



Sustainability Report 2026

Diversified Sustainable Income

Our purpose

Our purpose is to generate attractive and sustainable returns for a wide range of investors through responsible and disciplined investment into a growing portfolio of diverse economic infrastructure debt. These assets would otherwise be difficult for investors to access, given the specialist nature of the origination and credit assessment skills needed. Our investments support the provision of infrastructure on a sustainable basis and create social and economic benefits across the range of geographies in which we invest.

The Company's sustainability policy, framework methodology, regulatory disclosures, assurance report and other sustainability-related documents are available on the Company's website here: www.seqi.fund/sustainability/publications/.

As an industry renowned for acronyms and initialisms, the Company has provided a glossary on the final page of all abbreviations used within this report.

Contents

Introduction from the Chair of the Sustainability and Stakeholder Engagement Committee	4
Comprehensive sustainability review	5
Stakeholder materiality assessment	5
SEQI's updated sustainability framework	7
Our sustainability goals	8
Integration into the investment process	13
Engagement with borrowers	14
Climate mission	15
Global initiatives and regulatory reporting	20
Global initiatives	20
Regulatory reporting and review	23



Read more about SEQI's updated sustainability framework

▶ PAGE 7



Read more about how SEQI integrates sustainability into its investment process

▶ PAGES 13 AND 14

Key highlights from the year

▶ Conducted a comprehensive review of SEQI's approach to sustainability, including a landmark **stakeholder materiality assessment**

▶ Designed an entirely **new dual-scoring methodology** to integrate material sustainability factors, comprising an ESG Risk Score and an Externality Score

▶ Refined **negative screening criteria**, and expanded **positive screening theme** to explicitly cover transition financing

▶ Hosted a second **ESG Breakfast event**, convening Shareholders and key stakeholders to engage with peers, share insights, and provide feedback on priorities and market developments contributing to the development of SEQI's updated sustainability strategy

▶ Under the legacy methodology, the portfolio weighted average **ESG score** increased for the sixth consecutive year from 59.61 in 2020 to **66.12** in 2026

▶ Sixth year obtaining **independent limited assurance** over portfolio ESG metrics

▶ Recalculated **historic portfolio emissions** to align with updated metrics to improve comparability across years

▶ Our Investment Adviser improved all of its **UN PRI scores** under its latest reassessment¹

▶ The Company **offset** its remaining operational greenhouse gas emissions through the purchase of carbon credits

1. The Investment Adviser's PRI scorecard is included in the **Global initiatives** section of this report and their public Transparency and Assessment Reports are available on the UN PRI website: <https://ctp.unpri.org/dataportalv2/transparency/>.

Introduction from the Chair of the Sustainability and Stakeholder Engagement Committee



Selina Sagayam

Chair of the Sustainability and Stakeholder Engagement Committee

Over the period, the global backdrop to sustainability strategies has deepened in complexity, impacted by heightened geopolitical volatility, significant changes in trade dynamics and supply chain reliability, and the material reshaping of key sustainability regulation. The responsible investment landscape has been unsettled by rising complexity and divergent stakeholder expectations; while some voices have pressed for more rigorous, data-rich and expansive approaches, others have advocated a slowing or recalibration of ESG-related activity. Despite this shifting terrain, the fundamentals have not changed: material environmental, social and governance factors remain integral to understanding asset performance, credit strength and long-term resilience. Against this backdrop, the Company has been deliberate in advancing its approach this year to sharpen its focus on the factors that genuinely drive value and risk to ensure that investment decisions remain grounded in these material considerations.

With this in mind, this year marks a significant milestone for the evolution of SEQI's sustainability framework. Over the course of the year, the Board and the Investment Adviser ("IA") undertook a holistic review of the existing approach, which was prompted by a range of factors. First, the sustainability regulatory landscape has evolved at pace in recent years, with increased emphasis on concepts such as double materiality, enhanced disclosure requirements and greater global standardisation. Secondly, expectations from Shareholders and other stakeholders have continued to evolve, accounting for shifting market perspectives; for example, certain issues have accelerated in recent years and come under intensifying focus, such as cybersecurity and data governance, while views on certain sectors such as defence have matured and become more nuanced.

Finally, following a review of its foundational sustainability framework after seven years of application, the Company concluded that it had successfully achieved its original objective of shifting the portfolio to one with more clearly embedded sustainability characteristics, including reducing exposure to sectors considered more harmful in favour of increased exposure to more sustainable activities (see the progress report on **Our sustainability goals** that demonstrates progress over the years in terms of screening and scoring). Reaching this point of maturity created an opportunity to build upon SEQI's strong sustainability foundations with a view to deepen analytical rigour, enhance the robustness of sustainability risk and opportunity assessment, and support a more resilient, value-aligned investment strategy.

This wholesale review began with a detailed self-evaluation of the strengths and limitations of the Company's existing sustainability approach, combined with an assessment of peer practices and the evolving regulatory landscape. It then involved SEQI conducting a stakeholder materiality assessment for the first time to collect views on the sustainability priorities of the Company's Shareholders and other key stakeholders.

This comprehensive survey was followed up with subsequent engagement including an in-person discussion at the Company's second ESG Breakfast event.

This year, the event was dedicated solely to gathering feedback through sharing valuable learnings, insights and views on the Company's current sustainable investment approach and areas for development or enhancement. It was pleasing to receive strong support for the core elements of SEQI's framework, particularly its disciplined screening system, active engagement with borrowers, and commitment to continuous improvement and transparent, high-quality reporting.

At the same time, stakeholders expressed support for further focusing attention on factors tied to financial materiality, endorsing the proposed new approach that more clearly delineates risk and impact factors. The event also provided a forum for attendees to share personal experience and insights for best navigating alignment with various differing and fast-evolving regulatory standards.

The results from the survey and follow-up engagement programme have directly informed the design and architecture of SEQI's updated sustainability framework, and the Board and IA are grateful for and take this opportunity to thank stakeholders who actively participated in this important process. Changes reflected in the refreshed framework include refinements to the Company's negative screening criteria to carve out controversial weapons from other military or defence-related assets, and an expansion of a positive screening theme to capture transition financing in a more explicit manner. Most notably, the proprietary ESG scoring methodology has been fundamentally redesigned. The introduction of a dual-scoring framework, comprising a new ESG Risk Score and a new Externality Score, represents a notable step forward in providing a more structured, balanced and value-relevant assessment of sustainability within and across the portfolio.

The Company remains committed to high standards of transparency and clarity in its reporting and will share updates on the ongoing implementation of the new scoring framework. On other reporting matters, SEQI continues to disclose as an Article 8 fund under SFDR. SEQI's TCFD Report provides, for the second year, full emissions metrics and climate scenario analyses across the portfolio. In addition, this year, in response to Shareholder feedback, it also includes recalculated historic portfolio emissions data in order to facilitate comparisons over time.¹ Recognising that reliable, validated data continues to play an important role in providing confidence to investors, SEQI has obtained independent limited assurance over sustainability metrics for the portfolio, now for the sixth year, with this year's assurance covering negative screening and thematic investing.

Looking to the year ahead, the focus will be on rolling out the refreshed sustainability framework in a disciplined yet adaptive way and embedding it consistently across the portfolio. This will be an important period of transition and review before new metrics or quantitative targets can be set. The Board believes these updates will also position the Company well for alignment with emerging global sustainability standards, which the Board and IA will continue to monitor.

The Board is proud of the progress achieved this year as SEQI has advanced, refined and strengthened its approach to the integration of sustainability criteria within its investment process. The Board is confident that these developments will enhance the discipline with which risk and opportunity is assessed across the portfolio, support long-term value and resilience to deliver outcomes for the benefit of Shareholders, and advance its pursuit for meaningful contribution to sustainable economies, which is further explored in the discussion of the UN Sustainable Development Goals under the **Global initiatives** section in this report.

1. Note that emissions data is based on estimates and reported data from borrower disclosures that are not independently verified in all cases.

Comprehensive sustainability review

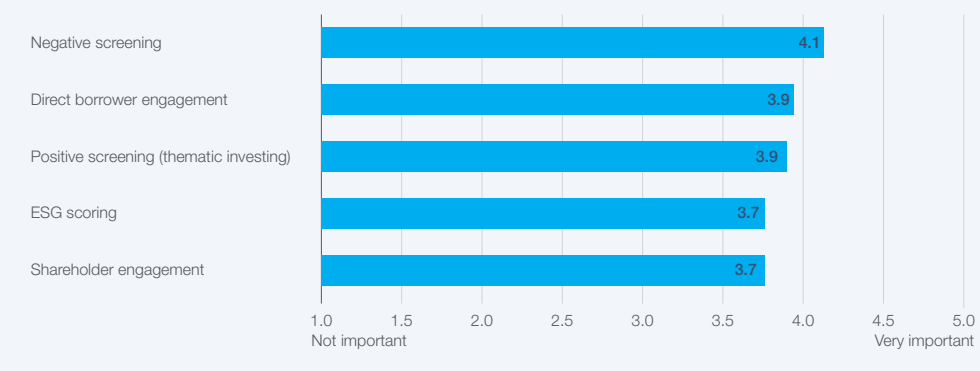
Since the original ESG framework was developed seven years ago, the sustainability landscape has advanced significantly. This includes broader adoption of concepts such as double materiality, enhanced disclosure requirements, and evolving expectations from investors, regulators and other stakeholders. In parallel, an internal review highlighted certain limitations of the existing framework, including the use of a single score to capture both ESG risks and sustainability impacts, limited differentiation of material factors across sectors, and constraints in its application across different investment use cases. During the year, the Company undertook a comprehensive review of its sustainability framework with the aim of continuous improvement, recognising that the original objective of the proprietary scoring system to shift the investment portfolio to one with greater sustainability characteristics had been achieved. An additional goal of this exercise was to ensure the Company's responsible investment approach remains aligned with evolving regulatory requirements, market expectations and best practice.

