues most material to the Company, including climate change and ESG factors as strategic risk/opportunities, reducing BBGI's own carbon footprint and reducing the carbon footprint of our portfolio companies.

Aligning our investment strategy with climate action

Why does it matter?

Climate change presents challenges that will be with us for generations to come. The Paris Agreement, a legally binding international treaty for national governments on climate change, was adopted in 2015 and came into force for national governments in 2016. The Paris Agreement aims to limit global warming to well below 2°C, and preferably below 1.5°C, compared to pre-industrial levels.

Climate change is an increasingly important topic for asset managers to consider. With even the most conservative projections estimating ~1-1.5°C of warming by 2100, both the frequency and severity of extreme physical risk events are likely to intensify. The impact climate change will have is unequally distributed by geography, and for some perils (e.g. flood or sea-level rise) can be location-specific, making detailed assessments of climate change essential. As a global investment manager, it is therefore important that we understand both the range of possible physical risk impacts climate change could cause to our assets, and how our exposure varies by geography, time horizon and future warming projection.

Both physical and transition risk are key considerations for BBGI and all of our investments have been evaluated against these risks (see our 'TCFD Disclosures' for more details). Financial consequences resulting from climate-related perils have been materially mitigated by having insurance in place.

As signatories of Net Zero Asset Managers Initiative (since 2021), of the UN Principles for Responsible Investment (since 2019) and to the UN Global Compact (since 2020), we acknowledge that there is an urgent need to accelerate the transition towards global net zero emissions and for asset managers to play our part to help deliver the goals of the Paris Agreement and ensure a just transition. We have publicly stated our alignment with the Paris Agreement and are committed to ensuring our strategy is aligned to our own climate change ambitions.

Net Zero
Asset Managers Initiative signatory

NET ZERO ASSET MANAGERS INITIATIVE

BBGI became a signatory in 2021

Image: William R Bennett Bridge, Canada

Net Zero commitment

We will support our portfolio transition to net zero emissions by 2050

NET ZERO

Image: Cycling path at Golden Ears Bridge, Canada

Putting our commitment in practice

As part of our commitment to reducing energy use and carbon dioxide emissions, BBGI became a signatory to the Net Zero Asset Managers Initiative and commits to support the goal of net zero greenhouse gas ('GHG') emissions by 2050, in line with global efforts, to limit warming to 1.5°C ('net zero emissions by 2050 or sooner'). We also commit to supporting investing aligned with net zero emissions by 2050 or sooner.

The Net Zero Asset Managers initiative

The Net Zero Asset Managers initiative (NZAM) is a group of international 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.

It is an initiative designed to mobilise action by the asset management industry that demonstrates leading practice in driving the transition to net zero and delivers the ambitious action and investment strategies that will be necessary to achieve the goal of net zero emissions. It also provides a forum to share best practice and overcome barriers to aligning investments to that net zero goal.

Our targets

BBGI's commitment to net zero can be distilled into the following targets:[12]

Corporate targets — Reducing our carbon footprint

BBGI Corporate Emissions[13] Scope 1, Scope 2 and Scope 3:

- Reduce our Corporate Emissions Scope 1, 2 and 3 by 50% by 2030.
- Carbon neutral from 2021 onwards. All residual and unavoidable Corporate Emissions will be offset by purchasing high quality offsets to obtain carbon neutrality beginning in 2021.
- Net zero Corporate Emissions Scope 1 and Scope 2 by 2040

Portfolio targets — Reducing the carbon footprint of our portfolio

BBGI's Financed Emissions[14]

- Report Financed Emissions (Scope 1 and 2 at portfolio companies) for 100% of portfolio companies beginning from 2022 onwards.
- Provide resources for public sector clients (asset owners) by sharing emissions data and general strategies for reduction.
- Engage with our top 20% of emitters to discuss emission reduction strategies by 2024.
- Develop net zero plans for 50% of portfolio companies by 2025.
- Develop net zero plans for 100% of portfolio companies by 2030.
- Reduce our Financed Emissions (portfolio companies Scope 1 and 2 emissions and, to the extent possible, material portfolio companies Scope 3 emissions) by 50% by 2030. We will need the support of our public clients to achieve tangible results in respect of this ambitious target.
- Overall net zero Financed Emissions by 2050 or sooner.

We commit to reporting our progress against these targets on an annual basis.

12 Baseline year: 31 December 2019
Methodology: Net Zero Asset Managers Initiative using Paris-Aligned Investment Initiative Framework and Science-Based Targets initiative ('SBTi') target-setting tool and guidance for Private Equity and SMEs.
13 GHG emissions that pertain to our business activities ('Corporate Emissions')
14 GHG emissions of our portfolio companies ('Financed Emissions')

Net Zero commitment continued

Emissions boundaries

BBGI has adopted the operational control boundary approach in accordance with the Greenhouse Gas Protocol Corporate Standard ('GHG Protocol') for the measurement of emissions 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. BBGI rarely has operational control at its portfolio companies, so the achievement of the targets and objectives will be highly dependent on successfully influencing stakeholders (typically our public sector clients) into taking action to achieve these goals.

Methodology of this Net Zero plan

BBGI's GHG emissions reduction targets have been set in line with science-based targets that are consistent with achieving net zero global emissions by 2050, or sooner. We developed a Net Zero Plan, which details the targets, metrics and pathways of our Corporate Emissions and our Financed Emissions. We used the Science-Based Targets initiative (SBTi) target setting to model targets in line with SBTi-approved criteria and methods. BBGI's GHG reduction percentage according to a 1.5°C scenario is as follows:

100%

Net zero plans for 100% of portfolio companies by 2030.

Image: Solar panels at Ohio River Bridge, US

Baseline

Corporate Emissions in metric tons CO_2e	Scope 1	Scope 2	Scope 3	Total	% reduction in metric tons CO_2e
2019 Baseline	12	5	256	273	
2021 Current Due to COVID-19 restrictions we consider 2020 and 2021 outliers, especially for business travel.	13	7	58	78	-72% (vs. baseline year 2019) -4% (vs. previous year)
2030 Forecast	6	2.5	128	136	-50% (vs. baseline year 2019)

Definitions:

Scope 1 – Energy consumption from gas use in corporate offices

Scope 2 (market-based) – Energy consumption from purchased electricity use in corporate offices

Scope 3 – Business travel from air travel, upstream well-to-tank emissions, personal vehicles for business purposes and taxi travels, employee commuting, home-working emissions, electricity transmission & distribution, water supply and treatment, waste, emissions stemming from cloud-based storage

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

Task Force on Climate-Related Financial Disclosure

In our 2020 Annual Report, we made our first voluntary disclosure against the Financial Stability Board's Task Force on Climate-Related Financial Disclosure ('TCFD') recommendations, where we set ambitious targets to screen all our investments for climate risk and better quantify our GHG emissions. During the same year we also demonstrated our ambition by becoming a 'TCFD Supporter'. We are pleased to present our second disclosure against the TCFD recommendation in which we report against all 11 of the recommended TCFD disclosures, again on a voluntary basis.

We continue to align our business with the TCFD recommendations and, during the past year, we made progress on a number of initiatives related to climate strategy, risk management, and metrics and targets, including:

- Developing a climate risk methodology and framework to identify, assess, monitor and report on physical and transition risks associated with climate change.
- Enhancing our internal ESG Due Diligence to formally identify and evaluate material climate risks and opportunities.
- Completing a GHG inventory for BBGI's Corporate Emissions and commenced the process at our portfolio companies, consistent with the GHG Protocol.
- Making a commitment to investing aligned with net zero emissions by 2050 or sooner and the implementation of science-based targets and standardised methodologies through which to deliver these commitments. This included joining the NZAM initiative and committing to work in partnership with our public sector clients on decarbonisation goals.
- Expanding the use of metrics and targets, including those related to GHG emissions.

Assessing Climate Risk

BBGI began to incorporate climate-related risk into our risk management framework in 2020 and in the same year we began screening all new investments using a proprietary climate-resilient infrastructure questionnaire. This proprietary 40-question screening tool was based on the OECD 2018 Report on Climate Resilient Infrastructure and the World Bank Climate and Disaster Risk Screening policies. We also undertook a review of all our existing assets using this same tool to better understand the effects that climate change could have on our business.

As part of our evolving sustainability journey and our commitment to continuous improvement, in 2021 we engaged a climate modelling specialist firm to undertake a detailed review of all our infrastructure investments, to consider how both physical and transition risks could impact our investments due to climate change.

- **Physical risks:** extreme weather events and gradual changes in climate
- **Transition risks:** policy, legal, technology, consumer preferences and reputation

Physical risks considered consisted of 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.

Two different potential climate scenarios were considered:

'Paris-Aligned' scenario with a warming of ~+ 1.0°C by 2100 (RCP2.6) and a **'High emissions'** scenario with a warming of ~+3.7°C by 2100 (RCP8.5)[15]. These different climate perils were modelled across three time periods (2020, 2050 and 2100) for each of the climate scenarios.

In addition to the above noted analysis, we are currently undertaking an enhanced 'deep-dive' assessment on 20 of our assets, to better understand climate risks across our portfolio.

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.

Key Findings

Modelled assets

54

assets have been modelled based on 'Paris-Aligned[16]', and 'High emissions[17]' scenarios across three time periods (2020, 2050 and 2100[18])

Resilient portfolio

50

assets have the same risk score today and in 2050 under a 'High emissions' scenario

Risk score today

53

assets have a medium or lower risk score today

Risk score in 2050

51

assets have a medium or lower risk score in 2050 under a 'High emissions' scenario

Low or very low exposure

17

out of our Top 20 assets have a low or very low exposure in 2050 under 'Paris-Aligned' and 'High emissions' scenarios

Risk score under a 'High emissions' scenario

3

assets have a high risk in 2050 under 'High emissions' scenario

15 RCP: Representative Concentration Pathway. Climate scenarios based on 1986-2005 reference period. Data based on published scenarios from the Intergovernmental Panel for Climate Change (IPCC). Source: IPCC, 2014: Climate Change 2014. Synthesis Report. Available at: www.ipcc.ch/report/ar5/syr/
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 Our modelling quantifies physical impact severities for 2020, 2050 and 2100 under each climate scenario. However, our concession term does not extend further than 2051 for any asset. As a result, subsequent results in this Report are being reported up to 2050.

Task Force on Climate-Related Financial Disclosure continued

Physical risk insights

Overall, scenario analysis has highlighted that the majority of the BBGI portfolio is very resilient to climate hazards both today and under future climate warming scenarios.

- Out of 54 assets modelled only three have a high risk under a 'High emissions' scenario by 2050. Under a 'Paris-Aligned' scenario, only one asset has a high risk across the same timescale.
- Of the three assets with a high risk under a 'High emissions' scenario, we note that our concession period on the three assets terminates between 2030 and 2040 and thus we do not expect them to have material impacts on our wider portfolio.
- Where there is risk within our portfolio, the driving peril is flood. Physical impacts are principally caused by river or coastal flooding; however, surface water flooding is increasingly prominent under future climate change scenarios.
- 17 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.
- The risk profile of BBGI's portfolio remains constant for 50 assets over the next 30 years; the climate risk profile of BBGI's portfolio remains relatively constant for the majority of assets, particularly when overlaying our concession periods, which do not extend beyond 2051 for any asset.
- 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 may reduce further.

Transition risk insights

We recognise the effects transition risks have on our business. In the table below, we outline the potential impacts of policy, technology, reputational and market risks across the infrastructure sector.

Transition risk category	Industry trends	Mitigating actions
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 exploring ways to further minimise our carbon footprint in line with our net zero commitment. We recognise decarbonisation as a priority and a key focus area for BBGI.
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.	We are exploring ways to implement the use of more environmentally friendly and sustainable materials across our assets, such as low carbon alternatives for road surfaces, EV charging infrastructures and switching to energy-efficient or motion sensor equipment during planned refurbishments. We will continue to investigate new technologies which can improve the environmental efficiency of our assets in the long term.
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 recognise the need to decarbonise our portfolio companies and are developing a number of strategies to begin reducing our emissions footprint. We continue to work with our public sector clients and subcontractors to communicate our decarbonisation plans, propose carbon footprint and net zero assessments and ensure we continue to align with regulatory requirements for reporting on and managing our ESG and climate risks.
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.	We are making voluntary TCFD Disclosures to satisfy investor priorities and monitor ESG and sustainability regulations and reporting requirements to maintain our compliance.

