John laing

Making infrastructure happen

Investing in tomorrow

Sustainability Report 2022

Contents

Image: North East Link, Australia

Overview

1 Foreword
2 Our business
2 Scope of this report

Image: Sydney Light Rail, Australia

Strategy and business model

4 Our business model
5 Our sustainability strategy
6 Our investment process

Image: Klettwitz, Germany

Sustainability pillars

9 **Pillar 1:** Climate Change
13 **Pillar 2:** Resource Use
15 **Pillar 3:** Biodiversity
17 **Pillar 4:** Communities
19 **Pillar 5:** Diversity, Equity and Inclusion
21 **Pillar 6:** Responsible Business

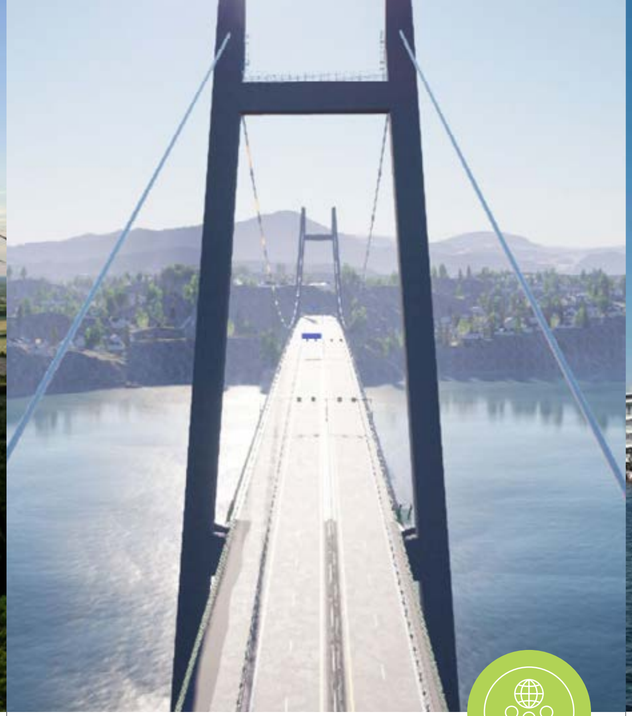


Image: Rv555, Norway

Governance

24 Sustainability governance
25 The road ahead

Image: Convention Centre Dublin, Ireland

Appendix

26 GRI Index

Front cover image: Denver Eagle, US

Image: Andrew Truscott, Chief Executive Officer

Foreword

As John Laing Group ("John Laing") celebrates its 175th anniversary this year, our commitment to long-term sustainability is stronger than ever.

I am delighted to present our sustainability report. We invest across the infrastructure spectrum, including transport, energy and utilities, telecommunications and social infrastructure, and in construction projects and already operational assets. We believe our investments should create value for all our stakeholders. We invest in and actively manage assets that help meet public needs, foster sustainable growth and improve the lives of communities.

Since 1848, John Laing has helped to shape the British landscape, working on iconic projects such as the British Library, the Barbican and Coventry Cathedral. Since the 1950s, we have worked across the world on projects including the Royal Adelaide Hospital, the I-4 in Florida and North East Link, the largest ever public-private partnership (PPP) in Australia. In 2022, we acquired a portfolio of assets including Convention Centre Dublin, Towercom, Ireland's largest independent telecoms company, and primary care centre operator and developer Valley Healthcare in the largest single investment in our history.

We continue to deliver projects that provide future generations with smart, sustainable and innovative infrastructure that will enable them to thrive in tomorrow's low-carbon economy. As at the end of 2022, 36 per cent of our portfolio value was in low-carbon investments, including renewable energy, electric buses, electric rail transport and electrified trackside infrastructure. Thirty-seven per cent of our portfolio value was in assets that provide access to healthcare services, housing and telecommunications.

Net zero commitment

Last year, the Intergovernmental Panel on Climate Change's (IPCC's) sixth assessment report concluded that climate change is widespread, rapid and intensifying. It predicted that without drastic action, average global warming of 1.5°C will be reached before 2040.