Stakeholder materiality assessment

As part of the review process, during 2025, the IA conducted a detailed and structured stakeholder materiality survey. The objective was to identify sustainability factors, issues and activities stakeholders consider most important and decision-useful, and to ensure the Company's approach takes account of these expectations when prioritising attention, focus and resource. Participants included Shareholders, members of the Board and key service providers (including representatives from the IA and AIFM), ensuring a broad and relevant range of perspectives. The feedback provided a number of valuable insights.

The survey first sought views on the importance, usefulness and effectiveness of different responsible investing activities (such as screening, scoring, different methods of engagement, external assurance, internal corporate social responsibility, regulatory reporting content, and voluntary initiatives and memberships). Stakeholders were asked about more than 20 different sustainable investing activities, with the five that came out as most important presented in the graph to the right. Stakeholders expressed strong support for many core aspects of the Company's existing approach, particularly its use of screening and a quantitative ESG scoring methodology. Borrower, Shareholder and regulator engagement were also consistently ranked as highly important activities, reinforcing the Company's existing approach of maintaining active and meaningful dialogue with these groups. Alignment with certain leading global and regulatory initiatives, namely TCFD reporting and UN PRI membership, were also highly valued. These elements are important foundations that the Company should continue to build upon. At the same time, there was clear support for increased focus on materiality and a clearer distinction between value at risk and impact considerations.

Top five most important sustainable investing activities to stakeholders



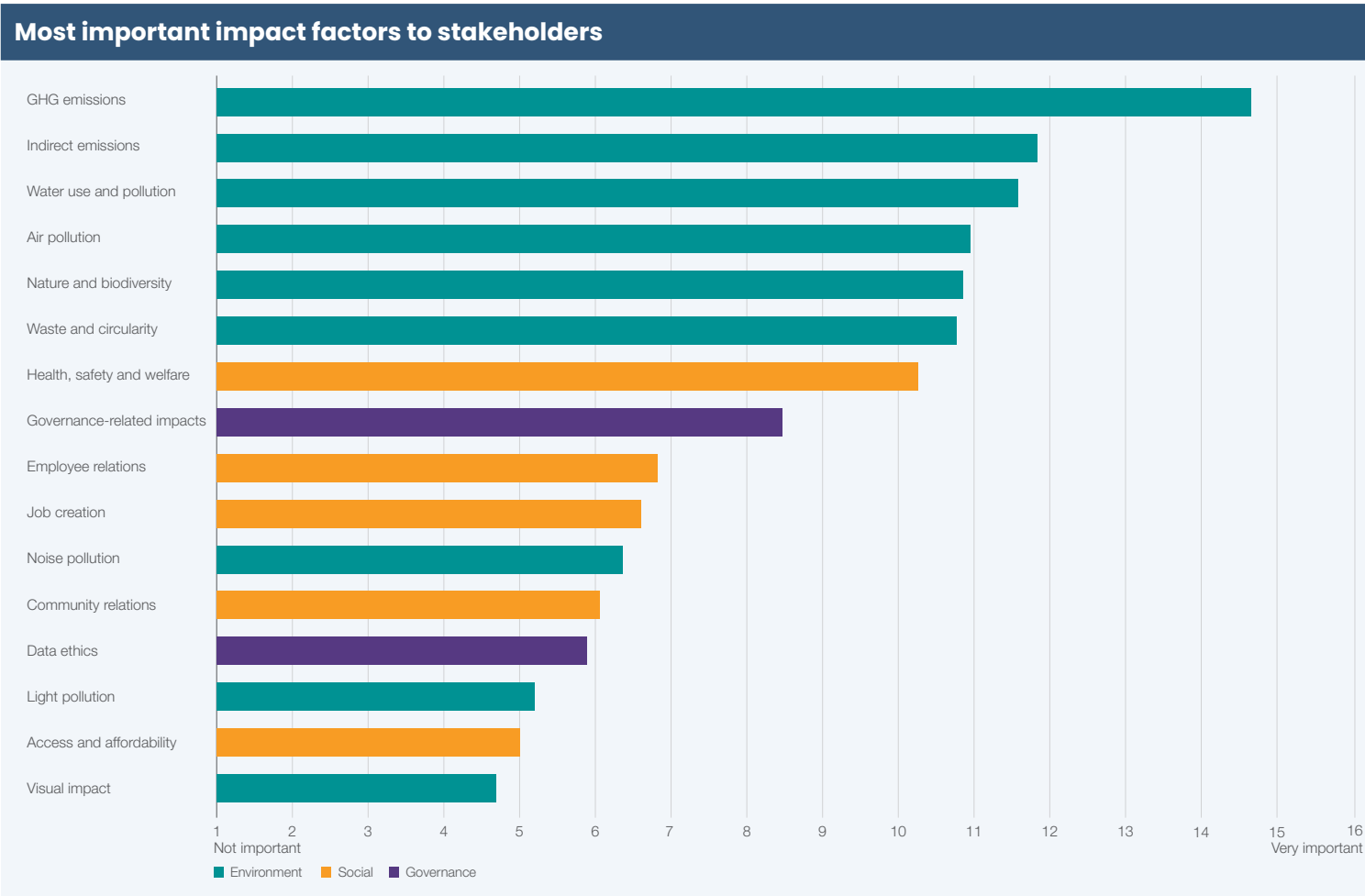
Comprehensive sustainability review continued

Stakeholder materiality assessment

continued

The second part of the survey queried respondents on their priorities and views on the relative importance of various global sustainability impacts, to them personally, their firm, and for an infrastructure debt fund like SEQI. This involved ranking topics such as impacts on nature and biodiversity, waste production and circularity, light pollution, community relation initiatives, contribution to access and affordability, and more. The results of this part of the survey (summarised in the graph to the right) directly informed the design of the new scoring framework in its consideration of and distinction between the many different effects that SEQI's investments can have on the world.

The findings of the sustainability materiality assessment exercise were further developed and refined through direct engagement with stakeholders. These engagements reinforced the conclusions of the survey and were used to deepen engagement with stakeholders on various themes that emerged across responses, such as views on defence assets, the treatment of transition assets, and the evolution of ESG scoring methodologies. These topics were the focus of targeted discussions at SEQI's second dedicated ESG Breakfast for investors and other key stakeholders. At this event, the IA presented and sought feedback on the proposed redesign of SEQI's sustainability framework; the proposed changes arose from the holistic internal review of the existing sustainability approach and the results of the materiality assessment. Together, these insights have directly informed the ongoing refinement of the Company's sustainability strategy and the development of its updated sustainability framework, as described in the next section.



SEQI's updated sustainability framework

The review, stakeholder materiality assessment and engagement provided a number of important insights into how the Company's sustainability approach is perceived and where enhancements would be most valuable. The outcomes of the survey and subsequent engagement have directly informed SEQI's updated sustainability framework, with enhancements being made to each of the three core components of the Company's framework: **negative screening**, **thematic investing (positive screening)**, and **scoring**. These changes are designed to strengthen the robustness, transparency and effectiveness of the framework, while maintaining consistency with the Company's investment strategy.

More detail on the refreshed framework is included in SEQI's latest Sustainability Policy, dated 1 April 2026, with full accompanying methodology for the screening processes and scoring calculations set out in the Sustainability Framework: Evidence and Procedures document, both published on the Company's website here: www.seqi.fund/sustainability/publications/.

1 Negative screening

Negative screening continues to represent a cornerstone of the Company's sustainability approach and was identified in the materiality assessment as the most important activity in a responsible investment framework. This reflects the objective of negative screening of seeking to ensure that the Company avoids exposure to sectors and activities that may cause significant harm to the environment or society.

Refinement has been made to the Company's previous broad military infrastructure exclusion to be targeted to specifically exclude **controversial weapons** (anti-personnel mines, cluster munitions, chemical and biological weapons) manufacturing and distribution. This better aligns with prevailing regulatory guidance and investor and market views on defence, national security and sustainable economies.

The refreshed framework also clarifies explicit exclusion of companies in severe violations of internationally recognised **human rights** standards, namely the UNGC principles and the OECD Guidelines for Multinational Enterprises.

These enhancements reinforce the Company's commitment to responsible investment and ensure that its negative screening approach remains both robust and aligned with emerging best practice present in peer approaches and the latest regulatory developments.

2 Thematic investing (positive screening)

The survey results also showed that thematic investing is a key component of the Company's sustainability approach, reflecting its role in directing capital towards assets and sectors that support demonstrable positive environmental and social outcomes. The Company continues to apply its positive screening framework to increase exposure to investments aligned with its defined sustainability themes, subject to portfolio diversification and concentration considerations.

Following the materiality assessment, a targeted enhancement has been made to the thematic framework to more explicitly recognise the role of **transition financing**.

While this has always been implicit in the Company's investment approach, it is now formally incorporated within the theme of "enabling the transition to a lower-carbon economy". This refinement ensures that the framework captures assets that may not yet be fully sustainable but are on a pathway towards improved environmental performance.

This change is a direct response to stakeholder feedback and addresses a key limitation identified in the previous scoring methodology, whereby certain transition assets may not have been adequately captured despite their importance in supporting real-world decarbonisation and contribution to the global transition pathway.

3 Scoring

The use of a scoring framework was highly valued across stakeholders who participated in the survey, highlighting the importance of a robust and transparent scoring framework as a means of quantitatively assessing sustainability across the portfolio. At the same time, respondents supported a strong focus on materiality within a sustainability scoring methodology. Feedback also supported the idea of a clearer separation of risk from impact factors.