Task Force on Climate-Related Financial Disclosure continued

As the Company is considered an investment trust it is therefore not in 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 fully report against the TCFD recommendations.

In the following section we report the progress we have made across each of 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 across the business and developing a robust awareness of risk metrics and targets we can use to monitor and track progress.

We are pleased to present our second disclosure against all 11 of the recommended TCFD disclosures:

TCFD Recommendation	Progress to date
Governance	
1 Describe the Board's oversight of climate-related risks and opportunities.	• Our Supervisory Board and Management Board recognise the importance of climate-related risk and opportunities and the Management Board has established an executive-led ESG Committee as a sub-committee, comprising the Co-CEOs, the CFO, the ESG/Sustainability Director and the Corporate Secretary to govern all climate and ESG-related activities. • This ESG Committee meets at least quarterly, and in relation to environmental matters 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. • The Management Board considers climate-related issues when setting strategy, approving annual budgets, monitoring performance metrics and targets, approving climate change-related disclosures and overseeing potential portfolio acquisitions. • The Supervisory Board's constituted Remuneration Committee designs reward structures for our Management Board executives in ways that foster long-term value-creation and reinforce the organisation's ability to achieve its climate change goals and targets. In 2021, the Remuneration Committee introduced Long-term incentive plan ('LTIP') targets related to reducing GHG emissions. **More details on our remuneration policy are provided in the Remuneration Report section of our Annual Report** **www.bb-gi.com/investors/results-reports-presentations/**

Task Force on Climate-Related Financial Disclosure continued

TCFD Recommendation	Progress to date
Governance continued	
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 C ommittee 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 and delivers our sustainability programmes. • 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. **Full responsibilities of our ESG Committee are outlined in our ESG Committee Terms of Reference** **www.bb-gi.com/esg/** • In 2021, BBGI commissioned an independent carbon footprint assessment and verification of its Scope 1-2-3 GHG emissions as well as a detailed climate change impact assessment for its entire portfolio to identify and assess climate-related risks and opportunities across various climate scenarios. The results of this in-depth exercise will inform our long-term strategy and sets the foundation for further embedding climate-related risks into our engagement approach and investment decision process.

Task Force on Climate-Related Financial Disclosure continued

TCFD Recommendation	Progress to date
Strategy	
3 **Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.**	• In 2021, we have chosen to focus on undertaking an extensive, more detailed quantitative assessment of physical risk exposure across our entire asset portfolio to better identify climate-related risks that could have a material financial impact on the business, supporting wider management-led decision making. • Our assessment considers climate impacts over short (1-5 years), medium (5-10 years) and long-term (10+ years) time horizons up until 2050, covering the maximum investment life duration of our current portfolio. • Findings from our climate analysis demonstrate a high-degree of climate resilience across our asset portfolio both today and under different climate warming scenarios. • Due to our asset's geographical locations, flood-related perils rank amongst the most material physical risks, particularly under a 'High emissions' scenario, although overall exposure may be mitigated through both national and local defence mechanisms and a comprehensive insurance programme. • Beyond 2051, the period when our concessions end and assets revert to public sector clients, climate risk is projected to increase for 17 assets, 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 climate mitigation and adaptation measures. • Under a 'Paris-Aligned' scenario it is likely that BBGI can take advantage of opportunities arising from energy transition investment plans from the public sector, during planned retrofit interventions or for additional investments. • 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.
4 **Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.**	• During 2021, we engaged with a climate modelling specialist firm, leveraging their expertise in climate risk, to better quantify both the materiality and financial impact of physical risks on our entire asset portfolio. • 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. • The results of the quantitative climate change assessment will feed 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). This exercise will be complemented during the first part of 2022 by a 'deep-dive' assessment for 20 of our assets. The outcomes will drive our engagement initiatives as we will share the findings with our public sector clients. • The primary financial impacts of physical climate risks for BBGI were modelled in relation to our portfolio companies until the end of the concession term: our costs model might increase to accommodate increased insurance premiums; however, there is a degree of contractual protection from increased insurance costs. • 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 in order to set our targets and objectives, as well as inform future acquisition screening and strategic portfolio construction.
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 highlight a high degree of resilience to climate change impacts under scenarios tested. • As exposures are identified from the analysis, we are considering how outputs can inform future decision-making. • We have identified one asset with a high risk by 2050 under the 'Paris-Aligned' scenario and three assets under the 'High emissions' scenario. • Any assets we have identified as medium or high risk or considered important to BBGI, are being taken forward to a 'deep-dive' assessment to better identify local resilience and mitigation measures that may further minimise residual climate risk. • A transition to a lower carbon economy also presents a number of opportunities.

Task Force on Climate-Related Financial Disclosure continued

TCFD Recommendation	Progress to date
Risk Management	
6 **Describe the organisation's processes for identifying and assessing climate-related risks.**	• Prior to acquiring any new asset, we systematically consider during the due diligence phase whether – and to what extent – material sustainability risks might meaningfully impact our investments, including climate-related risks. When an investment is made, we ensure the ongoing monitoring and management of sustainability risks. We may use inputs from external data providers but typically base our due diligence process on proprietary models and primary data we obtain from our portfolio companies. • The Company's approach to internal controls is risk based. All material risks are identified, analysed, assessed, reported and managed. Sustainability risk including climate-related risk, is part of what we consider being one of our strategic risks. Since outlining our commitment to better improve our understanding of climate-related risks and opportunities, in 2021 we have chosen to focus on two areas: 1) identifying physical risk exposures to our asset portfolio, and 2) better quantifying our corporate GHG emissions footprint to support identification of future risks arising as we develop our decarbonisation strategy. • To ensure our portfolio remains resilient to climate risk, we will embed these new insights into our investment screening process from 2022, which ensures 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 cross-cuts 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 actively discussed 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 the achievement of the targets and objectives will be highly dependent on successfully influencing stakeholders (typically our public sector clients) into taking action. • Through 2021, we have systematically reviewed all existing investments for physical climate change exposure against eight climate perils[19] through quantitative scenario-analysis. This exercise will be complemented during the first part of 2022 by a 'deep-dive' assessment for 20 of our assets considering at this point the mitigation measures in place for each asset. • Our engagement activities are undertaken by our asset managers in close collaboration with our public sector clients and local contractors. Informed by the result of both our internal ESG KPI survey and the results of our climate change assessment, over time, each portfolio company will systematically develop and share an action plan with our public sector clients to suggest adaptation and mitigation measures they may want to consider. The ESG Committee will receive regular progress updates from the various portfolio companies and, through its reporting, will facilitate direct oversight at Management Board level. • By voluntarily applying the TCFD regulatory framework, BBGI is gradually reinforcing numerous aspects of sustainability as a strategic agenda item: risk and opportunities identification, management of climate-risk exposure and disclosure of relevant metrics and targets. • BBGI is required to comply with the EU Sustainable Finance Disclosures Regulations (SFDR).
8 **Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.**	• Through 2020 and 2021, we have made systematic enhancements to our risk management procedures to integrate climate-related risk. • Where material climate risks are identified, these are escalated where necessary to the ESG Committee and the Management Board at least quarterly, 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.

19 Perils assessed include river flooding, coastal flooding (including sea level rise), surface water flooding, windstorm, wildfire, heat stress, freeze-thaw and soil movement.

Task Force on Climate-Related Financial Disclosure continued

TCFD Recommendation	Progress to date
Metrics and Targets	
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 conducted through 2021, we are now embedding enhanced physical risk metrics across our risk management processes and will embed climate-related risks and opportunities in line with our strategy. Principally we have quantified both physical severity risk scores and projected financial impacts (expressed as an Average Annualised Loss) from 2020 to 2100 for every asset under each warming scenario assessed. • 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, and therefore 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. • BBGI is disclosing its Corporate Scope 1, 2 and 3 GHG emissions with a 2019 baseline. We have been certified a Carbon Neutral company for our 2021 Corporate Emissions. Over the course of the year, we standardised the reporting from our portfolio companies and from 2022 onwards will report on portfolio GHG emissions. • Our targets for reducing our GHG emissions in line with the Paris Agreement have been set in line with science-based targets that are consistent with achieving net zero global emissions by 2050, or sooner. • As a result of our continuous stakeholder engagement and the robust materiality assessment performed in 2021, as well as on-going asset monitoring, we are now able to report a robust set of additional metrics and targets for each of our ten most material ESG topics.
10 Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks.	• Our GHG emissions inventory covers all GHG emissions from our Corporate Emissions and our Financed Emissions, as per the GHG Protocol. • In 2021, BBGI's calculated Corporate Emissions are estimated to be c. 78 TCO_2e (under the market-based approach). Almost 49% of emissions analysed during this study are from business travel (mainly air travel). Due to COVID-19, 2020 and 2021 are considered an outlier in terms of business travel emissions. • In 2019, BBGI's calculated Corporate Emissions were estimated to be c. 273 TCO_2e, which serves as our baseline year. • Our GHG emissions have been independently verified for 2019, 2020 and will be for 2021. BBGI is a certified CO_2 Assessed Organisation.

Scope	Activity	2021 Tonnes CO_2e
Scope 1	Gas	13.40
Scope 1 Sub Total		**13.40**
Scope 2	Electricity (location-based)	3.70
	Electricity (market-based)	7.20
Scope 2 Sub Total (location-based)		**3.70**
Scope 2 Sub Total (market-based)		**7.20**
Scope 3	Air travel	32.95
	Upstream well-to-tank	11.22
	Home-working	4.98
	Personal vehicles for business purposes	4.29
	Employee commuting	3.69
	Other	0.58
Scope 3 Sub Total		**57.71**
Location-based total tonnes of CO_2e		**74.81**
Market-based total tonnes of CO_2e		**78.31**

Task Force on Climate-Related Financial Disclosure continued

TCFD Recommendation	Progress to date
Metrics and Targets	
11 Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	• Targets have been set in line with science-based targets that are consistent with achieving net zero global emissions by 2050, or sooner. • The main driver for achieving Financed Emissions reduction targets will come from the increasing alignment of portfolio companies with net zero pathways. BBGI rarely has operational control at its portfolio companies, so the achievement of the targets and objectives will be highly dependent on successfully influencing stakeholders (typically our public sector clients) into taking action to achieve these goals. • BBGI's commitment to net zero can be distilled into various targets: **Corporate Emissions** - Reduce our Corporate Emissions Scope 1, 2 and 3 by 50% by 2030 (aligned to a 'Paris-Aligned' reduction pathway using the absolute contraction approach). - Net zero Corporate Emissions Scope 1, 2 and 3 by 2040. - Carbon neutral from 2021 onwards on corporate level. All residual, including unavoidable Corporate Emissions, will be offset by purchasing high quality offsets to obtain carbon neutrality beginning in 2021. **Financed Emissions** - Report Financed Emissions (Scope 1 and Scope 2 at portfolio companies) for 100% of portfolio companies beginning from 2022 onwards. - Engage with our top 20% of emitters to discuss emission reduction strategies by 2024. - Develop net zero plans for 50% of portfolio companies by 2025 and for 100% of portfolio companies by 2030. - Reduce our Financed Emissions portfolio companies Scope 1 and 2 emissions and, to the extent possible, material portfolio companies Scope 3 emissions by 50% by 2030. - Overall net zero Financed Emissions by 2050 or sooner. • Throughout 2022, we will continue to build on the results of the physical climate change scenario analysis, working with our asset managers and public sector clients to set clear targets which support the effective management of climate-related risks and opportunities. • Going forward we will consider each new acquisition using the same physical climate risk analysis. **More details on our targets scope, time frame, base year and metrics can be found here:** **In this ESG report under the section 'Net zero commitment'**

CASE STUDY

Comprehensive climate risk analysis across BBGI's entire portfolio considering a range of climate scenarios

Image: Sports hall at Poplar Baths Affordable Housing and Recreation Centres, UK

This case study presents in greater detail the process undertaken to assess climate risk across our portfolio, our approach to selecting climate scenario for the modelling, and quantification of financial impact resulting from the scenario analysis.