We are determined to play our part in addressing climate challenges. Across John Laing, we are aligning to the goal of net zero by 2050, with an interim target for 70 per cent of our assets under management (AUM) to align with net zero by 2030.

Upping the ante on ESG

For John Laing, success means transforming our business to be fit for the future. This is why our management has reflected its commitment to environmental, social and governance (ESG) issues in the objectives across the organisation. Over the past year, we appointed our first Head of Sustainability, Sandrine Lalmant, and set a new sustainability strategy based on six pillars: Climate Change, Resource Use, Biodiversity, Communities, Diversity, Equity and Inclusion, and Responsible Business.

These pillars shape our organisation and our investment approach. They enable us to direct our initiatives and measure our impact. They keep our sustainability strategy focused and help us identify ways to further improve our assets and our organisation.

During the investment stage, we use our ESG framework to identify both value creation opportunities and potential risks. We have implemented positive criteria to increase transparency and seize opportunities where ESG tailwinds are strongest, from sustainable transport to renewables. We also developed screening criteria to avoid projects that are environmentally and/or socially harmful and where no mitigation is possible.

If an asset has no clear path to decarbonisation, we do not invest.

Awareness drives action. To reduce the sustainability impact of our assets, we have improved transparency across our portfolio. This report marks our second year of comprehensive ESG data collection.

We saw a step-change in the measurement of our carbon footprint, with 90 per cent of our portfolio (by value) now calculating direct (Scope 1 and 2) emissions and 100 per cent now estimating their material indirect (Scope 3) emissions too. This is up from 60 per cent and 40 per cent respectively last year. Taking stock of where we are allows us to focus on developing decarbonisation plans for our assets.

We also saw broader and deeper responses from our assets to our full ESG questionnaire, providing us with high-quality data and a better understanding of ESG performance across the portfolio.

Engagement with our portfolio on ESG topics has continued to mature. Over the past year, we have spent an increasing amount of time engaging with our clients, partners and subcontractors to align on our sustainability priorities and how to improve the sustainability profile of the assets we have in common. We have also sought to standardise approaches and compile best practices for key sectors to support our asset managers with the tools they need to develop ESG action plans for the most material risks, impacts and opportunities.

Our proprietary framework enables us to assess the ESG maturity of our assets, understand practices across the portfolio and identify areas where portfolio-wide initiatives can build long-term value. In 2022, we assessed physical climate risks and undertook biodiversity screening for the first time.

Putting people first

Our employees are fundamental to our success and, as part of being a responsible business, John Laing is determined to nurture a learn-and-grow culture, built on diverse perspectives and ideas, by engaging with our colleagues, peers and the next generation. We are pleased the proportion of women in front office roles has increased by 21 per cent over the past year.

While we have made great progress in laying the foundation of our sustainability strategy in 2022, we still have much to do. As we have for the past 175 years, we look forwards to working closely with our partners, clients and employees to deliver sustainable infrastructure that has a positive impact on the environment and communities in which we operate.

Andrew Truscott
Chief Executive Officer

Our business

John Laing is a leading international investor in, and active manager of, core infrastructure assets.

We finance, develop, acquire and manage infrastructure projects and businesses across several key sectors, including transportation, energy and utilities, telecommunications and social infrastructure.

We actively invest in, deliver and manage high-value, long-term projects that have a tangible impact on society. We play a key role in solving complex infrastructure challenges, leveraging our deep expertise, flexible business model and global network of partners.

Headquartered in the UK with an international footprint, we have over 130 employees across seven regional offices in Europe, North America, Australia and Colombia.

We have invested in over 150 assets to date and currently actively manage a portfolio of c.£2.2 billion[1].

We create sustainable core infrastructure by investing across greenfield and brownfield PPPs to develop, finance, operate and maintain infrastructure that provides public services. We also invest in core infrastructure businesses and platforms providing a range of services, including access to healthcare and specialised accommodation for retired people.