Aligned with this, the Company has introduced a new dual-scoring framework effective 1 April 2026, comprising a new ESG Risk Score and a new Externality Score. This represents a significant evolution from the previous single-score approach and is designed to provide more structured, balanced, value-focused decision-useful insights.

The **ESG Risk Score** assesses the extent to which ESG-related factors could present a risk to a borrower's financial performance and credit quality. The methodology to calculate this consists of two key stages. The first stage determines which ESG risk factors are relevant and material for an asset, as this can vary significantly between asset types and borrowers. The methodology incorporates a materiality taxonomy based on the asset's sub-sector.

These materiality classifications have been informed by the SASB Standards but tailored to reflect the infrastructure credit asset class and the more granular sub-sectors considered by SEQI.

The materiality classifications set the weighting of each factor in the ESG Risk Score calculation, whereby the most material factors carry greatest weight and immaterial factors carry no weight. Second, the borrower's performance in managing each of these risks is then assessed by identifying relevant supporting evidence (if any), such as policies and procedures in place at the company. The resultant ESG Risk Score is considered within the investment process and ongoing asset monitoring.

The **Externality Score**, by contrast, evaluates a borrower's effect or impact on the external environment and society (i.e. impact materiality). To calculate the Externality Score, borrowers are assessed for their performance across a range of environmental and social externalities they create, both positive and negative. The specific externalities that are included within this assessment, and their respective weightings in the score calculation, have been informed by stakeholders' views and priorities expressed in the materiality survey and follow-up engagement discussed earlier. While the Externality Score does not determine an investment decision, it carries weight in shaping our engagement priorities with borrowers and is used in reporting.

Together, these two scores provide a more structured and balanced view of sustainability, enabling the Company to distinguish between ESG risks and opportunities that may affect financial returns and the wider impacts its investments are having on the world. The scores reflect different aspects of an asset taking a double materiality lens and are used in different ways across the investment process. Over the course of the year, the Company will work on fully embedding this new dual-scoring framework and rolling it out across the portfolio.

Negative screening

Thematic investing
(positive screening)

Scoring

Our sustainability goals

Progress report

The Company has three sustainability goals:

- 1 Comply with negative screening criteria;
- 2 Progress thematic investing (positive screening); and
- 3 Provide transparent reporting on SEQI's scoring framework.

For full year ended 31 March 2026, KPIs relating to the Company's first two sustainability goals have been independently assured by KPMG.

This confirmation is contained in the Company's Annual Report 2026. These data points are indicated with a (4), and have been extracted from the Annual Report. The reporting criteria and KPMG's limited assurance opinion are available in the [Sustainability Publications](#) section of the Company's website: www.seqi.fund/sustainability/publications/.

Since the year ended 31 March 2021, the Company has obtained limited assurance over the weighted average ESG score for the portfolio. In light of the reformation of the entire scoring framework this year, SEQI will instead commission an independent pre-conditions review, assessing readiness for assurance and providing feedback on the new scoring methodology, with findings reported privately to the Company. This is with a view to the Company seeking to obtain the same level of rigour and scrutiny afforded by the limited assurance over the new score(s) using the revised methodology in the year to come.



1. Comply with negative screening criteria

The following sub-sectors or asset types are excluded from investment:

- › **Controversial weapons** (anti-personnel mines, cluster munitions, chemical and biological weapons) manufacturing and distribution.
- › **Violation of human rights** (companies in severe violation of the UNGC principles or OECD Guidelines for Multinational Enterprises).

As SEQI's investment criteria limits investment to only certain types of economic infrastructure, this means that in practice, many harmful or controversial asset types de facto will not fall into investment consideration, for example: **alcohol production, gambling operations, tobacco cultivation or production, pornography production and adult entertainment activities.**

Ancillary revenues arising from the following excluded activities would not normally constitute a material part of that business (i.e. more than 5% of its total revenues):

- › **Thermal coal mining** and directly related infrastructure, for example a dedicated thermal coal transportation asset like a railroad or wagons.
- › **Power generation from coal** and any asset using thermal coal.
- › **Upstream exploration or production of oil and gas**, such as oil rigs and platforms, fracking facilities, and facilities involved in tar sands.

100%

During the year, 100% of investments were compliant with the Company's negative screening criteria.

KPMG have issued an independent limited assurance report over this metric.⁴

During the year, the Company did not finance any "transition projects" that, whilst initially may not meet the negative screening criteria, have a plan in place to move to a more sustainable and compliant business model. There are also no projects of this nature currently held in the portfolio, though that may be considered for future investment.



Our sustainability goals continued

Progress report continued

2. Progress thematic investing (positive screening)



SEQI has adopted a range of investment thematics, including, but not limited to, three with sustainability characteristics:

- › **Renewable energy** (e.g. generation of solar, wind and geothermal energy and directly related businesses including renewable energy suppliers);
- › **Enabling the transition to a lower-carbon world** (e.g. grid stabilisation, electric vehicles infrastructure, traffic congestion reduction solutions) and transition financing (i.e. companies or assets that are not yet sustainable but that are on a credible transition path, such as the substitution of coal by gas); and
- › **Infrastructure with social benefits**, which provides for basic or critical human needs and requirements (e.g. clean water and food security) or brings a positive change by addressing social challenges and inequalities (e.g. healthcare, education and affordable housing) or advancing society as a whole (e.g. progressing and facilitating telecommunications).

Positive screening will be employed to increase SEQI's exposure to these investment themes, subject to existing concentration limits.

74%

Thematic investing covers 74% of the Company's investment portfolio for the year ended 31 March 2026, averaged across each quarter end.

KPMG have issued an independent limited assurance report over this metric.^Δ

^Δ KPMG have issued independent limited assurance over the selected data indicated with a reference in the 2026 Annual Report. The reporting criteria and assurance opinion are available in the Sustainability Publications section of our website: www.seqi.fund/sustainability/publications/. See page 8 for more information.

Below is the breakdown across each theme as well as some current investment examples:

Renewable energy

10%

- › US residential roof solar panel businesses
- › Spanish solar PV power portfolios
- › Construction of a portfolio of solar projects in Poland
- › Solar PV portfolio in the UK

Enabling the transition to a lower-carbon world

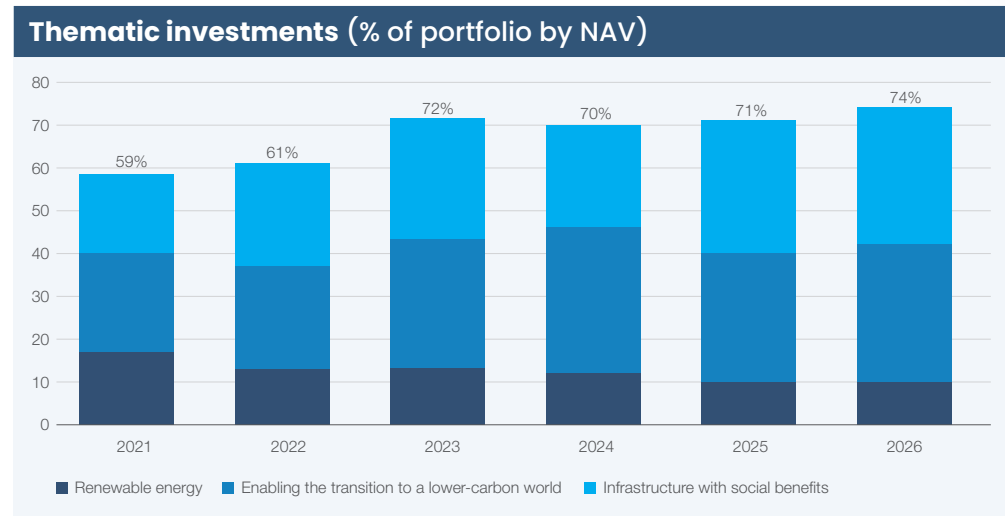
32%

- › Service provider to wind turbines
- › Supply of biomass fuel from waste wood and by-products
- › Long-term power contracts in France to enable nuclear capacity
- › Interconnectors that enhance grid stability and support the integration of renewables
- › Specialist shipping of floating liquid natural gas
- › Efficient road project that reduces congestion

Infrastructure with social benefits

32%

- › Specialist UK healthcare provider
- › Emergency medical vehicles and healthcare transportation in Spain
- › Provider of diagnostic imaging and radiotherapy services in Germany
- › Student housing in jurisdictions across the Netherlands
- › Essential and emergency water handling solutions
- › Telecom towers and broadband services connecting up residents and businesses from rural areas



The remaining 26% of the portfolio sits within a diversified mix of infrastructure assets that do not necessarily fall within the definitions of these three themes.

This year, the Company invested in two new renewables projects within solar power and two other new projects that enable the transition to a lower-carbon world, which were a wind turbine service provider and an interconnector project.

Our sustainability goals continued

Progress report continued

3. Provide transparent reporting on SEI's scoring framework



Last year, under the prior scoring system, each investment in the portfolio was assessed using the Company's longstanding, single ESG scoring methodology. The Company has historically sought to increase the portfolio's weighted average ESG score over time, while balancing this objective against the need to maintain diversification across sectors, sub-sectors and investment stages. Diversification remains a core component of the Company's investment strategy and a key driver of long-term risk-adjusted returns.

This legacy ESG scoring framework has been embedded within the Company's investment process for the past seven years and has played a key role in supporting integration of sustainability considerations within the investment process, portfolio monitoring, and reporting. The financial year ended 31 March 2026 marks the final period for which this methodology is applied, as it has now fulfilled its intended objective of shifting portfolio composition and is being superseded by a more structured approach. In line with prior years, the Company has set out below the portfolio's ESG score for the year and an analysis of the key drivers of its movement. This is intended to provide continuity and transparency ahead of the transition to reporting under the new dual-scoring framework from the next financial year.