Our current portfolio contains 54 assets comprising 36 accommodation and 18 transportation infrastructure investments. Each asset has its own unique characteristics which require a bespoke approach in order to model physical risk in a robust manner. For instance, one accommodation asset may contain multiple buildings on different sites, each requiring its own physical risk assessment. Similarly, our transportation infrastructure assets are often several kilometres in length and contain features such as bridges and tunnels, requiring a more detailed modelling approach to ensure their constituent characteristics can be appropriately factored into the climate modelling assessment.

Working with a specialist firm, we designed a 'ground-up' modelling methodology where we assign individual asset archetypes to each asset component. Archetypes are used to assess the vulnerability of different asset components to physical risk, providing more granular insights that support our climate risk strategy, governance and risk management approach. Coupled with our comprehensive climate scenario selection, we are therefore well positioned to understand BBGI's climate-related exposure across the short, medium and long term and ensure appropriate action is taken to manage climate-related risks and opportunities as they are identified.

100% of our portfolio screened to assess climate-related risks

13 CLIMATE ACTION

CASE STUDY

Comprehensive climate risk analysis across BBGI's entire portfolio considering a range of climate scenarios continued

A full breakdown of the methodological approach taken is outlined below:

Pre-work

Identify climate impacts and resilience

- Conduct systematic climate-resilience survey for all assets in our portfolio
- Review potential climate change impacts and current climate-resilience mitigation in place across investments

Step 1

Develop 'ground-up' model methodology

- Perform 'ground-up' exercise with asset managers to identify key characteristics of each asset and allocate asset rebuild values to each component.
- Allocate asset archetypes to differentiate vulnerability parameters between e.g. hospitals, schools or road surfaces.

Step 2

Run climate screening on portfolio

- Model aggregate physical risk exposure for all assets across eight climate perils, including river flooding, coastal flooding (including sea level rise), surface-water flooding, windstorm, wildfire, heat stress, freeze-thaw and soil movement.
- Quantify physical impact severities of each asset based on 'Paris-Aligned' and 'High emissions' scenarios across three time periods (2020, 2050 and 2100).

Step 3

Quantify potential financial impacts

- Quantify the potential financial cost of damage for every asset arising from physical risk (expressed as an average annualised loss (AAL) which is a proxy for insurance risk).
- Evaluate change in financial impact from 2020 out to 2100 under each climate scenario.

Step 4

Perform 'deep-dive' analysis for subset of assets

(ongoing until Q2 2022)

- Informed by preceding steps, undertake more detailed climate modelling on 20 selected assets.
- Perform detailed scenario analysis for each asset based on 'Paris-Aligned', 'Intermediate[20]' and 'High emissions' scenarios, in decadal time steps from 2020 to 2100.
- Establish change in physical risk severity scores and quantify potential financial impacts for all eight climate perils to understand difference in risk impacts between e.g. flood and wind.

Next steps and improvements

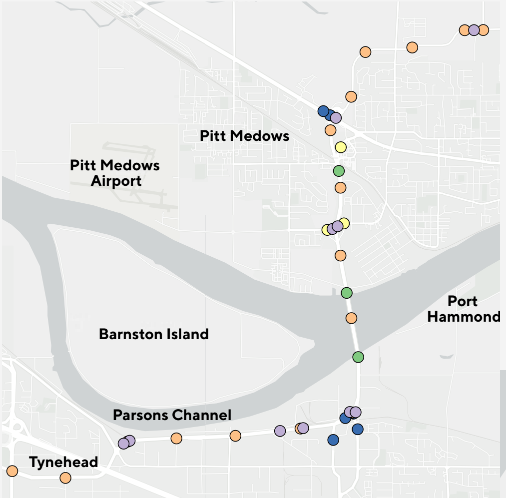
- Refine model outputs with asset managers to integrate site-level mitigation already in place to refine modelled physical risk severities and financial impacts.
- Work with key parties to investigate potential mitigation strategies to embed greater resilience across the portfolio.
- Develop board management strategy actions for priority assets.

8 perils

Climate screening for all assets across eight climate perils

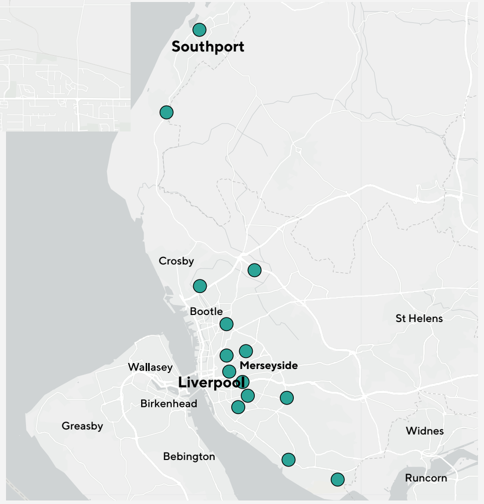
Map key components comprising each asset

We worked with our asset managers to manually map each key component comprising each asset. For our transportation assets, components typically 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.



Mapping example for a transportation asset

- Large Bridge
- Small Bridge
- Road Centre
- Roundabout
- Slip Road



Mapping example for an asset comprising of multiple buildings

- Building

20 'Intermediate' scenario (RCP4.5) as emissions continue to rise with likely mean temperature increase of ~+1.8°C.

CASE STUDY

Comprehensive climate risk analysis across BBGI's entire portfolio considering a range of climate scenarios continued

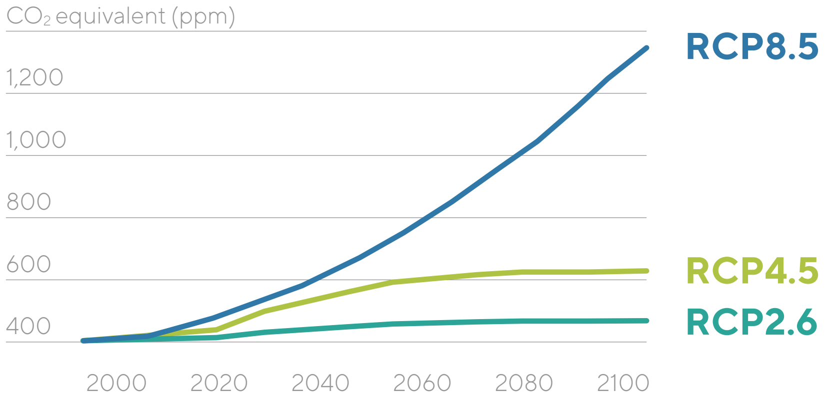
3 climate scenarios and three time periods considered

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[21]. The projected increase in warming across each scenario are shown below.

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 occurs to reduce emissions: +0.3°C to +1.7°C

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. Thus, 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.

A detail of the approach taken to select climate scenarios is outlined below:

Climate scenario	Mean temp. change by 2100	Description	Climate scenario selection: Entire portfolio	Climate scenario selection: Deep-dives
'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	Step 2	Step 4
'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		Step 4
'Paris-Aligned' scenario **RCP2.6** Rapid global action occurs to reduce emissions	+1.0°C	• **'Paris-Aligned'** scenario that 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	Step 2	Step 4

21 Our concession term does not extend further than 2051 for any asset. However, we recognise that future investment decisions can, where appropriate, be made in knowledge of longer-term climate risks.

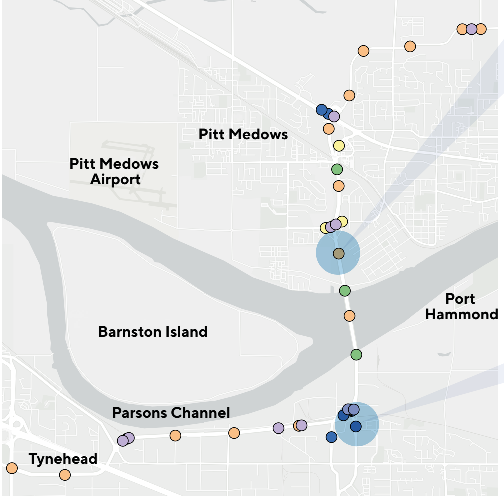
CASE STUDY

Comprehensive climate risk analysis across BBGI's entire portfolio considering a range of climate scenarios continued

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 have allocated rebuild values to each asset component, allowing our methodology to differentiate between the most critical areas of our infrastructure assets; an essential step 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.

A worked example for our largest investment, the Golden Ears Bridge, is outlined on this map which illustrates the level of granularity obtained in order to maximise the robustness of modelled physical risk.



Large Bridge
Small Bridge
Road Centre
Roundabout
Slip Road

Example component risk score sheet

Location: Golden Ears Bridge (North)

Model archetype: Concrete Slab Bridge

Physical risk severity:

Time period	Paris-Aligned scenario	High emissions scenario
Present day	Very low	Very low
2050	Very low	Very low

Notes: river flooding not predicted to impact elevated bridge section. Engineered design thresholds of bridge further mitigate risk of physical damage.

Example component risk score sheet

Location: Golden Ears Way (on ramp south)

Model archetype: Road/tarmac

Physical risk severity:

Time period	Paris-Aligned scenario	High emissions scenario
Present day	Very low	Very low
2050	Very low	Low

Notes: climate modelling highlights potential future access issues to 'on-ramp' due to greater river flood severity. Impacts greatest under RCP 8.5, though material damage is unlikely due to road tarmac remaining highly resilient to flood impacts.

Limitations

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".

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

Reducing our carbon footprint

Putting our commitment into practice

GHG Emissions Calculation Methodology

We define BBGI's carbon footprint that pertain to our business activities as our 'Corporate Emissions' and our 'Financed Emissions' are the emissions from our portfolio companies' investments. Our GHG inventory management is underpinned by a GHG inventory based on the GHG Protocol Corporate Standard ('GHG Protocol'), to allow the Management Board to effectively track performance and set targets.

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

Adapted for BBGI from SBTi Private Equity Sector Guidance and GHG Protocol

Scope 1

Direct

Energy consumption from gas use in corporate offices

Scope 2

Direct

Energy consumption from purchased electricity use in corporate offices

Scope 3

Indirect

Business travel flights
Employee commuting
Home-working
Grey fleet car
Electricity transmission & distribution

Water supply and water treatment
Waste
Emissions stemming from cloud-based subscriptions

Financed Emissions

BBGI's 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

19
Assets have performed a carbon footprint assessment in line with the GHG protocol

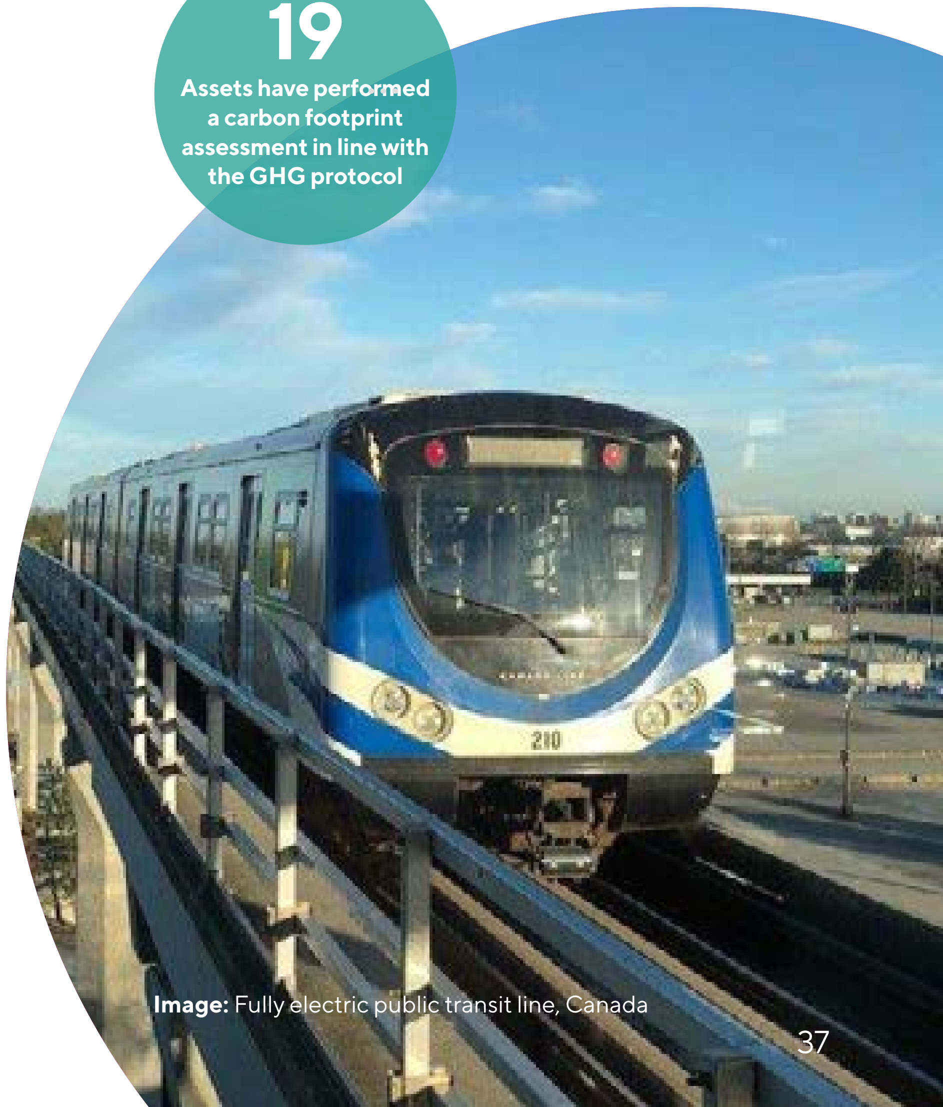


Image: Fully electric public transit line, Canada

Reducing our carbon footprint continued

BBGI's Corporate Emissions

In 2019, BBGI's calculated Corporate Emissions were estimated to be c. 273 TCO_2e (under the market-based approach). Within its assessment BBGI has included all Scope 1 and 2 emissions, as well as all relevant Scope 3 emissions where data is available. Around 86% of emissions analysed during this study are from business travel (mainly air travel).