In 2021, John Laing was acquired by funds managed by KKR. Following the acquisition, Equitix, an investor, developer and long-term fund manager of core infrastructure assets, acquired a 50 per cent shareholding in the existing PPP and renewable energy portfolio, which continues to be managed by John Laing.

Scope of this report

This report outlines John Laing's approach to responsible investment and sustainability across our portfolio in 2022.

Sustainability disclosure is subject to an increasing array of regulation, frameworks and enhanced expectations. We report in reference to Global Reporting Initiative (GRI) Standards and seek to align with other emerging disclosure best practices. The data and policies in this report relate to the most material topics for John Laing as an organisation and those areas we consider to be most material for our assets and investments.

1 As of 30 June 2023. Includes deals in closing.

Figure 1: Portfolio overview

Total number of assets

29
as of 31 December 2022

Asset type

8 Construction

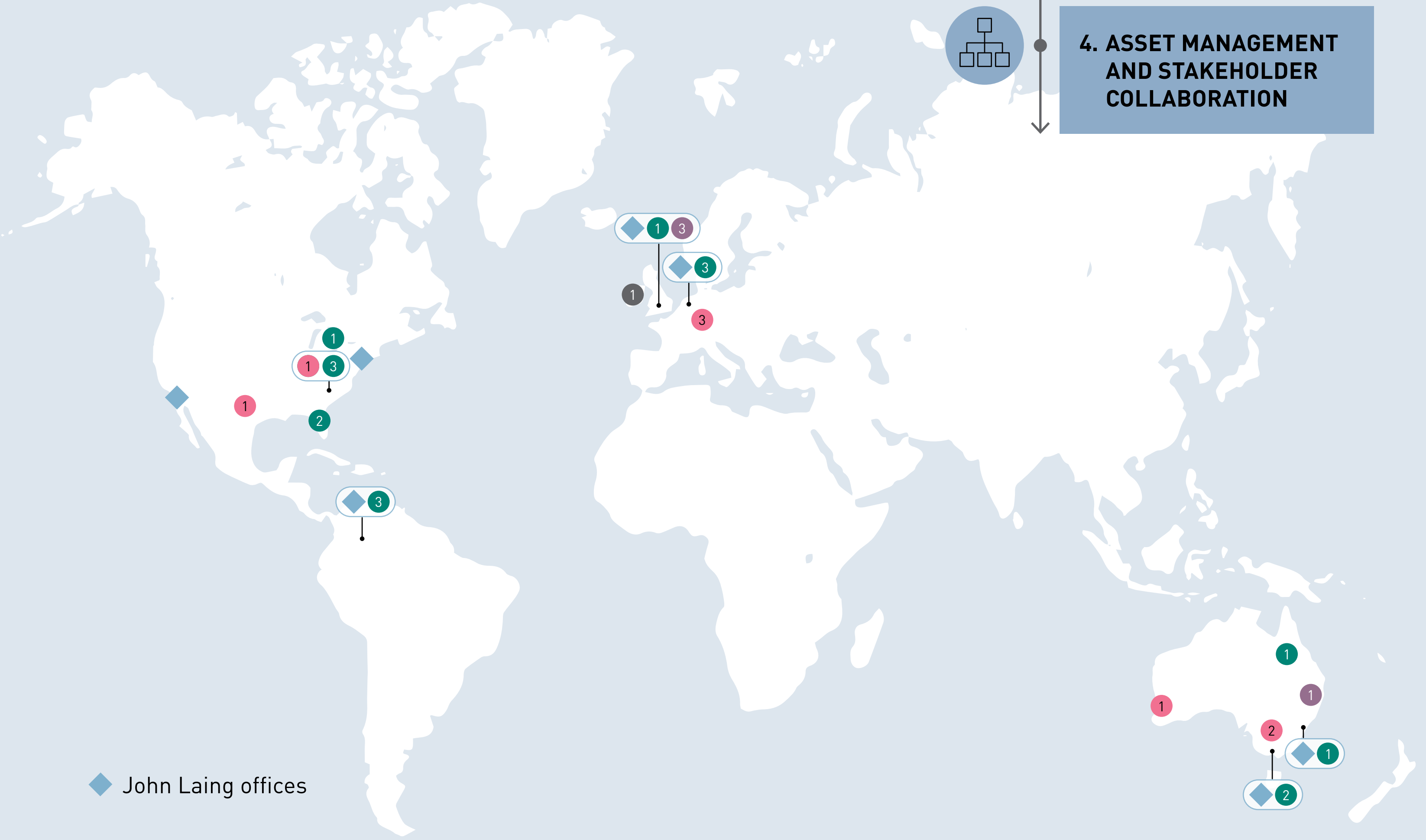
21 Operational

Our value chain

1. SCREENING
2. DUE DILIGENCE
3. INVESTMENT
4. ASSET MANAGEMENT AND STAKEHOLDER COLLABORATION

Existing portfolio

- Sustainable mobility
- Social infrastructure
- Renewables
- Telecom



John Laing offices

Sustainability in 2022 at a glance[2]

2,361GWh+
of renewable electricity generated by our assets in 2022, enough to power over 370,000 homes

3,500
people provided with water filters

800+
bedrooms for students

730
units of housing for the elderly

270
hospital beds

★★★★
Awarded four stars on strategy and infrastructure modules by the United Nations-supported Principles for Responsible Investment (PRI)

2 All data as of 31 December 2022 unless otherwise stated.

37%
of our portfolio (by value) provides access to quality healthcare services, housing and telecommunications

36%
of our portfolio (by value) is in low-carbon investments, including renewable energy and electrified transport infrastructure

Image: New Generation Rollingstock, Australia

Pillar 1: Climate Change

90 per cent of assets (by value) now calculate Scope 1 and 2 greenhouse gas emissions, up from 60 per cent last year (the remaining 16 per cent is estimated) and **100 per cent** estimate Scope 3 emissions, up from 40 per cent last year

Pillar 2: Resource Use

Just under half (45 per cent) of our assets have implemented a waste prevention and reduction plan