The legacy ESG score was primarily driven by the environmental characteristics of the sub-sector in which the asset operates, with adjustments made to reflect the borrower's environmental, social and governance performance.

These adjustments also took into account the direction of travel where relevant, recognising improvements or deterioration in the borrower's sustainability practices over time. This ESG score was expressed on a scale from 0 to 100. At the upper end, assets such as renewable energy projects with strong social and governance practices would typically achieve the highest scores, while assets with more harmful environmental impacts and weaker ESG management would score on the lowest end (noting that certain high-impact sectors, such as thermal coal, are excluded from investment under the Company's negative screening criteria). This single, consistent methodology was applied across all sectors, sub-sectors and stages of investment to maximise comparability across the portfolio and over time.

ESG analysis and scoring form an integral part of the investment process. Scores are assigned prior to submission to the IC and considered alongside, but independently from, traditional credit analysis. Following investment, ESG performance is monitored on an ongoing basis, with periodic score reviews supported by borrower engagement activities, including an annual sustainability questionnaire and direct dialogue with management teams of borrowers.

Portfolio ESG score over time



66.12

The portfolio's weighted average ESG score increased for the sixth consecutive year to 66.12 as at 31 March 2026.

From 1 April 2026, the Company will move to a new methodology that will no longer be comparable with this scoring framework.



Our sustainability goals continued

Progress report continued

3. Provide transparent reporting on SEQL's scoring framework continued



Acquisitions: The effect of new investments

› During the year, the Company made over £325.4 million worth of acquisitions, i.e. credit that was provided to projects not already in the portfolio plus new loan facilities that were extended to existing borrowers. The weighted average ESG score of this year's acquisitions was 66.25, signalling positive progress. During the year, SEQL increased its investment in the renewables sector, with new loans being extended to support Project Poland PV and Project Griffin, both solar PV portfolio projects in Europe with much higher-than-average ESG scores. SEQL also financed an interconnector project, which has favourable sustainability characteristics and enables the integration of more renewables and grid efficiencies in the US, reflected in the reasonably high ESG score for this asset. Lastly, a new loan was extended to a global industrial services provider specialising in onshore and offshore wind installation and maintenance, surface protection, scaffolding, insulation, welding and electrical services. The support this company provides to the renewables sector is key in indirectly facilitating the global transition to net zero, which is captured in the high ESG score for this asset. The positive contribution from acquisitions was partially offset by the refinancings of an existing low-scoring power plant and a port infrastructure asset.

Disposals: The effect of removing the maturing and sold positions from the portfolio

› Since March 2025, assets totalling over £474.7 million were repaid or were disposed of from the portfolio. These had a weighted average ESG score of 65.10.

› The net negative effect was mostly driven by the repayment of high-scoring assets such as Infinis (a waste-to-energy and battery storage company) and Techem (a service provider for smart metering, energy management and sustainable buildings). However, these negative movements were partially offset by SEQL exiting its lowest scoring asset during the year, a US-based aircraft lessor.

Changes in ESG scores: The effect of changes in increases or decreases in borrower ESG scores

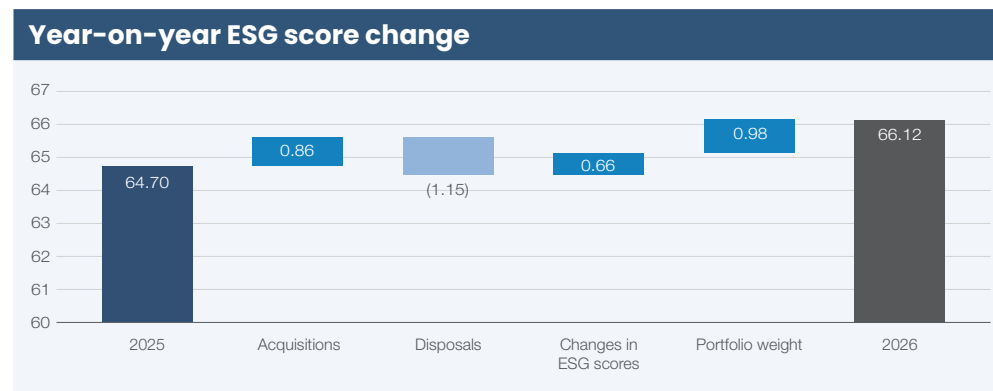
› Changes in the ESG scores of borrowers contributed 0.66 to the average score for the year. No borrowers ended the year with score downgrades, whereas seven borrowers improved their ESG scores over the course of the year. One example of a score improvement was a company that provides midstream and downstream solutions which made positive governance changes to its Board resulting in majority independence. Another example was a UK-based waste-to-energy supplier that shared a granular breakdown of its hiring statistics, showing notable hiring from socially deprived areas, which garnered positive credit under the ESG scoring framework.

Portfolio weight: The effect of price changes, paydowns and changes in weights of loans in the portfolio

› There was a significant positive impact of 0.98 that came from the increased weighting of high-ESG-scoring loans, most notably upsizing of the highest scoring asset in the portfolio, a company that provides solar panels and battery storage products to homes across the US, together with another notable upsize of loan to a UK-based business that provides key services to the energy transition, utilities and digital infrastructure sectors.

Note, there was also a small cross effect, which arises when two or more factors change at the same time.

The different factors driving the change in the weighted average ESG score from 64.70 the previous year to this year's score of 66.12 are summarised in the waterfall chart below:



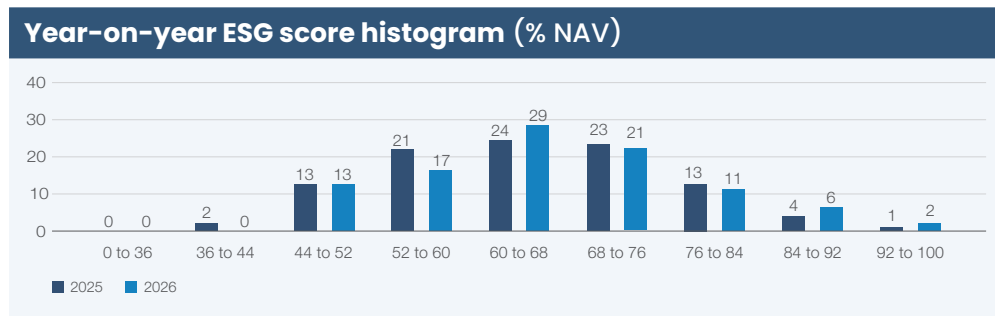
Our sustainability goals continued

Progress report continued

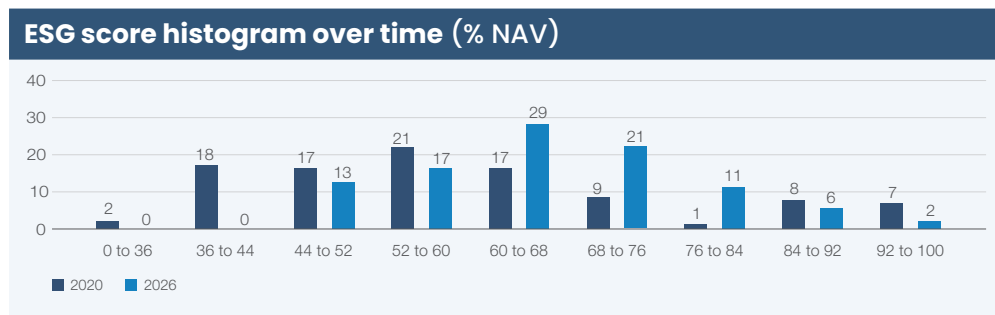
3. Provide transparent reporting on SEQI's scoring framework continued



The chart below represents a comparison of the portfolio's ESG profile between 31 March 2025 and 31 March 2026:



As this legacy ESG scoring framework reaches the end of its life, a chart below has also been provided comparing the portfolio's ESG profile at 31 March 2020, when the framework was first fully implemented, versus today's portfolio as at 31 March 2026:



This illustrates a clear shift in the portfolio away from the least sustainable asset types. Interestingly, the reduction over the years of assets scoring at the very top end of the range reflects the advancement in rigour and discipline of application and evidence requirements in order to award points, which has in part been facilitated by the annual independent assurance engagement.

With effect from 1 April 2026, the Company has transitioned to its new dual-scoring approach comprising the new **ESG Risk Score** and a new **Externality Score**. This evolution reflects SEQI's commitment to continuous improvement, various market developments and feedback from stakeholders, and is designed to enhance the clarity, relevance and decision-usefulness of sustainability analysis by distinguishing between financially material ESG risks and the broader environmental and social impacts of investments. It should be noted that the new scoring framework represents a fundamental methodological change and, as such, the resulting scores will not be directly comparable with the ESG score arising from the legacy scoring system presented above.

The Company expects the new scoring framework to provide more structured, balanced and decision-useful insights into the sustainability profile of portfolio companies. As the new scoring framework is embedded and rolled out over the coming financial year, the Company considers it appropriate to take the period to assess, reflect on, and refine its application before tracking new metrics or setting new quantitative targets. In the interim, it remains committed to providing clear and transparent reporting on the implementation and outputs of the new scoring framework.



Integration into the investment process

The IA has a comprehensive and systematic approach to sustainability integration into the investment process:

1

Origination

Negative screening is applied to each potential new investment, precluding SEQI from investing in certain harmful, risky or controversial sectors.



2

Initial screening

Positive screening is also employed to take a more favourable view on businesses that fall within one of SEQI's three sustainability themes.