In 2021, emissions calculated for BBGI's operations from the agreed emissions boundary are estimated to be c. 78 TCO_2e. Almost 49% of emissions are from business travel. Due to COVID-19, 2020 and 2021 were considered outliers in terms of business travel and homeworking emissions.

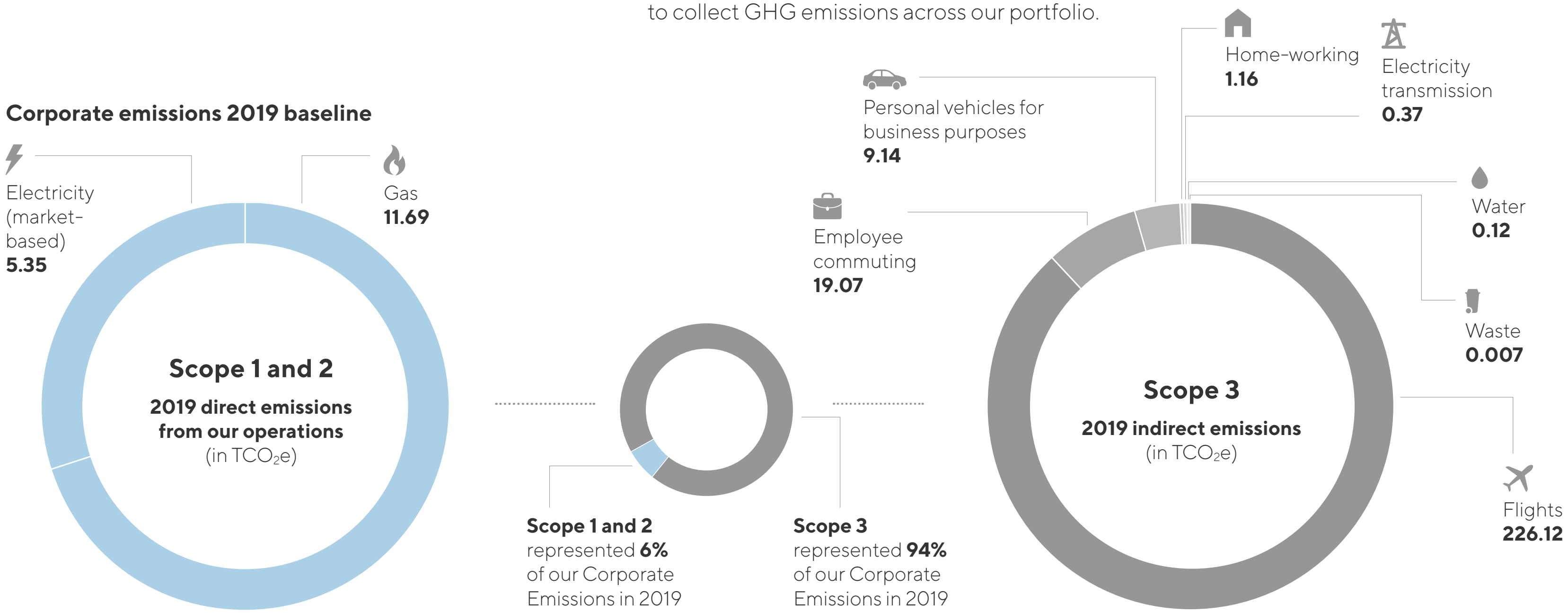
BBGI's Financed Emissions

So far, 19 (35%) of our portfolio companies have performed a carbon footprint assessment in line with the GHG Protocol. By the end of 2022, we expect that all of BBGI's portfolio companies will report GHG emissions.

The main driver for achieving Financed Emissions reduction targets will come from the increasing alignment of portfolio companies with net zero pathways. As mentioned earlier, BBGI rarely has operational control at its portfolio companies, so the achievement of the targets and objectives will be highly dependent on successfully influencing stakeholders (typically our public sector clients) into taking action to achieve these goals.

BBGI began collecting Scope 1 and Scope 2 emissions data from its portfolio companies in 2021. From 2022 onwards, BBGI will begin reporting on the carbon footprint of its portfolio companies ('Financed Emissions'). The proprietary BBGI 'ESG Best Practice Guide' and related ESG KPI survey provides guidance and a data management system to collect GHG emissions across our portfolio.

Corporate emissions 2019 baseline



Measuring progress

Reducing BBGI's own carbon footprint

GHG Corporate Emissions

78 TCO_2e

(2020: 82 TCO_2e. 72% reduction compared to 2019: 273 TCO_2e)

Waste Management certification

✓

(2020: ✓)

Reducing the carbon footprint of our portfolio companies

GHG inventory across our portfolio companies

35%

(2020: n/a)

100%

All assets will have performed a carbon footprint assessment by end of 2022

Carbon neutrality and offsetting

Measuring progress

Carbon Neutral from 2021 onwards

Carbon Neutral Organisation

Cerified Carbon Neutral organisation

✓

(2020 : ✓)

In line with our net zero commitment, BBGI commits to the achievement of GHG emissions reductions:

- Reduce our Corporate Emissions Scope 1, 2 and 3 by 50% by 2030 (aligned to a 1.5°C reduction pathway using the absolute contraction approach).
- Carbon neutral from 2021 onwards. All residual and unavoidable Corporate Emissions will be offset by purchasing high quality offsets to obtain carbon neutrality beginning in 2021.
- Net zero Corporate Emissions Scope 1 and Scope 2 by 2040.

CO_2e Assessed Organisation

Carbon Neutral Organisation

Putting our commitment into practice

BBGI is Carbon Neutral since 2021 and will maintain its carbon neutrality going forward. Our GHG emissions have been independently verified for 2019, 2020 and will be for 2021. BBGI is a certified CO_2 Assessed organisation.

Recognising the finite availability of offsets from land use in particular, and the need to rapidly decarbonise all activities to the extent possible, we do not consider the use of external offsets as a significant long-term strategy for the achievement of our Net Zero Plan. As a general principle, we do not use purchased offsets at the portfolio level to achieve our decarbonisation goals. We also do not offset emissions in one part of our portfolio through accounting for avoided emissions in another part. When using offsets, it is only where there are no technologically and/or financially viable alternatives to eliminate emissions.

In 2021, we made use of offsets by investing in nature-based solutions only in long-term carbon removals. Our already emitted emission from 2021 were compensated by purchasing carbon offsets from an offset scheme facilitated by Carbon Footprint Ltd. For our 2019 (272.66 TCO_2e), 2020 (81.61 TCO_2e) and 2021 corporate footprint (78.31 TCO_2e), we will be planting the equivalent of 570 trees in the UK. 70 trees have been offered by BBGI to one of our schools, Lagan College, for their 40th anniversary celebration and 69 were offered to other integrated schools in Northern Ireland. The equivalent was purchased in offsets for 570 TCO_2e through the Pacajai Reduced Deforestation project in Brazil (Verified Carbon Standard credits VCS 981). This tree planting package meets the requirements under the Quality Assurance Standard (QAS) for Carbon Offsetting.

Verified Carbon Standard

A VERRA STANDARD

Image: 70 trees have been offered by BBGI to one of our schools, Lagan College in Northern Ireland, for their 40th anniversary celebration

ENVIRONMENTAL INITIATIVES IN OUR PORTFOLIO

BBGI and Lagan College celebrate by planting trees

Lagan College is Northern Ireland's first planned integrated, all ability, co-educational 11-18 school. The school was founded in 1981 by a small group of pioneering parents, known as the All Children Together Movement, who wished to educate children from all religious traditions together in a different way, set against a backdrop of political and social unrest.

Globally renowned for its peace work, Lagan College is also a UK Ambassador School, committed to working with others to raise the profile of climate change and carbon reduction. The school has won five prestigious Eco Awards for its work educating others to care for the planet.

In 2022, the College will be celebrating its 40th anniversary. To commemorate this milestone, BBGI has donated and will work with Lagan College to plant 70 native tree species on the school site during the spring planting season and will gift a variety of tree saplings to each one of the other 69 integrated projects which have come into existence since 1981. In addition, an investment by BBGI is helping the College to expand its Chaplaincy Centre which lies at the heart of the school, which will help Lagan in its aim to become Northern Ireland's first ever Carnegie Centre of Excellence for Mental Health.

Find out more:

www.bb-gi.com/our-portfolio/our-assets/europe/lagan-college/

Green Bond 'Sustainable Infrastructure' financing for Ohio River Bridges

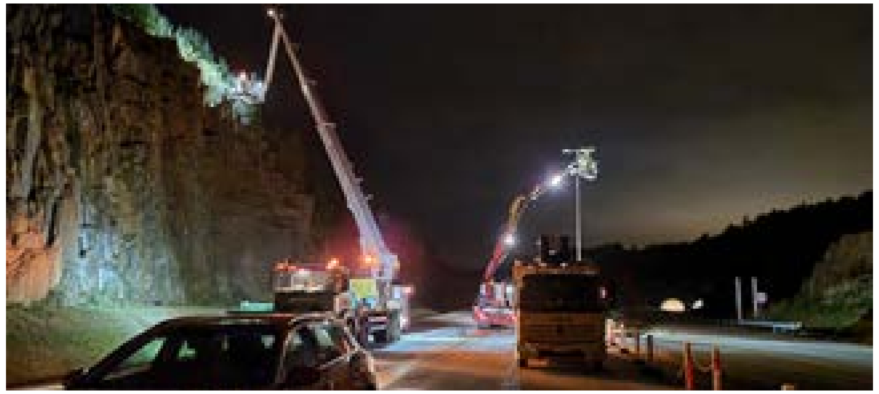
The Ohio River Bridges East End Crossing Project, completed in 2016, is a large-scale cross-river transportation and roadway project. Designed to meet current and future mobility needs of the Louisville Metropolitan Area, the project includes a cable-stayed bridge across the Ohio River connecting Indiana with Kentucky and associated roadways, tunnels and facilities. The project achieved an Envision Platinum certification in 2016 from the Institute for Sustainable Infrastructure, by demonstrating comprehensive integration of principles of sustainability through all stages of the project.

During 2021 the original project debt was refinanced, and the new bonds qualified as a green bond offering based on the project's high standards for energy efficiency, sustainability and environmental stewardship. The financing is aligned with the 'Green Bond Principles' and meets the standard for 'Sustainable Infrastructure' which is a new category.

The portfolio company has recently installed 130 solar panels on the O&M centre, solar-powered waste compactors, and an electric vehicle (EV) charging station. The new solar panels will satisfy all the power needs of the O&M centre and the portfolio company plans to replace some of its vehicles with EV alternatives as they become available.