Pillar 3: Biodiversity

34 per cent of our assets are located near biodiversity sensitive areas, and none have reported a net impact on the ecosystem

Pillar 4: Communities

72 per cent of our assets have a community engagement plan in place

Pillar 5: Diversity, Equity and Inclusion

44 per cent of our assets have a diversity, equity and inclusion (DEI) policy, up from 36 per cent in 2021

Pillar 6: Responsible Business

72 per cent of our assets have a supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour)

Image: Alder Hey Children's Hospital, UK

Case study: A hospital for a healthy environment

In the UK, Liverpool's Alder Hey Children's Hospital was designed as a 'hill in the park', with its green roof adding insulation to the building and most rooms benefiting from a view of the adjacent park.

Providing care for more than 270,000 children every year, it is among the most sustainable hospitals ever built. It uses a ground source heat pump, combined cooling, heat and power generation via an absorption chiller, air source heat pumps and photovoltaic panels, generating 60 per cent of its energy on site.

John Laing played a leading role in a consortium that financed and built the hospital, which opened its doors in October 2014, and we remain a long-term and active supporter of the hospital and its charity.

The hospital has a Green Plan that aims to reduce its carbon footprint, enable more energy efficient travel options and reduce waste. Its facilities and estate department are implementing decarbonisation initiatives that include use of energy-saving software, water and operations optimisation, and a shift to LED lighting.

Strategy and business model

Image: Pacifico 2, Colombia

Our business model

We believe the infrastructure sector has a critical role to play in decarbonising the world economy and achieving the transition to net zero.

This is why we invest in infrastructure designed to help accelerate the transition and actively manage ESG risks and opportunities across our portfolio. **Our sustainability strategy has become integral to our business strategy.** By embedding sustainability in our investments, operations and supply chain, we aim to help our assets, clients and partners achieve their sustainability objectives and future-proof our business.

John Laing seeks to identify, prevent and mitigate actual and potential sustainability impacts. It is an integral part of business decision-making and risk management systems."