3

Detailed credit analysis

As part of the overall investment process and assessment of credit material sustainability-related risks, the IA gathers and analyses due diligence materials, such as environmental assessments, technical reports, and relevant internal borrower policies. Any material or emerging ESG risks and opportunities will be identified for review and consideration by the IC and for subsequent monitoring. Further information or a pre-investment sustainability questionnaire may be requested to gain a better understanding of the company's ESG risks and opportunities. The asset is assigned a preliminary **ESG Risk Score** calculated according to the IA's scoring methodology. This is assessed in the context of the overall portfolio and investment objectives and is presented in a final credit memorandum for review and analysis, alongside an explanation of the scoring rationale and identification of "red flags" or any other notable ESG risks. At the same time, a preliminary **Externality Score** is also calculated and presented for note on the sustainability outcomes the asset may be generating in the environment and society.

4

Investment approval process

The IC approves and/or modifies the ESG Risk Score and actively discusses any material ESG risks or opportunities for the asset. It also takes note of the Externality Score. Where appropriate and practicable, depending on the type of deal, **sustainability-related covenants** may be embedded into loan documentation. The conditionality of a loan may also depend on certain sustainability factors where SEQI may only lend to a borrower on the condition that certain sustainability matters are addressed or standards met or maintained.

5

Acquisition and monitoring

Each investment is formally monitored at least semi-annually. As part of the monitoring, the IC reviews the investment's ESG Risk Score and any emerging risks or changes that may have occurred. Changes to the asset's Externality Score are also acknowledged. The IC formally reconfirms or updates the scoring based on its review. All borrowers are also sent an **annual sustainability questionnaire** and engaged in active dialogue with the IA over the course of the year on, amongst other matters, key ESG risks, opportunities and externalities it may be facing or creating.

6

Repay and redeploy

The material sustainability characteristics of investments are considered when assessing portfolio **restructuring and disposals**. Companies with low or deteriorating scores for both their performance on ESG risk and in terms of externalities may be identified as disposal targets, subject to due consideration of financial metrics.

Integration into the investment process continued

Engagement with borrowers

Sustainability-related covenants

Sustainability-related provisions in loan documentation are an important mechanism through which SEQI seeks to promote improved sustainability performance at borrower level. Where appropriate and practicable, these may include covenants, information undertakings, or sustainability-linked features tied to predefined performance metrics.

As at 31 March 2026, five projects in the portfolio include sustainability-related covenants within their loan agreements. For example, Project Octopus, a leading engineering services business for UK energy and telecommunications infrastructure, benefits from a margin adjustment mechanism whereby it may receive a pricing reduction for outperforming peers on sustainability performance, as assessed by an independent third-party provider.

The number of investments incorporating sustainability-related covenants has generally increased over time, reflecting the IA's focus on embedding sustainability considerations into loan structures. The current year-on-year decrease is primarily attributable to the repayment (in some cases before their maturity date) of loans. In addition, there was limited opportunity for this kind of covenant to be inserted into the loan documentation of the new deals done this year due to their nature and structure. Notwithstanding this, the IA continues to seek opportunities to incorporate such provisions where commercially and structurally feasible.

Year (as at year ended 31 March):	2020	2021	2022	2023	2024	2025	2026
Number of projects with sustainability-related covenants in loan agreement:	2	3	3	6	7	8	5

Annual borrower sustainability questionnaire

The IA distributes a comprehensive sustainability questionnaire to all borrowers on an annual basis. This facilitates the collection of both qualitative and quantitative information on sustainability performance, governance practices and key ESG metrics.

Responses to the questionnaire support the ongoing assessment of each asset under the IA's scoring methodologies and inform engagement priorities and monitoring activities.

Year:	2021	2022	2023	2024	2025	2026
Borrower response rate to sustainability questionnaire:	51%	43%	92%	93%	93%	97% ¹

1. Following the introduction of the updated sustainability framework, the questionnaire is also undergoing substantial revision to align with the updated framework and new scoring methodologies. Accordingly, for this year only, a truncated version of the questionnaire was distributed, focusing only on key metrics such as emissions data and confirmation of compliance with screening criteria, achieving a 97% response rate from borrowers.

Direct engagement with management

The IA maintains an active and ongoing dialogue with the management teams of portfolio companies to discuss sustainability-related risks, opportunities and performance. Engagement is informed by asset-level action plans devised by the IA and prioritised based on materiality and scoring outcomes.

Engagement is led by the IA's sustainability function, working in conjunction with the credit team, and is used to encourage improved practices, monitor progress, and gather additional evidence to support scoring assessments.

For example, during the year, the IA engaged with a European port infrastructure company that has limited (<5%) exposure to thermal coal handling. This has featured in the IA's ongoing dialogue with the borrower, which has continued to reduce its exposure, with associated thermal-coal-related revenues declining to just 1.8% of the company's total revenue for the latest year. The borrower also published its fourth sustainability report, demonstrating measurable progress across several key metrics monitored by the IA. This included improvements in water intensity and waste recovery rates, as well as year-on-year reductions in each of its Scope 1, 2 and 3 emissions, driven by initiatives such as electrification of equipment and vehicles, enhanced energy efficiency, and increased use of lower-carbon energy sources. In addition, the company achieved Silver in the EcoVadis 2024 Sustainability Ratings and completed a double materiality assessment, further strengthening its own sustainability framework. These developments were reported back to the IC alongside its enhanced community engagement initiatives, which contributed to a modest improvement in the asset's ESG score during the period.



Climate mission

SEQI's key focus is on generating attractive risk-adjusted returns for its investors. While the Company does not operate under an impact investment mandate, it recognises that its financing activities can have broader environmental and social impacts (both negative and positive) on the world. The Company considers relevant E, S and G risks, opportunities and impacts in its analysis of credit investments. Within this context, SEQI's key focus area is on the environment and climate, a priority that is in alignment with SEQI's key stakeholders. SEQI invests in economic infrastructure, an asset class where commonly environmental factors and impacts are inherently significant. Infrastructure assets also play a critical role in the world reaching the target of net zero carbon emissions by 2050. Whilst at this stage SEQI does not commit to or target a net zero portfolio, primarily due to the absence of viable decarbonisation and transition pathways for many of the sectors and sub-sectors in which it invests, SEQI does support the climate goals of the Paris Agreement and international efforts to limit the global average temperature increase to well below 2°C. These principles are core to the Company's philosophy and long-term view of a sustainable global economy. It aspires to invest, where possible, in assets that are conducive to and aligned with the world's transition to net zero by 2050. The Company will engage proactively with borrowers that it lends to and, where feasible and relevant, seek to embed loan covenants to drive efforts by borrowers to work towards the goals of the Paris Agreement. Similarly, it collaborates with like-minded investors and industry working groups in order to drive change and encourage knowledge sharing in this space. Some of this work is covered in the [Global initiatives and regulatory reporting](#) sections of this report.

Over recent years, the Company has continued to enhance its climate-related reporting and analytical capabilities. Building on progress made in borrower engagement and work with the Altitude by AXA Climate platform to support SEQI's data collection and analysis, SEQI is able, for the second year, to report portfolio-level emissions metrics and undertake climate scenario analysis. In addition, in response to Shareholder feedback, prior period emissions data has been recalculated to reflect updated metrics with a view to improving consistency and comparability over time. Further detail on the Company's emissions profile and scenario analysis, including explanatory notes and underlying methodologies, is provided in the Company's separate [TCFD Report 2026](#). This can be found in the annex to the Company's Annual Report 2026 and is also published separately on the Company's website: www.seqi.fund/sustainability/publications/.

Carbon emissions

The Company reports estimates for both its operational emissions and its financed emissions, together with additional carbon intensity metrics relating to the SEQI investment portfolio.

Company operational emissions

Company emissions (tCO ₂ e)	Year ended 31 March 2024	Year ended 31 March 2025	Year ended 31 March 2026
Scope 1	nil	nil	nil
Scope 2	nil	nil	nil
Scope 3 (operational)	44	44	48

As the Company does not operate from directly owned premises, it does not inherently generate Scope 1 or 2 greenhouse gas emissions.

The Company's Scope 3 emissions are generated almost entirely from its financing activities (see below). The Company's minimal Scope 3 emissions from its operational activities have been estimated in consultation with a specialist adviser and are intentionally conservative, i.e. likely overestimates. They increased slightly this year due to the hiring of SEQI's first employee who operates on a remote, part-time basis, as well as the full-year use of services from a second placement agent.

The Company continues to take steps aimed at **reducing** its operational carbon emissions where possible, for example:

- **Supplier engagement:** The Board engaged with key service providers to understand their emissions reduction strategies and policies. Many suppliers have implemented their own emissions reduction initiatives and/or offsetting programmes. As part of good governance, the Board conducts an annual review of the Company's service providers through its Management Engagement Committee, which takes into account environmental considerations.
- **Business travel:** Meetings are conducted virtually where practicable, reducing the need for domestic and international travel. Portfolio review days and many Board and Committee meetings are held online for example.
- **Employee travel:** The Company's remote working model and the IA's hybrid working arrangements help to reduce commuting-related emissions, supported by initiatives such as the IA's cycle-to-work scheme.

The Company **offset** its remaining operational emissions through the purchase of carbon credits. The Board views offsetting as a measure of last resort, following efforts to reduce and avoid emissions, given its limitations (potential lack of permanence, issues around standardisation, measurement and verifiability, etc.) meaning offsetting is not equal to nor a substitute for a reduction in emissions produced in the first instance. Since 2022, the Company has supported long-term carbon offsetting through investment in UK peatland restoration projects verified under the Peatland Code, as peatland restoration is an important and effective climate mitigation activity. Gold Standard credits were also purchased at the start of this initiative. Each Director had committed 1% of their annual fees towards funding this programme, with key suppliers also previously invited to contribute, with the programme now fully funded and annual contributions ceasing from February 2026.