Find out more:

www.bb-gi.com/our-portfolio/our-assets/north-america/ohio-river-bridges/



LED lighting on E18

The 'OPS E18 Kristiansand – Grimstad' is a stretch of road totalling 38-km including seven tunnels with a total length of 13.1 km, 61 bridges and 75 km of secondary roads. This project significantly improved road traffic safety, as well as providing greater access to the area.

During 2021, the portfolio company changed all lighting (with the exception of tunnels) from conventional lighting to LED. A total of 1,220 luminaires were replaced along the E18. In addition, 414 luminaires were replaced at intersections and picnic areas.

Annual power saving amounts to approximately 585,000 KW/h. This corresponds to an annual saving in CO_2 of 150 tonnes. This has been done without any form of financial contribution from our public sector client.

Find out more:

www.bb-gi.com/our-portfolio/our-assets/europe/e18-norway/

ENVIRONMENTAL INITIATIVES IN OUR PORTFOLIO

More bicycles at Royal Women's Hospital

The Royal Women's Hospital in Melbourne covers in excess of 40,000 m2 and provides comprehensive state-of-the-art health care to the women of Victoria in a central location.

COVID-19 caused many frontline health care workers, at Royal Women's Hospital, to alter behaviour and to favour cycling to work instead of public transit. As a result, the existing bicycle compound at the Royal Women's Hospital was soon at full capacity, and many staff were forced to leave their bicycles in less secure areas or drive to work instead of cycling.

The portfolio company wanted to support frontline health care workers and offered to double the size of the bike compound. The portfolio company fully funded the project and, with the assistance of the facility maintenance contractor, delivered the project. The project was a success and reduced CO_2 emissions. It is estimated that if the additional bike capacity causes those people to switch from car to bicycle travel, it will reduce CO_2 emissions by 132 tonnes per annum.

Find out more:

www.bb-gi.com/our-portfolio/our-assets/australia/royal-womens-hospital/

3 GOOD HEALTH AND WELL-BEING
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Helping the local wildlife in Montreal, Quebec

The Samuel de Champlain Bridge in Montreal, Quebec is a 3.4 km, six-lane, high-level bridge with a dedicated two-lane transit corridor that is currently being retrofitted to accommodate the Réseau Express Metropolitan light rail transit system. A four-meters-wide multi-use path with scenic lookouts at strategic locations provides active transportation options for the public. The bridge crosses the St. Lawrence River and connects the City of Montreal to the City of Brossard on the south shore.

It may seem unusual, but falcons like to nest in bridge structures because of the height and access to water. Outside of nesting season, peregrine falcons are known to travel widely – their name, in fact, comes from the Latin word 'peregrinus', meaning 'wanderer'. Some nesting sites have been in continuous use for hundreds of years, occupied by successive generations of falcons.

The species is considered vulnerable in Quebec, and the bridge's management, is working to help the birds, installing nesting boxes, setting up a safety perimeter around work sites during nesting periods, monitoring the birds regularly, and intervening when necessary.

Find out more:

www.bb-gi.com/our-portfolio/our-assets/north-america/samuel-de-champlain-bridge/

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
11 SUSTAINABLE CITIES AND COMMUNITIES

In order fulfil our purpose of providing access to a diversified portfolio of essential social infrastructure investments that generate long-term, sustainable returns and serve an inherent social purpose, managing our social impacts is an important part of our active management approach.

This section reports BBGI's approach to addressing the social issues most material to the Company, including health and safety of staff and workers at portfolio companies, fair employment and remuneration, and learning and development opportunities for our staff.

Image: Therapist at Tor Bank School, Northern Ireland

03 Social

Sustainable Finance Disclosure Regulation (SFDR)

EU Sustainable Finance Disclosure Regulation

The EU Sustainable Finance Disclosure Regulation (SFDR) is a new set of European Union rules which came into effect on 10 March 2021 and aims to provide transparency regarding sustainability within financial markets. The goal of SFDR is to make the sustainability profile of funds more comparable and easier to understand. SFDR focuses on categorising products into specific types, providing information with regards to the integration of sustainability risks and pre-defined metrics for assessing the environmental, social and governance ('ESG') impacts of the investment process.

BBGI is an Article 8 product under SFDR

Under SFDR, the Company takes the view that it falls within the scope of Article 8, where the investment product promotes social characteristics and follows good governance practices. The information on this page describes our approach to SFDR.

More information is available in our SFDR Disclosures:

www.bb-gi.com/esg/

How does SFDR impacts BBGI

As currently prescribed under SFDR, from January 2023 onwards, there will be a requirement to consider all mandatory and certain selected voluntary SFDR indicators as part of our approach to ESG integration, and to disclose our consideration of these indicators through a **Principal Adverse Sustainability Impact statement**.

To be ready to report against these new requirements, we reviewed the new SFDR framework and identified the necessary data which will have to be collected from our portfolio companies. Our existing 23-question ESG KPI survey was updated and expanded into an 82-question screening tool covering all aspects of our ESG oversight. This new document, **BBGI's ESG Best Practice Guide**, was introduced to all our portfolio companies and subcontractors during various webinars in 2021.

The 82-question screening and management tool will provide us with the appropriate data so we can report against the new mandatory and voluntary metrics in the future. Where possible and appropriate, each response is scored against our own minimum requirements, industry benchmarks and national statistics or against a relative year-to-year improvement. As a result, our portfolio becomes a reference group, from which we can set targets for future improvements.

Description of Principal Adverse Sustainability Impacts

BBGI is committed to having a robust internal approach in place to ensure we identify and properly consider how our investment decisions may have positive and/or negative impacts on the environment, people and society[22]. Sustainability impact assessment is central to our long-term-oriented investment approach, which integrates environmental, social and governance factors into our strategy, investment approach, risk management, due diligence process, asset management and reporting.

social characteristics 8 SFDR

Image: Our team in action

22 Article 2(24), SFDR: this includes principal adverse impacts on sustainability factors, which means 'environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters'.

Sustainable Finance Disclosure Regulation (SFDR) continued

Principal Adverse Sustainability Impacts indicators

The table below outlines the expected mandatory and voluntary SFDR Principal Adverse Sustainability Impact indicators BBGI will report against in the future. BBGI has begun the process of collecting the required information and will report against SFDR Principal Adverse Sustainability Impact indicators and will publish its Principal Adverse Impact statement.

Mandatory climate and other environment-related indicators

Mandatory indicators applicable to investments in portfolio companies relating to climate and other environmental matters

Adverse sustainability indicator		Metric
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions
		Scope 2 GHG emissions
		Scope 3 GHG emissions
		Total GHG emissions
	2. Carbon footprint	Carbon footprint
	3. GHG intensity of portfolio companies	GHG intensity of portfolio companies
	4. Exposure to companies active in the fossil fuel sector	Share of investments in portfolio companies active in the fossil fuel sector
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of portfolio companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of portfolio companies, per high impact climate sector
Biodiversity	7. Activities negatively affecting biodiversity- sensitive areas	Share of investments in portfolio companies with sites/operations located in or near biodiversity- sensitive areas where activities of those portfolio companies negatively affect those areas
Water	8. Emissions to water	Tonnes of emissions to water generated by portfolio companies per million EUR invested, expressed as a weighted average
Waste	9. Hazardous waste ratio	Tonnes of hazardous waste generated by portfolio companies per million EUR invested, expressed as a weighted average

Sustainable Finance Disclosure Regulation (SFDR) continued

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

Mandatory indicators applicable to investments in portfolio companies relating to Mandatory social and employee, respect for human rights, anticorruption and anti-bribery matters

Adverse sustainability indicator		Metric
Social and employee matters	**10. Violations of UN Global Compact (UNGC) principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises**	Share of investments in portfolio companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises
	11. Lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines for Multinational Enterprises	Share of investments in portfolio companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of portfolio companies
	13. Board gender diversity	Average ratio of female to male board members in portfolio companies
	14. Exposure to controversial weapons (anti- personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in portfolio companies involved in the manufacture or selling of controversial weapons

Voluntary climate and other environment-related indicators

Voluntary indicator applicable to investments in portfolio companies relating to climate and other environmental matters

Adverse sustainability indicator		Metric
Energy performance	**Breakdown of energy consumption by type of non-renewable sources of energy**	Share of energy from non-renewable sources used by portfolio companies broken down by each non- renewable energy source

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

Voluntary indicator applicable to investments in portfolio companies relating to Voluntary social and employee, respect for human rights, anticorruption and anti-bribery matters

Adverse sustainability indicator		Metric
Social and employee matters	**Investments in companies without workplace accident prevention policies**	Share of investments in portfolio companies without a workplace accident prevention policy

Health and safety

Why does it matter?

Employee health, safety and well-being is a top priority for BBGI's management.

As a responsible employer, we believe it is morally right to ensure our employees are protected and have a 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.

Putting our commitment into practice

Health and safety at BBGI

At BBGI, we are committed to providing a healthy and safe working environment for our employees and visitors to our office. We aim to be compliant with all applicable health and safety legal requirements, and that best practice health and safety management standards are implemented and maintained across the Company.

Everyone at BBGI has a responsibility for helping to create a healthy and safe working environment. Employees are expected to take ownership of their safety and are encouraged and empowered to report any concerns.

Management Board has overall responsibility for ensuring that the appropriate policies, procedures and safeguards are put into practice by our dedicated Health and Safety Officer. This includes making sure that everyone in BBGI has access to appropriate information, instruction, training and supervision. Health and safety risks are assessed, managed, recorded, monitored and reported by our dedicated Health and Safety Officer.

Mental health remained an area of focus during the year and a number of initiatives were initiated or continued: mental health check-ups were added to the agenda of all employee reviews; manager check-in were frequent; telecommuting policy was introduced to give employees greater flexibility regarding when and how they work; our team was given access to Headspace, a globally available app that helps with meditation, mindfulness stress release and sleep, and our people were offered a Peleton digital membership which provides access to live and on-demand fitness, cycling, yoga and strength training.

Health and safety at our portfolio companies

Health and safety is on the agenda of every portfolio company board meeting. Our asset managers actively work with the portfolio companies or its management service providers to promote a strong health and safety culture, facilitating the sharing of best practices and promoting 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.

Additionally in most cases, each portfolio company regularly conducts a fire or health and safety audit.

We endorse a zero-tolerance approach to occupational health and safety incidents. When there is a lost time incident in one of our portfolio companies, the incident is investigated to identify the root cause and measures are implemented to reduce the possibility of it happening again.

Measuring progress

Health and safety of staff, workers and at projects

Implementation of Health & Safety policy by our portfolio companies

100%

(2020 : 100%)

Lost-time incidents at portfolio companies

10

Number of lost time incidents across our portfolio of 54 assets

(2020 : 7 across a portfolio of 50 assets)

Image: Our subcontractor's maintenance team at MerseyLink Gateway Bridge, UK

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.

As a global company, we are proud to have a 25 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.

Putting our commitment into practice

Treating our employees fairly is core belief at BBGI. For our employees to feel they work in a respectful work culture and are treated fairly, BBGI has a zero tolerance approach for any form of workplace discrimination. We strive to provide a safe, respectful and inclusive working environment at the forefront of the mind of our boards, executives and staff.

We actively work to try to prevent any discrimination in all aspects of the business, employment policies and practices including:

- Recruitment, assessment and selection processes;
- Terms and conditions of employment of BBGI staff and Directors;
- Compensation and benefits for all BBGI staff and Directors;
- Working environment;
- Personal development and training;
- Career progression;
- Redundancy and redeployment;
- Relationships with external stakeholders such as investors, subcontractors and joint venture partners; and
- Investment decisions.

Forced or compulsory labour

BBGI does not, and will not, tolerate any form of slavery, human trafficking or forced labour. BBGI is committed to preventing slavery and human trafficking in its corporate activities, and amongst our subcontractors at our portfolio companies. All our investments in the UK fully support the UK Modern Slavery Act and in other parts of the world we impose the same or similar policies.