Jamie Christmas
Chief Financial Officer

Our sustainability strategy

We aim to be a leader in responsible investment in private markets. The core mission of our company is to create value for all our shareholders and broader stakeholders by investing in, developing and managing infrastructure projects that respond to public needs, foster sustainable growth and improve the lives of communities around the world. As investors, we see the management of our assets' sustainability impact as critical to fulfil our fiduciary duty to create and protect long-term value.

In the last year, to help ensure that our business and assets are fit for the future, we have sought to redefine what sustainability means to John Laing. We reset our sustainability strategy and structured it around six pillars (see Figure 2). These pillars help us determine where best to prioritise and deploy our resources.

We formed the six pillars in consultation with partners and shareholders by reviewing material sustainability topics in the key sectors we invest in. We conducted a detailed review of current climate and ESG-related regulatory trends, as well as sustainable infrastructure labelling and certification criteria. These criteria are informed by sector standards such as the EU Taxonomy, and frameworks such as Task Force on Climate-related Financial Disclosures (TCFD), Taskforce on Nature-related Financial Disclosures (TNFD) and International Sustainability Standards Board (ISSB).

These six pillars feed into our positive and negative screening of investment opportunities. They have also informed how we assess our current assets' existing approach to managing ESG risks and opportunities, as we developed a proprietary ESG maturity framework.

Image: Finley, Australia

Figure 2: How our sustainability pillars shape our investment approach

	The positive impacts we work to achieve	What we work to mitigate or avoid
Climate Change	Build projects resilient to climate change and aligned with 1.5°C pathways	Minimise greenhouse gas emissions and avoid exposure to fossil fuels
Resource Use	Promote the efficient and sustainable use of resources	Avoid non-hazardous construction and demolition waste going to landfill
Biodiversity	Protect and restore biodiversity and ecosystems	Avoid negative impact on biodiversity-sensitive areas
Communities	Build local capacity and contribute to enhanced livelihoods and social wellbeing of communities	Prevent and address adverse impact on communities
Diversity, Equity and Inclusion	Advance diversity, equity and inclusion and promote the non-discriminatory use of infrastructure services	Ensure equality of opportunity and treatment in employment
Responsible Business	Uphold best-in-class moral, ethical, governance and labour standards	Implement effective anti-corruption measures and respect human rights

Our investment process

We integrate ESG considerations at all stages of our investment life cycle, from due diligence to asset management.

Due diligence

ESG impacts are considered in our early due diligence, and those investment opportunities that we deem harmful to society or misaligned with our sustainability pillars are restricted by our 'gating issues list' and screened out. This, for example, includes coal or oil assets. Gas-related infrastructure is only considered if a clear transition path is available.

We also assess the feasibility of decarbonisation in line with our net zero commitments. If such decarbonisation is not viable, a potential transaction would be highly unlikely to proceed to the next stage of the investment process.

Before any non-binding bid approval, we also consider the overall sustainability of an investment and how it aligns to our sustainability pillars. This includes whether the investment is included in the EU Taxonomy – a classification of green activities.

Investment opportunities that progress to binding bids are subject to full due diligence, often by expert third parties, to assess the specific ESG risks and impacts.

All findings, including sustainability risks and opportunities, are included in the investment documents and presented to the Investment Committee for scrutiny as part of its decision-making.

ESG risks, opportunities and impacts are included in a '100-day plan' (see next page) that outlines the strategic and operational initiatives that will be implemented in our first 100 days of ownership.

As an example of this process in action, our investment in Valley Healthcare in Ireland included the purchase of a clinic that needed an extensive retrofit to improve its energy performance. This risk was highlighted in due diligence and brought into the 100-day plan that is currently being actioned.