Climate mission continued

Carbon emissions continued

Portfolio emissions

Portfolio emissions	Year ended 31 March 2024	Year ended 31 March 2025	Year ended 31 March 2026
Scope 3: Financed emissions (tCO ₂ e)	724,250	783,447	562,161
PCAF Data Quality Score (1-5)	2.09	2.03	2.02
Carbon to investment (tCO ₂ e/£m)	443	502	366
WACI (tCO ₂ e/£m revenue) (coverage)	1,261 (85%)	1,192 (95%)	1,175 (88%)

There are some material limitations of the emissions data contained within this report. While the Company has been working hard to improve the quality and quantity of emissions data, it is unable to verify either reported or estimated emissions numbers. Additionally, where data for the specific project/asset being financed by SEQI was unavailable, company-level information has been used, which may have resulted in some reported figures being overestimates, though the Company has limited visibility as to the scale of this.

In response to Shareholder feedback, historic portfolio emissions have been calculated in order to facilitate comparisons over time. Additionally, numbers for the year ended 31 March 2025 have been restated to exclude portfolio companies' Scope 3 emissions; the approach taken by SEQI this year is likely to result in more reliable data, less double counting, and better alignment with market practice for enhanced cross-fund comparability. Full details of the methodology to estimate emissions is included in the Appendix to the Company's [TCFD Report 2026](#).

The year-on-year fluctuations can largely be attributed to the rise in portfolio company reporting, meaning that over time reported figures increasingly replace estimates. It should also be noted that as there is meaningful, regular portfolio churn and movement, the emissions produced by borrowing entities may vary significantly year on year and should not be interpreted as providing a definitive indication of emission performance at a portfolio company level. The decrease in financed emissions this year, for example, is mainly due to the result of the disposal of a high-emitting aircraft asset with no acquisition of an alternative asset in this sub-sector.

Notes

Last year, the Company also provided the total absolute (Scope 1–3) emissions produced by its portfolio companies. Following investor feedback, these additional datapoints have been stripped out this year to streamline reporting, enhance clarity, and make it easier to more clearly identify the Company's financed emissions number, which was highlighted as the most valued, decision-useful metric.

The portfolio emissions data reflects the latest available information, typically covering emissions produced by portfolio companies over the most recent calendar year (i.e. numbers for the year ended 31 March 2026 reflect emissions from 1 January to 31 December 2025 to the fullest extent possible).

Δ KPMG have issued independent limited assurance over the selected data indicated, which has been extracted from the Company's 2026 Annual Report. The reporting criteria and assurance opinion are available in the Sustainability Publications section of our website: www.seqi.fund/sustainability/publications/. See page 4 for more information.

The average (emissions-weighted) PCAF Data Quality Score reflects the accuracy, reliability and transparency of emissions data. Reported emissions data are sourced from borrower disclosures and are not independently verified in all cases (PCAF Score 2), although some portfolio companies do obtain external verification over their emissions (PCAF Score 1). Given the diversity of the Company's investments, it is not appropriate to extrapolate reported emissions across the remainder of the portfolio. Instead, where data is unavailable, emissions are estimated on an asset-by-asset basis. This is supported by the use of Altitude by AXA Climate, a specialist platform that applies GHG Protocol-aligned methodologies, including EEIO modelling and EXIOBASE datasets (PCAF Score 4). Further detail on the methodology is provided in the appendix to the Company's [TCFD Report 2026](#).

The WACI number excludes pre-revenue assets as the WACI calculation is based on the portfolio company's revenues and accordingly cannot be reliably computed for companies without revenues. In this regard, the percentage of the portfolio for which the WACI number could be calculated has been indicated in brackets.

The Company seeks to manage and take steps where possible to **reduce** the emissions associated with its investment portfolio through a combination of applying investment discipline and active ownership initiatives:

- ▶ **Negative screening:** The Company seeks to avoid exposure to sectors and activities that may cause significant environmental harm, which often encompasses high-emitting sectors like thermal coal. The portfolio has maintained 100% compliance with the negative screening criteria since implementation during the year ended 31 March 2021, with this metric also subject to independent assurance for the third year.^Δ The criteria are reviewed annually and were refined during the year to ensure they remain fit for purpose and relevant to today's investing climate and market backdrop.
- ▶ **Thematic investing (positive screening):** All else being equal, the Company applies positive screening to opportunities that fit within its sustainability investment themes, two of which relate to the Company's **climate mission**: “renewable energy” and “enabling the transition to a lower-carbon world”.
- ▶ **ESG Risk Score:** Under the new dual-scoring framework, greenhouse gas emissions will be considered within the ESG Risk Score where they are financially material or relevant to the credit risk assessment.
- ▶ **Externality Score:** The new Externality Score will be most heavily weighted towards environmental factors (65%), with 25% of the score being specifically linked to the asset's GHG emissions profile. These weightings reflect the views expressed in the stakeholder materiality survey, which reaffirmed the Company's longstanding focus and prioritisation of the climate within its sustainability analysis and broader approach.
- ▶ **Engagement:** The IA takes a proactive approach to managing the loan book and maintains active dialogue with borrowers on sustainability matters, with emissions frequently forming a core component of engagement and asset-level action plans. This includes encouraging improved disclosure, supporting emissions reduction initiatives and, where appropriate, incorporating emissions and/or climate-related provisions into loan documentation.

Climate mission continued

Climate scenario analysis

Given the nature of SEQI's business, the climate-related risks directly posed to the Company's operations are limited. Instead, the main risks lie with the companies in which SEQI invests. If certain climate risks were to materialise, it could affect a borrower's financial performance, profile and prospects, and therefore their ability to repay lenders. If such financial effects were realised across a number of portfolio companies, then the Company's performance and ability to generate income and deliver returns to SEQI's investors may be affected.

The exposure to and likelihood of climate risks occurring, as well as the severity the effects, vary under different climate scenario projections. The Company is using Altitude by AXA Climate to help it conduct analysis of the physical risks and transition risks and opportunities to the portfolio under different climate scenarios and across different time horizons. The full results of this analysis are contained within the Company's **TCFD Report 2026**, with a summary presented below.

The analysis identified physical risks such as flooding, extreme heat, water stress, storms, tropical cyclones, and landslide. It also highlighted transition risks to portfolio companies such as increased cost of raw materials, shifts in customer preferences, and increased pricing of GHG emissions, with potential opportunities from the expansion of low-emissions goods and services, shifts in customer preferences, increased stakeholder concerns, and use of lower-emissions sources of energy.

Physical risks

The physical risks to the portfolio have been assessed for two future time periods (2030 and 2050) and under three different IPCC warming scenarios:

SSP1-2.6 – Optimistic Scenario

The optimistic scenario of global temperatures stabilising at 1.8°C above pre-industrial levels by 2100.

SSP2-4.5 – Middle of the Road Scenario

The realistic scenario of temperatures rising by 2.7°C by 2100.

SSP5-8.5 – High-Reference Scenario

The pessimistic scenario of temperatures rising by 4.4°C by 2100.

	2030			2050		
	SSP1-2.6	SSP2-4.5	SSP5-8.5	SSP1-2.6	SSP2-4.5	SSP5-8.5
Chronic risks						
Changing air temperature	●	●	●	●	●	●
Changing wind patterns	●	●	●	●	●	●
Changing precipitation patterns	●	●	●	●	●	●
Water stress	●	●	●	●	●	●
Sea level rise	●	●	●	●	●	●
Soil erosion	●	●	●	●	●	●
Clay shrink-swell hazard	●	●	●	●	●	●
Acute risks						
Extreme heat	●	●	●	●	●	●
Extreme cold – frost	●	●	●	●	●	●
Wildfire	●	●	●	●	●	●
Tropical cyclone	●	●	●	●	●	●
Storm	●	●	●	●	●	●
Hailstorm	●	●	●	●	●	●
Drought	●	●	●	●	●	●
Extreme precipitation	●	●	●	●	●	●
Flood	●	●	●	●	●	●
Landslide	●	●	●	●	●	●
Earthquake	●	●	●	●	●	●
Subsidence	●	●	●	●	●	●
Avalanche	●	●	●	●	●	●
Volcanic eruption	●	●	●	●	●	●

Risks heatmap

- Low
- Medium
- High

Climate mission continued

Climate scenario analysis continued

Transition risks and opportunities

Potentially material transition risks and opportunities for each portfolio company have been modelled at 2020, 2030 and 2040, under three different forward-looking climate scenarios:

Net Zero 2050 – Orderly Scenario

Global warming is limited to 1.5°C by 2100 through stringent policies and innovation and reaching net zero by 2050.

Delayed Transition – Disorderly Scenario

Assumes annual emissions do not decrease until 2030 and strong policies are needed to limit global warming to below 2°C by 2100.

Nationally Determined Contributions – Business-As-Usual Scenario

Based on the current pledged policies.