For further details, please also see our Modern Slavery Act statement, the latest for which can be found at:

www.bb-gi.com/investors/policies/modern-slavery/

10%
of the Management Board's LTIP will be evaluated against GHG reduction targets

Remuneration policy

The remuneration committee introduced an ESG element to the LTIP for the Management Board. Beginning in 2021 10% of the Management Board's LTIP will be evaluated against targets related to a reduction in GHG emissions.

At the portfolio level, we started an exercise to monitor the unadjusted gender pay gap of our portfolio companies. However, 85% of the portfolio companies do not employ any staff. Amongst the 15% remaining, the vast majority have only one or two staff, making the calculation of a pay gap based on gender bias impractical as the sample set is very small and there are no examples where different genders are performing the same role.

We recently started to monitor whether the management service providers of the portfolio companies have processes in place to verify that all contractors working for the project receive local minimum wage.

Whistleblowing Policy and hotline

BBGI promotes 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, there is a whistle blower 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.

Find out more:

www.bb-gi.com/investors/policies/bbgi-s-whistleblowing-hotline/

Measuring progress

Long-term employment

Average Employee tenure
4.5 years
(2020: 5 years)

Retention rate
100%
(2020: 96%)

Turnover rate
8%
(2020: 16%)

Fair employment

Permanent staff
100%
(2020: 100%)

'Zero hour' contracts
0%
(2020: 0%)

Furloughed staff
0%
(2020: 0%)

Fair employment and remuneration continued

Board members appointment and diversity

The process of appointing any 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 remaining committed to selecting members on merit with relevant and complementary skills to help the Company maximise stakeholder value. The Company will continue to make future appointments at all levels on the basis of 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 Company as a whole.

The Boards of BBGI take into full consideration both the gender and ethnic diversity of their composition. They fully acknowledge the FTSE Women Leader Review and the Parker Review on Ethnic Diversity on Boards.

Diversity and equality policy

In 2020, the Nomination Committee oversaw the development of a separate Group Diversity and Equality Policy which seeks to enhance BBGI's existing culture of diversity, equality and inclusion. Our policy covers the grounds of our non-discrimination, equal treatment and equal pay practices, harassment prevention and available complaint mechanisms.

Gender diversity at BBGIw

Supervisory Board

50% Male | 50% Female

Chair | Audit Committee Chair | Remuneration Committee Chair | Nomination Committee Chair

Management Board

100% Male (No turnover since IPO)

Direct reports

62% Male | 38% Female

Team members

75% Male | 25% Female

Gender diversity at BBGI's portfolio companies

Portfolio companies management boards

88% Male | 12% Female

Portfolio companies staff

63% Male | 37% Female

50%
Gender-balanced Supervisory Board

Image: A1/A6 motorway, Netherlands

Learning and development

Why does it matter?

Our success is partially dependant on the technical expertise and talent of our people and their extensive industry and local markets knowledge.

Our business model requires us to maintain regular interactions with multiple local partners and subcontractors. In our industry working relationships are durable, and the calibre and competency of our team has a meaningful impact on our corporate reputation and the long-standing relationships we have with our clients, investors, partners and subcontractors.

Measuring progress

Employee competency development

Average industry experience

17 years

(2020 : 17 years)

Number of employees receiving training

100%

(2020 : 100%)

(2021 : 4.4 hours per year per employee
2020 : 5.3 hours per year per employee)

Putting our commitment into practice

BBGI strives to be a responsible employer, and we are committed to providing our employees with opportunities, experience and training to allow them to develop and grow their knowledge, skills and competence.

Our people are encouraged to seek out training opportunities and the Company is fully supportive of such initiatives and will pay 100% of any fees associated with appropriate courses.

In 2021, 100% of our people participated in:

- Anti-Money Laundering and Counter Terrorism Financing training
- Cyber security training

All of our asset managers received ESG training during 2021.

In addition to our performance year-end and mid-year appraisal process, informal discussions occur between employees and their managers to provide feedback, foster trust and encourage employee engagement.

Most employees have 'kaizen' or continuous improvement targets and are encouraged to undertake initiatives for both self-improvement and advancement of the business.

Image: Schoolyard at Tor Bank School, Northern Ireland

SOCIAL INITIATIVES IN OUR PORTFOLIO

Christmas food bank for the Kelowna and surrounding municipalities

Kelowna General Hospital is a world-class teaching hospital and lead referral centre for over one million adults and children from across the interior of British Columbia, Canada. The hospital offers high-level, speciality medical care, including 24-hour emergency and trauma services, ambulatory and outpatient clinics, and diagnostic/paramedical services.

For the past eight years, staff from the Kelowna Hospital's portfolio company and its subcontractor have been volunteering during the Christmas hamper season at the Central Okanagan Food Bank, an annual tradition where volunteers help to prepare and delivery food hampers to those in need.

The Central Okanagan Food Bank is a critical resource to the Kelowna and surrounding municipalities that aims to create a healthy, hunger-free community for those in need. Over 18,000 children and youth alone access the Central Okanagan Food Bank services annually.

Find out more:

www.bb-gi.com/our-portfolio/our-assets/north-america/kelowna-vernon-hospitals/

3 GOOD HEALTH AND WELL-BEING | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

BeeBee GI honey

In 2020, BBGI initiated the installation of 100 beehives along our stretch of E18 roadway and near our rest areas. The 100 beehives are home to approximately six million bees and produce more than a metric tonne of honey. Bees are vital to the pollination process and help the natural flora.

BBGI works with a local beekeeper, who manages the hives. The honey is collected and packaged to meet local health standards to be donated to a local food bank. Marta from our team in Luxembourg has worked closely with Caritas' solidarity grocery to ensure the honey helps support those in need in our local community.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 11 SUSTAINABLE CITIES AND COMMUNITIES

LIFT success story in Liverpool

The Liverpool & Sefton Health Partnership LIFT scheme (LSHP) has been a success story of the LIFT programme having developed 15 buildings, several of them iconic in the local landscape.

LSHP has for a long time worked to make its buildings a part of the local communities, which are typically in disadvantaged areas, with spaces within the buildings being made available for community groups and fundraising activities. In recent years, LSHP has worked with its management services provider to establish an ESG foundation with dedicated budgets to support initiatives in or around the health centres benefitting the local communities. In 2021, this included BBGI working with the management service provider, supporting the local Sea Cadets with their 'On the Water' programme, targeted at children from the local communities with disadvantaged backgrounds or disabilities identified as 'hard-to-reach'. These children were given the opportunity to take part in water-based activities during the summer that they would not normally have access to and LSHP then provided sponsorship for an awards ceremony to celebrate the achievements of the participants alongside their families and local dignitaries.

Find out more:

www.bb-gi.com/our-portfolio/our-assets/europe/liverpool-and-sefton-clinics-lift/

3 GOOD HEALTH AND WELL-BEING | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

04 Governance

The Management and Supervisory Boards of BBGI recognise the importance of sound corporate governance.

This section reports BBGI's approach to addressing the governance issues most material to the Company, including: creating long-term financial and sustainable value, business ethics and integrity, quality of services provided and cyber security.

Image: ESG Committee meeting

ESG governance

Why does it matter?

The Management and Supervisory Boards at BBGI recognise the importance of sound corporate governance. Our Boards endorse and have adopted the main principles of good corporate governance set out in the AIC Code of Corporate Governance (AIC Code) which addresses 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.

More information on BBGI's governance framework can be found in the Governance section of our Annual Report.

Find out more:

www.bb-gi.com/investors/results-reports-presentations/

Putting our commitment into practice

Supervisory Board

- Reviews climate-related risk and all material sustainability issues quarterly.

Management Board

- Approves the sustainability strategy, ensures its integration across the Company and monitors performance against plan (including targets and budgets).
- Oversees climate-change-related risk ownership and ensures there is an effective programme in place to identify, assess, manage, monitor, and disclose climate-change-related risks.
- Accountable for the implementation of our sustainability strategy and programmes.
- LTIP linked to the achievement of BBGI's ESG targets and GHG emissions reduction.
- Assigns accountability for programmes at executive level.

ESG Committee

- Reviews and recommends to the Management Board BBGI's business strategy in relation to ESG and the ESG policy.
- Monitors the implementation of BBGI's Business strategy in relation to ESG and ESG Policy within the BBGI Group.
- Reviews and ESG-related performance reports, including the annual ESG Report, the annual submission to the UN PRI, and any other externally reported performance reports.
- Pursues initiatives and promotes responsible investments principles to our people, clients, supplier and partners, communities and users and investors.

ESG governance continued

Governance framework at our portfolio companies

BBGI is committed to high quality governance at both the corporate level as well at the individual investment company level.

Our governance framework for investment companies in which we invest includes the following practices:

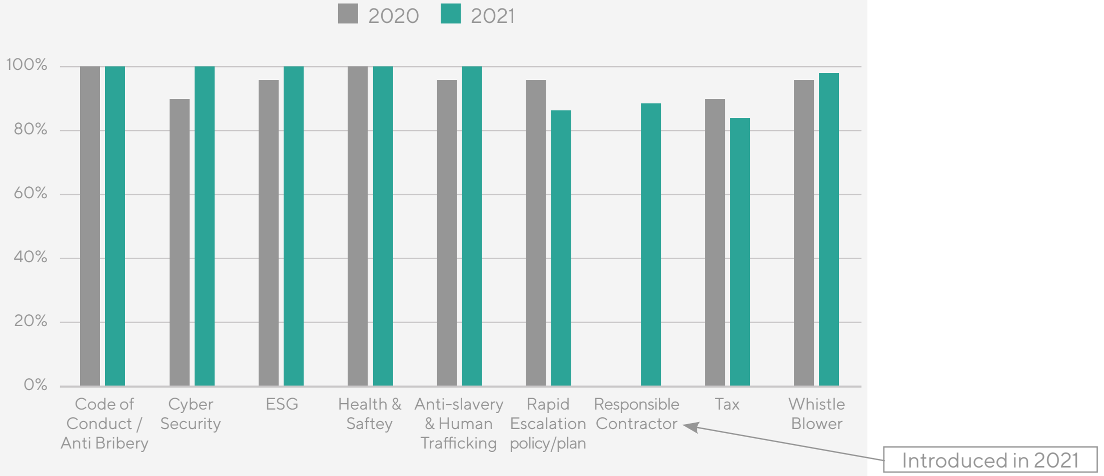
Active Management: A cornerstone of BBGI's active management philosophy is regular attendance at Board of Director meetings. In 2021, at least one BBGI Board member was present for 100% of all board meetings where BBGI has a board seat. Annual asset visits and client meetings are also part of this philosophy, although physical visits to some investments were not practicable since 2020 due to the global pandemic. As a result, virtual client meetings were used extensively.

Standard Policies: Another cornerstone of our active asset management approach is to establish a strong governance framework at each portfolio company. BBGI's standard policies include:

- Code of Conduct including anti-bribery, anti-corruption and non-discrimination
- Cyber Security
- ESG
- Health and Safety (workplace accident prevention policies)
- Anti-slavery & Human Trafficking policy (Modern Day Slavery)
- Rapid Escalation
- Responsible Contractor (introduced in 2021)
- Tax
- Whistleblowing

Measuring progress

Percentage of portfolio companies where BBGI's Standardised policies have been implemented



- In 2021, we implemented a new Responsible Contractor Policy describing our commitment to ensuring high standards of environmental, social and governance performance within our supply chain.
- In 2022 we plan to roll-out a new Biodiversity Policy at all our portfolio companies. 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 the built assets managed by our portfolio companies.

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

To find out more on each of our 54 infrastructure investments, we publish an individual ESG information sheet that describes the ESG initiatives at the individual project level:

www.bb-gi.com/our-portfolio/

ESG governance continued

Proprietary ESG KPI survey

Across our portfolio we introduced an enhanced **ESG Best Practice Guide** which is designed to support the implementation of BBGI's ESG & Sustainability strategy across all its portfolio companies. This guide and includes an upgraded proprietary ESG KPI survey.