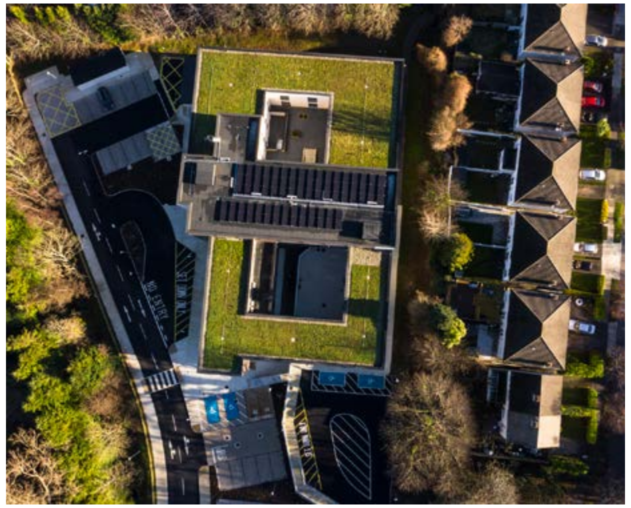


Image: Valley Healthcare, Ireland

Figure 3: ESG integration in our investments

Screening →

- Screen out investment opportunities that do not align with our sustainability criteria, including fossil fuel-related infrastructure
- Assess asset contribution to John Laing sustainability pillars and decarbonisation feasibility in the screening paper for the Investment Committee

Bid approval →

- Third-party due diligence on ESG risks and opportunities
- ESG due diligence findings are included in the Investment Committee materials
- Evaluate ESG factors as part of final investment decision

Investment →

- Assign responsibility for ESG matters
- ESG materiality assessment and action points from the ESG due diligence are included in the 100-day business action plan
- Incorporate ESG terms in our investment agreements

Active ownership

- Develop an ESG action plan within a year of acquisition
- Develop a decarbonisation plan within two years of acquisition
- Regular Board oversight and annual reporting against our 120 ESG key performance indicators (KPIs)
- Share and replicate best practices across the portfolio

Ambitious sustainability goals can only be achieved through close collaboration with our clients, business partners and management teams. We seek to work together to make a difference."

Anthony Phillips
Global Head of PPP

Ownership phase

Our active approach to the management of our assets and projects is a feature of our strategy that distinguishes us from many other infrastructure investors. Drawing on the expertise of our engineers and specialist asset managers enables us to enhance and deliver value for our clients and other stakeholders.

ESG action plans to deliver sustainability outcomes

ESG risks and opportunities are addressed as part of the 100-day plan.

During these first 100 days, our asset managers or management teams conduct an asset-specific materiality assessment and start work on their decarbonisation plan.

Our aim is for all new assets to set an ESG action plan agreed by all parties with clearly delineated short- and long-term KPIs within a year of acquisition.

In 2022, five of our assets, including Alder Hey Children's Hospital in the UK and Sydney Light Rail (SLR) in Australia, piloted ESG action plans. These action plans focus on delivering real-world sustainability outcomes with targets aligned with the UN Sustainable Development Goals (SDGs) and targets, the Paris Agreement and national sustainability strategies. They also reflect the priorities of clients, regulators, industrial partners and other stakeholders.

Ongoing ESG oversight

Our experienced asset managers and Board appointees take the lead on our post-investment engagement, working with our Head of Sustainability as required. Most visit a site once a month, and often more. Monitoring and engagement are guided by a business controls list that includes our health and safety, environmental, stakeholder management and governance requirements.

Our active presence on the ground plays a huge role in achieving our ESG goals because it enables us to identify any concerns at an early stage, influence partners and drive our sustainability agenda forwards.

Our Sustainability Team supports asset managers in implementing our sustainability strategy. By providing expertise and input on decarbonisation initiatives and ESG standards, it helps our teams achieve best practices. In 2022, this included standalone training sessions on decarbonisation, ESG reporting and regulatory developments for asset managers, as well as asset-specific support.

Through our ESG questionnaire, we request data on a wide range of indicators and metrics. The maturity of our assets is thereafter monitored through a proprietary ESG maturity framework, which assesses how mature the asset is across the six pillars of our sustainability strategy and helps us to identify ways to further improve our assets. Details of our sustainability pillars are reported on in the next section.