Transition risks:

	2030			2040		
	Net Zero 2050	Delayed Transition	NDC	Net Zero 2050	Delayed Transition	NDC
Policy and legal						
Increased pricing of GHG emissions	●	●	●	●	●	●
Mandates on and regulation of existing products and services	●	●	●	●	●	●
Regulation on energy efficiency and certification	●	●	●	●	●	●
Exposure to litigation	●	●	●	●	●	●
Emerging regulation on reporting requirements	●	●	●	●	●	●
Technology						
Cost to transition to lower-emission alternatives	●	●	●	●	●	●
Increased cost of raw materials	●	●	●	●	●	●
Increased energy/electricity prices	●	●	●	●	●	●
Market						
Shift in customer preferences	●	●	●	●	●	●
Reputation						
Increased stakeholder concerns	●	●	●	●	●	●

Risks heatmap

- Low
- Medium
- High

Climate mission continued

Climate scenario analysis continued

Transition risks and opportunities continued

Transition opportunities:

	2030			2040		
	Net Zero 2050	Delayed Transition	NDC	Net Zero 2050	Delayed Transition	NDC
Policy and legal						
Favourable regulatory frameworks and public incentives	●	●	●	●	●	●
Technology						
Promote more efficient buildings and operations	●	●	●	●	●	●
Use of more efficient modes of transport	●	●	●	●	●	●
Use of more efficient production and distribution process	●	●	●	●	●	●
Use of lower-emission sources of energy	●	●	●	●	●	●
Use of recycling	●	●	●	●	●	●
Resource substitution or diversification	●	●	●	●	●	●
Market						
Access to new markets	●	●	●	●	●	●
Increased reliability of supply chain	●	●	●	●	●	●
Expansion of low-emission goods and services	●	●	●	●	●	●
Shift in customer preferences	●	●	●	●	●	●
Reputation						
Increased stakeholder concerns	●	●	●	●	●	●

Opportunity score

- Low
- Medium
- High

This scenario analysis provides a high-level, portfolio-wide perspective on potential physical and transition risks and opportunities, bringing together insights that may not otherwise be considered collectively. As with other aggregated portfolio metrics, the analysis is intended to highlight areas of exposure rather than to necessitate any prescribed action that needs to be enacted. It serves as a tool to identify themes or assets that may warrant further due diligence or consideration of potential risk mitigation measures. The Company uses the analysis to monitor such high-level trends and to identify areas for potential engagement with individual borrowers. It is also important to consider the Company's position as a lender when interpreting these results, as this generally provides certain structural protections against the direct impact of risks materialising at the asset level. In addition, the relatively short duration of the Company's investments, with an average loan maturity of 3.6 years as at year end, means that the relevance of long-term climate scenarios to the portfolio may be limited.

Looking ahead, climate-related risks and opportunities will be more formally embedded within the updated sustainability framework; under the new ESG Risk Score methodology, physical and transition risks and opportunities will be assessed in a structured and consistent manner across all assets, representing a meaningful enhancement to the Company's due diligence and risk assessment processes. This development supports a more standardised, structured and advanced approach to identifying and managing climate-related risks and opportunities across the portfolio. The IA will also seek to continue to engage with borrowers on the outcomes of this analysis, sharing insights and encouraging consideration of potential risks and opportunities, particularly where borrowers may not have conducted similar assessments themselves.



Global initiatives and regulatory reporting


Global initiatives

United Nations Sustainable Development Goals

The Company invests in a diversified mix of infrastructure sub-sectors with a robust sustainability framework and processes in place, which means the Company's investing activities and operations align to many of the UN SDGs. The Company has identified four SDGs that are particularly relevant to the SEQI portfolio and can be most clearly tracked, aligned with, and reported on (with supporting data below provided by portfolio NAV as at 31 March 2026).



7 AFFORDABLE AND CLEAN ENERGY



Ensure access to affordable, reliable, sustainable and modern energy for all

Ensuring universal access to affordable, reliable and modern energy services

The Company invests in assets that support energy access, affordability and security, as well as infrastructure that enables the integration of modern and renewable energy sources into national grids. During the year, SEQI invested in a global industrial services provider whose key offerings include onshore and offshore wind installation and maintenance, surface protection, scaffolding, insulation, welding and electrical services. By enabling the delivery and upkeep of renewable energy assets, this investment contributes to improving access to reliable and modern energy services in line with Target 7.1.

Increasing the share of renewable energy in the global energy mix

10%

of the portfolio is invested in renewable energy.

The Company actively seeks opportunities within its sustainability themes, viewing such investments favourably in line with its longstanding positive screening approach. One of these themes is renewable energy assets. During the year, SEQI completed two investments in the renewables sector. This included a EUR55.6 million senior secured loan to support Project Poland PV to finance the construction of a substantial portfolio of photovoltaic projects.

The projects will be located in Poland and developed by GoldenPeaks Capital, an independent producer of green energy in Europe with a strong track record in owning and operating renewable power assets. SEQI also participated in a syndicated deal for the construction of a portfolio of seven fully permitted UK solar PV projects, with a total installed capacity of c.430MW. Both deals directly advance the SDG Target 7.2 of increasing the share of renewable energy in the global energy mix.

Increasing improvement in energy efficiency

SEQI supports projects that enhance the efficiency of energy generation, transmission and consumption. This includes investments in grid infrastructure, energy storage, and upgrades to existing systems to reduce energy losses and improve performance. An example from this year includes the financing of a facility comprising three variable frequency transformers, enabling bidirectional and instantaneous electricity transfer between regions in New York. This investment supports grid stability, improves energy efficiency, and facilitates the integration of intermittent renewable energy sources, directly supporting the aims of Target 7.3.

8 DECENT WORK AND ECONOMIC GROWTH



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Sustaining economic growth and achieving higher levels of economic productivity

The Company's strategy is centred on investing in economic infrastructure, which underpins economic activity, productivity and long-term growth. By providing capital to essential infrastructure sectors, SEQI contributes to supporting the functioning and efficiency of the broader economy.

Achieving full and productive employment and decent work for all

c.42,116

employees at the companies the Company lends to (extrapolating the 39,014 employees at the 92.63% of the portfolio for which SEQI has data).

15%

of the portfolio creates jobs in socially deprived areas and have sent evidence of this in line with SEQI's scoring methodology.

SEQI's investments contribute directly and indirectly to employment across the construction and operational phases, supporting inclusive economic growth by providing access to employment opportunities in regions where they are most needed.

Protecting labour rights and promoting safe and secure working environments for all workers

The Company incorporates labour standards and worker welfare considerations into its due diligence and ongoing monitoring processes. This includes third-party supported assessments screening for risks such as modern slavery, child labour and human rights violations. In addition, the Company assesses borrower policies and performance relating to health and safety, employee welfare and remuneration practices. This year, the Company formally introduced a clear exclusion of companies in severe violation of human rights standards, explicitly codifying its commitment to safe and secure working environments and labour practices.

Global initiatives and regulatory reporting continued

Global initiatives continued

United Nations Sustainable Development Goals continued



Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

Increasing access of small-scale industrial and other enterprises to affordable credit

SEQI's purpose is to provide long-term financing to a diversified portfolio of small and mid-sized private infrastructure companies globally. By doing so, it supports access to credit for businesses that may have limited access to traditional sources of financing, enabling investment in essential infrastructure.

Developing quality, reliable, sustainable and resilient infrastructure

The Company invests exclusively in income-generating economic infrastructure, including transport, utilities, power, telecommunications and accommodation. These assets are fundamental to economic development and societal wellbeing, supporting connectivity, productivity and resilience. Several investments are aligned with key SDG 9.1 indicators, including transport infrastructure such as roads and freight systems, which facilitate the movement of goods and people.

Increasing access to information and communications technology and universal and affordable access to the internet

26%

of the portfolio is invested in digitalisation.

SEQI invests in a variety of digital assets that expand access to information and communication technology, such as broadband and fibre infrastructure supporting the expansion of reliable and high-speed internet access. Investments of this nature contribute to bridging the digital divide by improving access to digital services, enabling participation in education, employment and essential services. During the year, SEQI provided financing to Community Fibre, a UK-based broadband provider focused on delivering full fibre connectivity, particularly in urban areas with historically underserved or lower-income communities. By deploying fibre-to-the-home infrastructure, Community Fibre enables access to high-speed, reliable internet services, supporting increased digital inclusion. This investment aligns with key UN SDG indicators by increasing the proportion of the population covered by high-speed broadband networks, improving the quality and reliability of internet access, and enhancing affordability through competitively priced services. By expanding fibre coverage and targeting areas where connectivity gaps persist, Community Fibre helps reduce the digital divide and supports broader participation in the digital economy.



Make cities and human settlements inclusive, safe, resilient and sustainable

Ensuring access for all to adequate, safe and affordable housing and basic services

15%

of the portfolio engages in effective consultation with local populations and have sent evidence of this in line with our scoring methodology.

The Company has a long track record of investing in infrastructure that supports communities and enhances access to essential services, including specific social infrastructure projects as well as residential infrastructure. This year, SEQI financed a new deal for projects in the renewables sector, where each of their UK projects includes a voluntary contribution to a community benefit fund of £400 per MW, index linked, annually for the lifetime of the project. The borrower also undertakes ongoing and voluntary engagement with the local communities throughout the different stages of the development lifecycle. Representatives from the company attend local meetings and share updates on plans and timescales in order to keep the community well informed on the plans for the development.

Providing access to safe, affordable, accessible and sustainable transport systems for all

17%

of the portfolio is invested in transportation (vehicles and systems).

SEQI supports the expansion of access to safe, affordable, accessible and sustainable transport systems for all through our investments in public transport. This includes supporting a ferry service since 2018 that provides high-frequency transport services between Germany and Denmark. These routes form a critical transport corridor linking mainland Europe with Scandinavia, with frequent departures, high capacity, and short crossing times, offering an efficient alternative to longer road routes and reducing overall journey times for both passengers and freight. From an accessibility and efficiency perspective, the operations support high passenger and freight volumes with regular, reliable services, improving connectivity between regions and facilitating economic and social inclusion. From a safety and sustainability standpoint, the company has invested significantly in hybrid and zero-emission ferry technology, reducing emissions, noise pollution and fuel consumption per journey, while maintaining high operational safety standards. These characteristics align with key UN SDG indicators for Target 11.2, including improving access to transport infrastructure, enhancing transport efficiency, and reducing the environmental impact of transport systems.