We added relevant TCFD and SFDR Principal Adverse Sustainability Impact indicators to our ESG KPI survey which is now composed of 82 questions, covering all aspects of our ESG oversight:

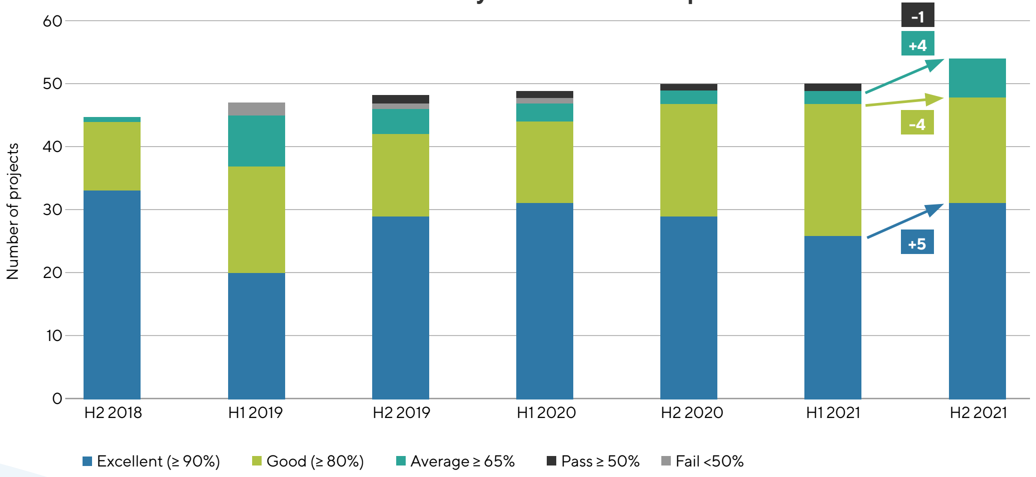
- **Social:** human rights, social and employee matters, social impact,
- **Governance:** general governance, anti-corruption and anti-bribery matters, delegation and oversight, data and cyber security, risk and compliance; and
- **Environment & climate change:** GHG emissions, biodiversity, water usage and water recycling, waste management, environmental impact.

All our asset managers and management service providers for our portfolio companies participated in online webinars and were trained on the new guide.

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 will become a reference group and the resultant data can be used to set the targets for future improvements. Our experience over the last five years has taught us that by measuring and tracking non-financial performance metrics, we have been able to achieve incrementally better ESG performance each year a project is subject to our active asset management approach.

Each asset 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', our people are encouraged to actively work to improve the score. And if a project already has a strong score, focus is directed to maintaining consistency and further improvements.

ESG KPI survey scores across our portfolio



Measuring progress

ESG factors considered strategically

Management Board attendance to ESG Committee meetings

✓

(2020 : ✓)

ESG considered as part of the Company's annual strategy review

✓

(2020 : ✓)

Proprietary ESG KPI survey completed for 100% of our portfolio

✓ 82 questions

(2020 : ✓ 23 questions)

Creating long-term financial and sustainable value

Why does it matter?

BBGI provides access to a diversified portfolio of infrastructure investments that generate attractive long-term, sustainable returns and serve an inherent critical social purpose in their local communities.

In return for long-term investment in, and active ownership of, essential social infrastructure investments such as education, healthcare, blue light, affordable housing, modern correctional facilities, and transport procured using availability-based[23] 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.

2.1%
NAV per share growth

Putting our commitment into practice

1 Low-risk[24]

The Company is committed to an availability-based social infrastructure investment platform and this strategy generates stable, predictable inflation-linked cash flows backed by secure, contracted public sector revenues. This is the Management Board's area of expertise and the Company avoids style drift by maintaining a disciplined approach to this strategy.

2 Globally diversified

The investment strategy is deployed in stable, well-established developed markets where governments and local authorities maintain support for availability-based models to finance public infrastructure. This provides focused exposure to highly rated investment grade countries across the UK, North America, Australia and Continental Europe.

3 Strong ESG approach

The Company has a values-driven active asset management approach which is aligned to six focused SDGs, a commitment to net zero and other ESG principles which are integrated into the Company's investment and operating model, and which serve to strengthen the non-financial returns the portfolio generates for all stakeholders. The portfolio also demonstrates a high-degree of climate resilience. This enables the Company to focus on the effective delivery of social impact, and incentivise strong ESG performance by directly linking results to executive compensation.

4 Internally managed

The Company's in-house management team is focused on delivering shareholder value, incentivised by shareholder returns and growth in Net Asset Value ('NAV') per share. This means that no NAV-based management or acquisition fees are charged, and the internal management team's interests are fully aligned with those of the shareholders, resulting in pricing discipline when managing the portfolio and assessing investment opportunities. As a result, the Company consistently maintains the lowest comparative ongoing charges to its shareholders in the sector[25].

Measuring progress

Creating long-term and financial sustainable value

NAV per share growth
2.1%
(2020: 1.2%)

Dividends (declared for the year)
7.33pps
(2020: 7.18pps)

Compound annual Shareholder Return since IPO
10.4%
(2020: 11%)

23 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-based'.
24 References to 'low-risk' throughout this ESG Report are made in comparison to equity investments in other infrastructure asset classes.
25 In comparison to the latest publicly available information for all closed-ended, LSE-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.

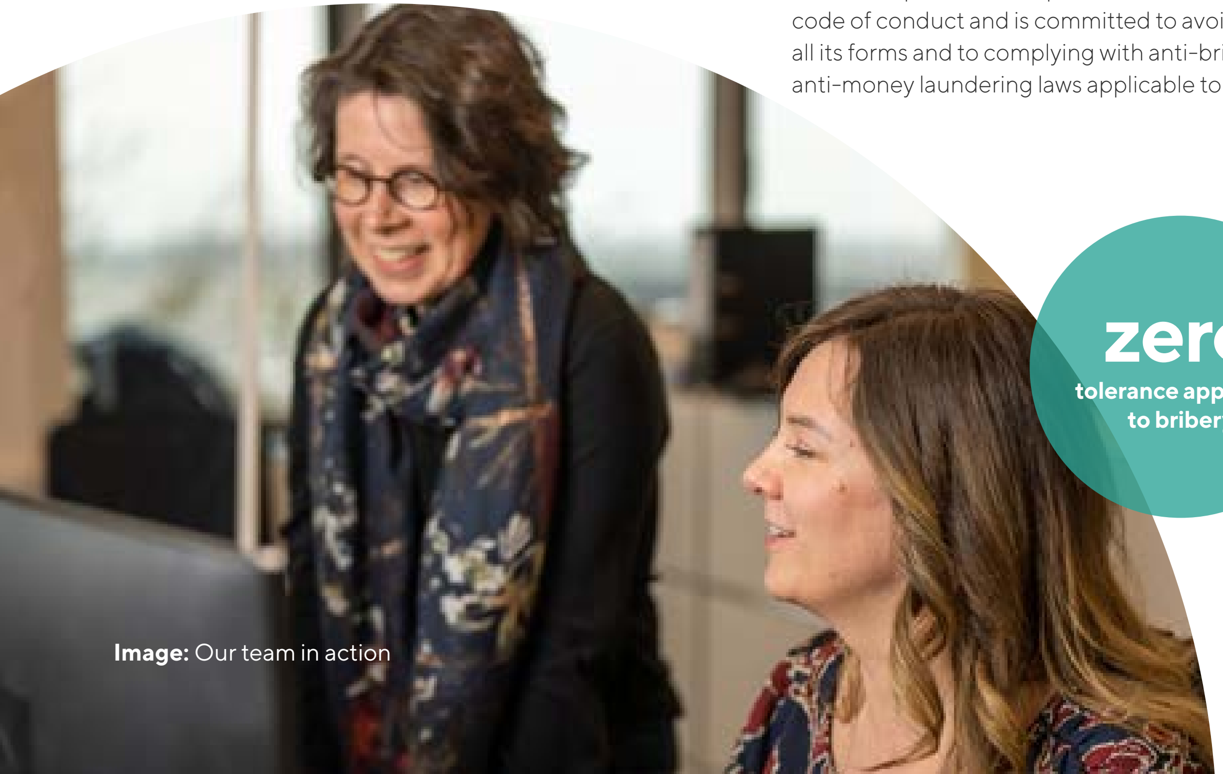


Image: Our team in action

zero
tolerance approach to bribery

Putting our commitment into practice

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

As part of our commitment to uphold 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.

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 committed to working only with third parties whose standards of business integrity are consistent with its own.

Each of its portfolio companies have 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.

Our 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.

Additional detail regarding Corporate Governance is provided in our Annual Report. Topics covered in greater depth include: Corporate Governance, Board of Directors, Biographies of Directors, Supervisory Board, Committees of the Supervisory Board, Management Board, Administration, Viability, Risk, Audit Committee Report, Remuneration Committee Report and Management Board Responsibility Statement.

Find out more:

www.bb-gi.com/investors/results-reports-presentations/

Measuring progress

Business ethics and integrity

Number of corruption incidents and related fines or penalties

None

(2020 : None)

Political contributions

None

(2020 : None)

BBGI's adherence to the Ten Principles of UN Global Compact

✓

(2020 : ✓)

Quality of services

Why does it matter?

As part of our mission, we maintain the day-to-day operations of important infrastructure including hospital, clinics, schools, colleges, police and fire stations, public transit lines and roads in several countries.

It is critical that these social infrastructure assets be available for the local communities they serve.

Putting our commitment into practice

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

Satisfied public sector clients are also 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.

99.9%
asset availability

Image: Various awards received by BBGI's portfolio companies

Measuring progress

Quality of services provided

Asset availability

99.9%

(2020 : 99.8%)

Net Promoter Score

Great[26]

(2020 : Great)

26 BBGI calculates its NPS from an annual client engagement survey. What do we qualify as a 'Good' NPS score? A score between 0 and 30 is 'Good', a score higher than 30 is 'Great', a score higher than 70 is 'Excellent'.

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 the IT systems of BBGI or a portfolio company, causing theft or loss of data, or damage to the infrastructure's control systems and equipment.

The threat of cyber attacks has meant that businesses can no longer afford to be reactive. A cyber attack could not only affect BBGI's reputation but could also affect the Group legally, financially, and operationally.

Putting our commitment into practice

The Company has outsourced the hosting of its IT platform to a regulated industry specialist. In doing so, BBGI obtains the benefit of having access to IT security experts, with the platform being monitored by an advanced IT security system, something that might not be cost effective if the Company's IT infrastructure was maintained onsite.

BBGI engages an external expert to carry out an annual intrusion test on the IT platform in order to identify and patch any vulnerabilities that might be identified.

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

Portfolio companies typically operate through a subcontracted management structure and tend not to have their own IT systems and rely on the management service provider. Data is typically backed up. In a typical PPP structure, the public sector client has its own IT systems and the vast majority of our portfolio companies do not maintain its own IT systems. Subcontractors of the portfolio company, such as management service providers, facility maintenance contractors for accommodation investments and operations and maintenance contractors for transport assets, will have their own IT systems, which will likely house data and/or sensitive information relating to the project. In a typical PPP structure, risks are passed down to subcontractors by the project entity. This would include risks relating to design and construction warranties relating to IT systems (such as a warranty that the system will meet specifications requiring it to meet robust security requirements), as well as the risk that a cyber attack will interrupt the provision of services to the project.