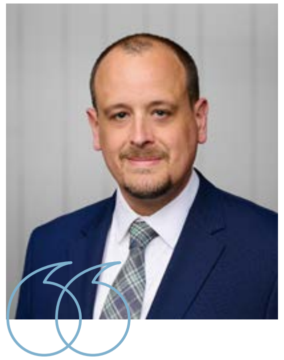
Working with our partners and peers

Collaboration is crucial to delivering sustainable infrastructure. Our success is partially dependent on the technical expertise and long-standing relationships we have with our clients, partners and subcontractors. This is why we collaborate on the assets we have in common and exchange on best practices with them.

We also work closely with several infrastructure and investor associations including:

- Initiative Climat International (iCI)
- Global Infrastructure Investor Association (GIIA)
- Association for the Improvement of American Infrastructure (AIAI)
- Infrastructure Partnerships Australia (IPA)

Any advocacy with trade associations are consistent with our sustainability commitments and goals.



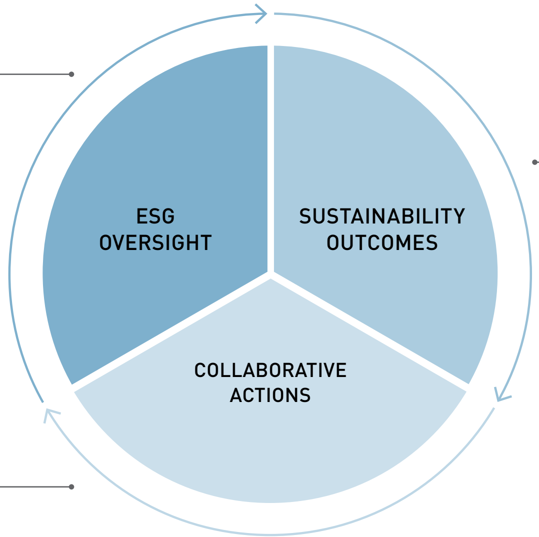
Our managers regularly visit sites and dig into each asset's approach to ESG issues such as energy, water and natural resource usage."

David Wylie
Global Head of PPP & Projects Asset Management

Figure 4: Our approach to engagement

Ongoing **ESG oversight,** engagement and monitoring with support from in-house experts

We **share best practices** across assets, with our operators and Master Service Agreement providers and work with our peers on industry frameworks



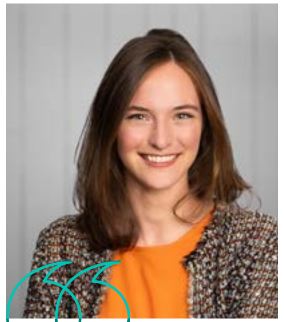
Our engagement focuses on developing **ESG action plans to deliver real-world sustainability outcomes** that benefit investors, the environment and society as a whole

Sustainability pillars

Image: Klettwitz, Germany

Our six sustainability pillars:

Climate Change, Resource Use, Biodiversity, Communities, Diversity, Equity and Inclusion DEI, and Responsible Business shape our organisation and our investment approach. They enable us to direct our initiatives and measure our impact. They keep our sustainability strategy focused and help us identify ways to further improve our assets and our organisation.



Our sustainability strategy is about staying ahead of the curve on global ESG trends. We will continue to innovate – evolving our investment and asset management frameworks, as well as our culture – to deliver value to all stakeholders."

Sandrine Lalmant
Head of Sustainability

Pillar 1: Climate Change

“Today’s infrastructure will form the backbone of tomorrow’s low-carbon economy. We want every asset to seek ways to decarbonise – whether that means powering tunnel ventilation with solar panels, energy efficient heating, cooling and ventilation for social infrastructure or reducing the use of key raw materials through reuse and recycling.”

Erin Lee
Investment Director

2022 was a year of climate extremes. Europe recorded its hottest summer, catastrophic flooding swept through Pakistan and the IPCC warned that climate impacts were accelerating and would soon become irreversible.

Yet 2022 also provided grounds for cautious optimism. The EU produced more power from renewables than from gas, governments signed the historic ‘loss and damage’ agreement at the UN’s COP27 Climate Summit, and the landmark Inflation Reduction Act was enacted in the US, which will drive billions of dollars being invested in low-carbon technologies.