Global initiatives and regulatory reporting continued

Global initiatives continued

United Nations Principles for Responsible Investment

The IA has been a signatory to the UN PRI since May 2019. These six principles are embedded within the Company's investment processes and decision-making framework at SEQI, underpinning its approach to responsible investment. During the year, the IA completed its latest PRI reporting cycle, with its public Transparency and Assessment Reports available on the UN PRI website: <https://ctp.unpri.org/dataportalv2/transparency>.

The Board was pleased to note a marked improvement in performance across all assessed categories compared to the prior assessment, with the IA achieving scores above the PRI median in two of the three applicable modules.

These results reflect continued enhancements to the IA's responsible investment framework, including the strengthening of sustainability and governance policies for SEQI, the introduction of climate scenario analysis, and expanded reporting of portfolio-level emissions metrics. The IA also continues to deepen its engagement with Shareholders on sustainability matters, including convening dedicated annual forums to facilitate discussion on key ESG topics, share insights, and gather feedback on its responsible investment approach.

United Nations Global Compact

The Company seeks to operate its business and investment activities in alignment with the 10 principles of the UNGC. During the year, no borrowers were identified as being in violation of the UNGC principles.

Reflecting the evolution of the Company's sustainability framework, an explicit exclusion has been introduced within the negative screening criteria to prohibit investment in companies that are in severe violation of the UNGC principles or the OECD Guidelines. This enhancement strengthens the alignment of the Company's investment approach with international standards and regulatory expectations.

UK Sustainable Investment and Finance Association

The IA continues to be an active member of the UKSIF, a leading industry body promoting responsible finance and sustainable investment practices in the UK.

Through this membership, the IA benefits from access to industry insights, emerging best practices and policy developments, supporting the ongoing enhancement of its integration of sustainability considerations within the investment process and alignment with evolving regulatory expectations. The IA's participation also facilitates collaboration with peers and contributes to broader industry dialogue on sustainable investment.

In addition, Leah Dean, the IA's Sustainability Manager, serves on UKSIF's Membership Committee. In this capacity, she contributes to shaping the development of the organisation and supporting its role as an inclusive and forward-looking network for sustainable finance. This involvement provides the IA with direct insight into, and opportunity to influence, the development of evolving market practices, regulatory developments and investor priorities, which in turn further strengthens the IA's ability to align SEQI's investment approach with long-term sustainable value creation.



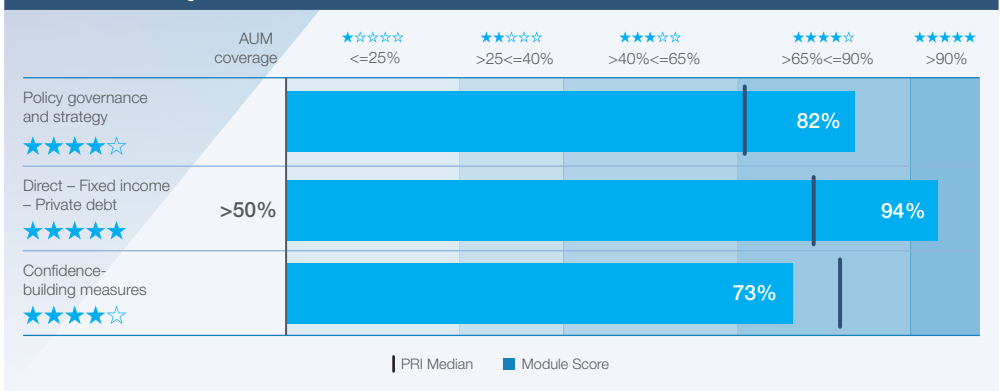
Responsible investing is essential to our purpose. I am very pleased to see the progress we have made, across all categories, in our delivery against the UN's PRI. This reflects SIMCo's longstanding commitment to its award-winning sustainability and ESG strategy.

We will continue to work hard to refine and improve our strategy, to maintain our position as market leaders in terms of our sustainability commitments and their role in our investment process.

Randall Sandstrom

Director and Chief Executive Officer of SIMCo

PRI summary scorecard



Global initiatives and regulatory reporting continued

Regulatory reporting and review

Sustainable Finance Disclosure Regulation

The Company reports under the EU SFDR as an Article 8 fund, seeking to promote environmental and social characteristics while not having sustainable investment as its objective.

Further information is provided in the Company's SFDR periodic disclosure, annexed to the Annual Report 2026, alongside the Principal Adverse Impact Statement. These disclosures are also available on the Company's website:

www.seqi.fund/sustainability/publications/.

During the year, relevant SFDR disclosures, including the Fund's pre-contractual disclosure, were updated to reflect the changes to the sustainability framework, namely revisions to the negative and positive screening criteria and the introduction of the new dual ESG Risk and Externality scoring methodologies. This ensures the disclosures remain up to date with the full detail of how sustainability considerations are integrated into the investment process and assessed across the portfolio.

Task Force on Climate-Related Financial Disclosures

The Company supports high-quality climate-related disclosure to enable Shareholders to make informed, long-term investment decisions. Its fourth standalone TCFD Report has been published on the Company's website:

www.seqi.fund/sustainability/publications/.

During the year, the Company also undertook a recalculation of historical emissions data against updated metrics, including figures for the prior reporting period, in order to facilitate comparison over time. This exercise was undertaken in response to Shareholder feedback and reflects the Company's commitment to continuous improvement in the quality, consistency and usefulness of its climate-related disclosures.

Taskforce on Nature-Related Financial Disclosures

The IA remains a participant of the TNFD Forum, engaging in industry consultations and webinars to contribute to the development of nature-related disclosure standards and to stay informed on emerging best practices. While the Company does not currently report in line with TNFD recommendations, this remains an area under active monitoring including the framework's incorporation into ISSB standard setting, with updates on any developments provided to the Board quarterly.

While the Company has not yet undertaken a comprehensive, portfolio-wide assessment of nature-related impacts and dependencies, it is actively exploring ways to build its analytical capabilities in this area. This includes continuing work exploring third-party tools, such as those provided by Altitude by AXA Climate, which may support the identification and analysis of nature-related risks, including proximity to sensitive ecosystems, biodiversity impacts, and reliance on natural resources.

At present, nature-related considerations are assessed on a case-by-case basis within the investment process. Biodiversity and ecosystem impacts are often evaluated during due diligence, particularly for assets in the construction phase. In addition, the annual sustainability questionnaire distributed to all borrowers includes questions relating to biodiversity management practices.

Nature-related considerations can also form part of the IA's engagement activities with borrowers. For example, the IA continues to monitor biodiversity management of a power generation asset located in proximity to the Hudson River. A particularly interesting example of nature-related considerations at a portfolio asset is Project Nimble, a data centre investment in the Netherlands. Prior to construction, the borrower undertook detailed ecological assessments, including habitat and landscape analyses. The asset is subject to a biodiversity management plan designed to achieve net biodiversity gain, ensuring that the ecological value of the site is maintained or enhanced throughout its operational life.

A key development during the year has been the evolution of how nature-related considerations will be integrated into and assessed under the Company's modified sustainability framework. Under the new dual-scoring approach, biodiversity and nature will be assessed both from a risk perspective through the ESG Risk Score, which considers dependencies and exposure to nature-related risks, and from an impact perspective through the Externality Score, which evaluates the asset's effect on ecosystems and biodiversity. This represents a more structured and robust approach compared to the previous framework and marks a significant enhancement in the Company's assessment of nature-related factors.

Sustainable Disclosure Requirements

As a Guernsey-domiciled company, SEQI is not currently subject to UK SDR sustainable investment labelling and disclosure requirements. Further information on these requirements is available to retail investors in [ESG 4](#) and [ESG 5](#) of the [FCA Handbook](#):

www.handbook.fca.org.uk/handbook/ESG.

Notwithstanding this, the Company continues to monitor regulatory developments closely, including consideration of the feasibility, timing and implications of aligning with the regime, should the Company come within scope or have the opportunity elect to opt in in the future.

Glossary

AIFM	Alternative Investment Fund Manager	SASB	Sustainability Accounting Standards Board
Company	Sequoia Economic Infrastructure Income Fund Limited	SDG	Sustainable Development Goal
EEIO	Environmentally-extended input-output	SDR	Sustainable Disclosure Requirements
ESG	Environmental, social and governance	SEI	Sequoia Economic Infrastructure Income Fund Limited
FCA	Financial Conduct Authority	SFDR	Sustainable Finance Disclosure Regulation
GHG	Greenhouse gas	SIMCo	Sequoia Investment Management Company Ltd, the Investment Adviser
IA	Investment Adviser	SSP	Shared Socioeconomic Pathways
IC	Investment Committee	tCO_{2e}	Tonnes of carbon dioxide equivalent
IPCC	Intergovernmental Panel on Climate Change	TCFD	Taskforce on Climate-Related Financial Disclosures
ISSB	International Sustainability Standards Board	TNFD	Taskforce on Nature-Related Financial Disclosures
KPI	Key performance indicator	UNGC	United Nations Global Compact
MW	Megawatt	UN PRI	United Nations Principles for Responsible Investment
NAV	Net asset value	UN SDGs	United Nations Sustainable Development Goals
NDC	Nationally Determined Contributions	UKSIF	UK Sustainable Investment and Finance Association
OECD	Organisation for Economic Co-operation and Development	WACI	Weighted average carbon intensity
PCAF	Partnership for Carbon Accounting Financials		
PV	Photovoltaics		



Designed and produced by

lyonsbennett

lyonsbennett.com



1 Royal Plaza
Royal Avenue
St Peter Port
Guernsey
GY1 2HL

www.seqi.fund