Measuring progress

Cyber security

Implementation of cyber security policy by our portfolio companies

100%

(2020 : 98%)

Annual intrusion test of BBGI's IT platform

✓

(2020 : ✓)

Number of employees receiving cyber security training

100%

(2020 : 100%)

100% employees received cyber security training

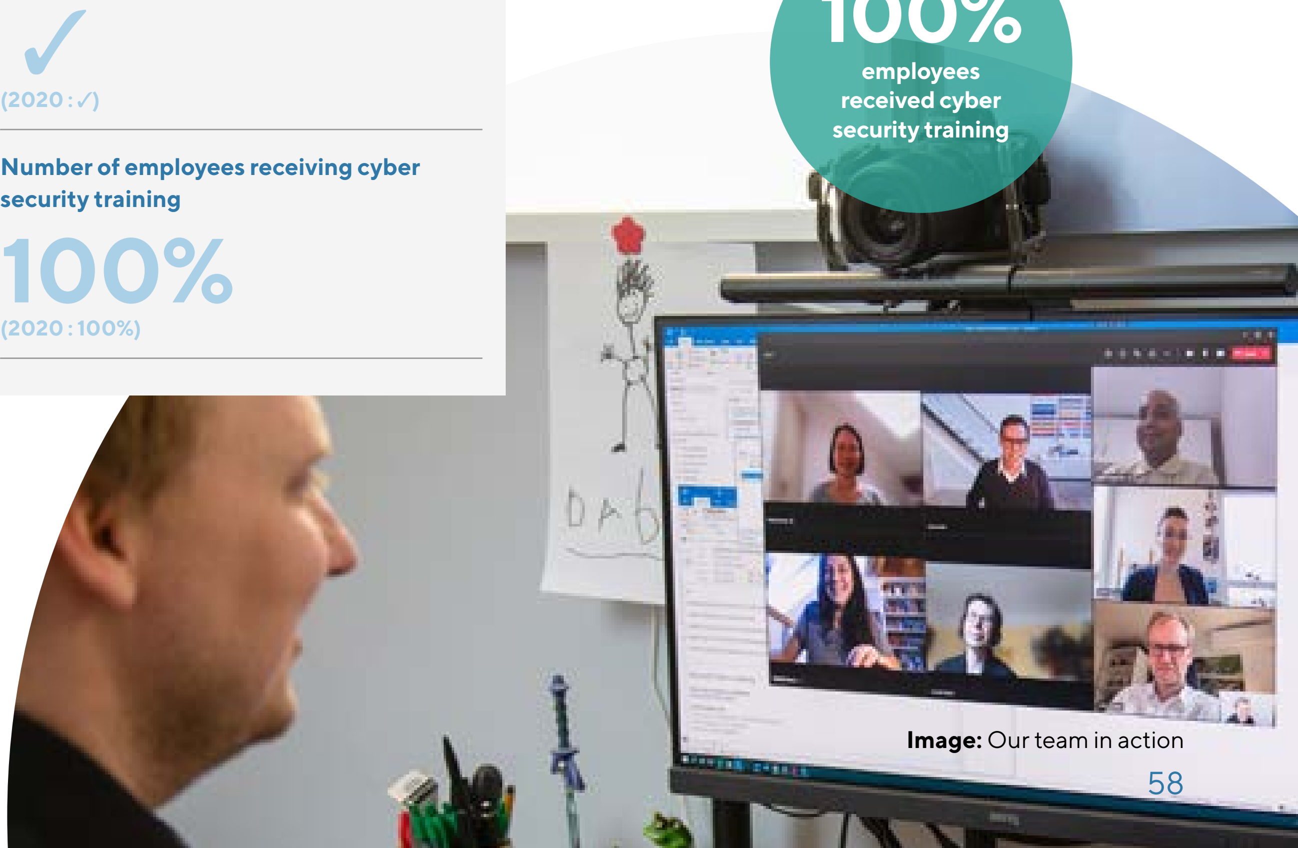


Image: Our team in action

Image: Our subcontractor's team at MerseyLink Gateway Bridge, UK

05 Looking ahead

Looking ahead

We have been encouraged by the broad support we have seen from all stakeholders on sustainability issues. Regulators and governments have also helped progress the dialogue by implementing legislations such as SFDR and TCFD. We will continue our voluntary disclosure in many areas and will comply with new legislative requirements as they emerge.

We expect that that many of the frameworks, standards and third-party ratings will evolve into a more standardised and accepted set of disclosures, which will facilitate meaningful comparison of reliable ESG data and allow for better tracking of non-financial performance.

We remain committed to our responsible investment approach and evolving our investment process to supporting our ESG policy. The expansion of BBGI's ESG data collection stemming from the introduction of our new ESG Best Practice Guide will allow us to provide greater transparency and accountability against our ESG targets and enable more robust monitoring of potential sustainability risk and opportunities, including climate change, within our business.

In 2022 and 2023, we will be working to formalise pathways to reduce our Corporate Emissions and developing robust net zero plans at our various portfolio companies. It will be important to train our staff and share our acquired knowledge with our public sector clients and subcontractors if we want to achieve meaningful progress against our net zero commitments.

We will also look for new investment opportunities that are not only aligned with our SDG objectives and serve an inherent social purpose, but are helping to address climate change. We are particularly pleased with our recent investment in John Hart generating station which closed in February 2022. The investment involves a 132-MW hydroelectric power generation station on the Campbell River, British Columbia. It includes an underground powerhouse, 2.1 kilometres of water passage tunnels, a water bypass system to protect downstream fish habitat. The station generates clean and reliable energy for over 80,000 homes.

We have full confidence in the Company's ability to deliver long-term, predictable, and stable income to our shareholders, while also delivering positive outcomes for all of our stakeholders. We sincerely thank our shareholders for their support over this past decade and look forward to the future with confidence.

Find out more:

www.bb-gi.com/our-portfolio/our-assets/north-america/john-hart-generating-station/

Image: Underground power generation station, Canada

A clean energy investment which generates clean and reliable energy for over 80,000 homes.

Image: Champlain bridge in Montreal, illuminated to show Canada's support for the people of Ukraine

06 Appendices

GHG Protocol

Carbon Footprint Ltd. has assessed the GHG emissions from 1 January 2021 to 31 December 2021 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.

CO_2e Assessed Organisation

The total market-based carbon footprint for BBGI for the period ending 31 December 2021 was 78.31 tonnes CO_2e. The most significant source of emissions is business travel by air, accounting for 42% of total market-based emissions. This is followed by gas consumption and upstream well-to-tank emissions, contributing 17% and 14% respectively.

- 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.
- 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.
- The assessment scope has been expanded to include upstream well-to-tank emissions, which had not been calculated in the past.

Scope	Activity	2019 Tonnes CO_2e	2020 Tonnes CO_2e	2021 Tonnes CO_2e
Scope 1	Gas	**11.69**	**11.65**	**13.40**
Scope 1 Sub Total		**11.69**	**11.65**	**13.40**
Scope 2	Electricity (location-based)	4.85	4.00	3.70
	Electricity (market-based)	5.35	5.00	7.20
Scope 2 Sub Total (location-based)		**4.85**	**4.00**	**3.70**
Scope 2 Sub Total (market-based)		**5.35**	**5.00**	**7.20**
Scope 3	Air travel	226.12	46.41	32.95
	Upstream well-to-tank	–	–	11.22
	Home-working	1.16	6.19	4.98
	Personal vehicles for business purposes	9.14	4.31	4.29
	Employee commuting	19.07	7.96	3.69
	Other	0.50	0.42	0.58
	Electricity transmission & distribution	0.37	0.33	0.43
	Taxi travel	0	0	0.07
	Water supply	0.12	0.08	0.04
	Waste	0.007	0.007	0.04
	Cloud-based storage	0	0	0
Scope 3 Sub Total		**255.99**	**65.29**	**57.71**
Location-based total tonnes of CO_2e		**272.16**	**80.94**	**74.81**
Market-based total tonnes of CO_2e		**272.66**	**81.61**	**78.31**

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 utilises supplier-specific factors as a preference, with residual factors being used where supplier-specific factors are not available.

Scope 3 – Business travel from air travel, upstream well-to-tank emissions, personal vehicles for business purposes and taxi travels, employee commuting, home-working emissions, electricity transmission & distribution, water supply and treatment, waste, emissions stemming from cloud-based storage. Well-to-tank (WTT) 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.

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 2021 to 31 December 2021 with reference to the GRI Standards.
GRI Standard used	GRI 1: Foundation 2021

GRI Standard/other source	Disclosure	Location
General disclosures		
GRI 2: General Disclosures 2021	2-1 Organizational details	**p. 8**
	2-2 Entities included in the organization's sustainability reporting	**p. 65**
	2-3 Reporting period, frequency and contact point	**p. 65**
	2-4 Restatements of information	**None**
	2-5 External assurance	**p. 65**
	2-7 Employees	**p. 47**
	2-8 Workers who are not employees	**None**
	2-9 Governance structure and composition	**p. 52**
	2-10 Nomination and selection of the highest governance body	**Annual Report p. 70**
	2-11 Chair of the highest governance body	**Annual Report p. 61**
	2-12 Role of the highest governance body in overseeing the management of impacts	**p. 52**
	2-13 Delegation of responsibility for managing impacts	**p. 52**
	2-14 Role of the highest governance body in sustainability reporting	**p. 52**
	2-15 Conflicts of interest	**p. 56**
	2-16 Communication of critical concerns	**No critical concerns reported to the Management Board**
	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. 61**

GRI Standard/other source	Disclosure	Location
General disclosures continued		
GRI 2: General Disclosures 2021 continued	2-19 Remuneration policies	**Annual Report p. 70**
	2-20 Process to determine remuneration	**Annual Report p. 70**
	2-21 Annual total compensation ratio	**Annual Report p. 72**
	2-22 Statement on sustainable development strategy	**p. 10-12**
	2-23 Policy commitments	**p. 4; 7; 22; 48 & ESG & Sustainability Risk Policy**
	2-24 Embedding policy commitments	**p. 4; 10-12; 23-32 & ESG & Sustainability Risk Policy**
	2-25 Processes to remediate negative impacts	**p. 21-58**
	2-26 Mechanisms for seeking advice and raising concerns	**p. 47 & Whistleblowing hotline**
	2-27 Compliance with laws and regulations	**p. 43-45**
	2-28 Membership associations	**p. 7**
	2-29 Approach to stakeholder engagement	**p. 14-15**
	2-30 Collective bargaining agreements	**None**

GRI Content Index continued

GRI Standard/other source	Disclosure		Location
Material topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics		p. 16
	3-2 List of material topics		p. 17
	3-3 Management of material topics	Aligning our investment strategy with climate action	p. 22–36
		Reducing our carbon footprint	p. 37–39
		Reducing the carbon footprint of our portfolio companies	p. 23; 37–38; 40–41
		Health and Safety of staff and workers and our portfolio companies	p. 46
		Fair employment and remuneration	p. 47–48
		Learning and development	p. 49
		Creating long-term financial and sustainable value	p. 55
		ESG factors are considered strategically	p. 52–54
		Quality of services provided	p. 57
		Business ethics and integrity	p. 56
		Cyber security	p. 58

About this Report

Approach to reporting

This is our second standalone annual ESG Report. To develop this Report, we engaged with stakeholders in order to further advance our disclosures on our sustainability activities, and outlined the results of climate change risk analysis, as well as the achievements from our portfolio companies. We have been encouraged by the positive feedback received and intend to continue to report annually on our global sustainability and Environmental, Social and Governance ('ESG') activities and performance.

This Report covers data from 1 January 2021 until 31 December 2021, unless otherwise indicated, with comparisons for previous periods where possible. All financial figures are stated in GBP.

For each of the material topics identified from our materiality assessment, this Report covers the impacts of the Company's activities from its head office in Luxembourg and its offices in UK and Ireland. The Report also covers our portfolio of 54 assets as of 31 December 2021.

This Report should be read in conjunction with the Company's 2021 Annual Report, available on our website at:

https://www.bb-gi.com/investors/results-reports-presentations/

Reporting frameworks

This Report contains our voluntary **TCFD** aligned climate-related disclosures. As the Company is considered an Investment Trust it is therefore not in 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 fully report against the TCFD recommendations. The Company's TCFD aligned climate-related disclosures are also available in the Company's 2021 Annual Report.

This Report includes preliminary information on the principal adverse impacts of our investment decisions on sustainability factors as prescribed by the **Sustainable Finance Disclosures Regulation** ('SFDR').

In context of our commitment to the **Net Zero Asset Managers initiative**, this report presents our Net Zero Plan including our interim target for the proportion of assets to be managed in line with the attainment of net zero emissions by 2050.

This Report details our contribution to the **Sustainable Development Goals** ('SDGs') and our contribution respective to our six focus SDGs.

This Report also serves as our Communication on Progress ('CoP'), as the Company is a signatory to the **UN Global Compact** ('UNGC'). In January 2022, BBGI joined the Communication on Progress Early Adoption Program and as such will make its 2021 CoP available via the new UNGC CoP platform.

Our stakeholder engagement approach is consistent with the **AA1000 Stakeholder Engagement Standard** (2015)© from Accountability.

This ESG Report forms part of BBGI's annual reporting suite which includes: Annual Report, Interim Report, Investor Presentations, and RNS press releases. Additional information on BBGI's ESG activities can also be found in the aforementioned documents and on our website at:

www.bb-gi.com

For more information, visit our website:

www.bb-gi.com/esg/

Image: Our team in action

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