Managing climate risk and aligning with a 1.5°C pathway

As set out in our Responsible Investment Policy, climate considerations are embedded in both our investment process and asset management. We seek to develop projects that are resilient to climate change and aligned with a 1.5°C pathway.

The three implementation levers we use to achieve this goal:

1 **Embed climate risk analysis in our processes**

2 **Decarbonise our assets**

3 **Invest in climate solutions**

1 Embed climate risk analysis in our processes

There is a global consensus among scientists that the climate is changing. It affects all of us as individuals and increasingly influences the bottom line of our business at John Laing. It is critical that we understand and act on the climate risks and opportunities for our assets and investments to create long-term value for all our stakeholders.

Early in 2023, we assessed our portfolio exposure to physical climate change risk under different climate scenarios based on regional climate models. This allowed us to identify the most exposed assets and focus on how to enhance their climate resilience. For example, the main climate risk facing the I-75 road in Michigan is highway flooding. Last year, we incorporated a four-mile-long water storage tunnel into the project’s design, a new stormwater collection system and a more reliable stormwater outlet facility to mitigate this risk.

Our annual ESG questionnaire tracks these asset-specific climate risk mitigation strategies. In 2022, 27 per cent of assets had performed a robust climate adaptation risk and vulnerability assessment. This represents a 7 per cent increase since 2021.

In addition to physical risks, an assessment of the medium- and long-term transition risks and opportunities for different sectors within our portfolio was included in our sector materiality assessment.

Image: Fox Creek, US

An important part of our climate commitments is to provide reporting aligned with the globally recognised TCFD – these disclosures are set out in the table to the right.

Image: Live Oak, US

Governance

- John Laing's **Board oversees climate-related risks and opportunities**. It oversees climate targets and monitors progress towards these targets
- The **Board is updated quarterly** on climate-related risks and opportunities
- **The Head of Sustainability assesses and manages climate-related risks and opportunities.** She reports to the COO, as well as the Investment Committee
- Sustainability-related objectives are included in company-wide objectives and form **part of senior management's performance review** and remuneration

Strategy

- Climate risks and opportunities are an integral **part of early due diligence**, and any risk will be flagged to the Investment Committee and will be considered in the investment decision
- John Laing has set a 2030 decarbonisation target and is developing decarbonisation strategies for each sector
- The Sustainability Team engages with asset managers and the assets' boards on climate risks and opportunities
- John Laing uses climate-related scenario analysis to **assess assets' climate resilience to physical risks**
- **Qualitative analysis of the transition risk** of our industries, including policies, energy intensity and technology, is used to influence long-term targeting or avoidance of certain sectors

Risk management

- The **Head of Sustainability attends the Risk Committee and Portfolio Review and Valuations Committee meetings**
- Climate-related risk identification, assessment and management process is **integrated into our overall risk management process**. If any significant climate risks are identified at the asset level, these will be escalated to the Portfolio Review and Valuations Committee
- Climate risks are also part of the risk register and their anticipated impact on the business is discussed in the Risk Committee
- **Climate-related factors are included in our annual top risk assessment** with the goal to identify and remediate significant risks to financial results, operational viability, reputation and the delivery of key strategic objectives

Metrics and targets

- Absolute **Scope 1, 2 and 3 emissions** (including financed emissions) **are measured.** John Laing also tracks the greenhouse gas emission intensity of its assets
- John Laing assesses our portfolio exposure to physical climate changes
- The percentage of low-carbon investments is measured in line with the EU Taxonomy
- John Laing has set a **2030 decarbonisation target** in line with Institutional Investors Group on Climate Change (IIGCC) guidance for infrastructure assets – Net Zero Investment Framework (NZIF)
- John Laing is also running a pilot with selected assets on climate-related target setting which allows us to identify data gaps, pathways for key sectors as well as potential investment management actions

2 Decarbonise our assets

Our overarching objective is to **reach net zero by 2050, with at least 70 per cent of our AUM to be aligned or aligning with net zero by 2030** (see Figure 5).

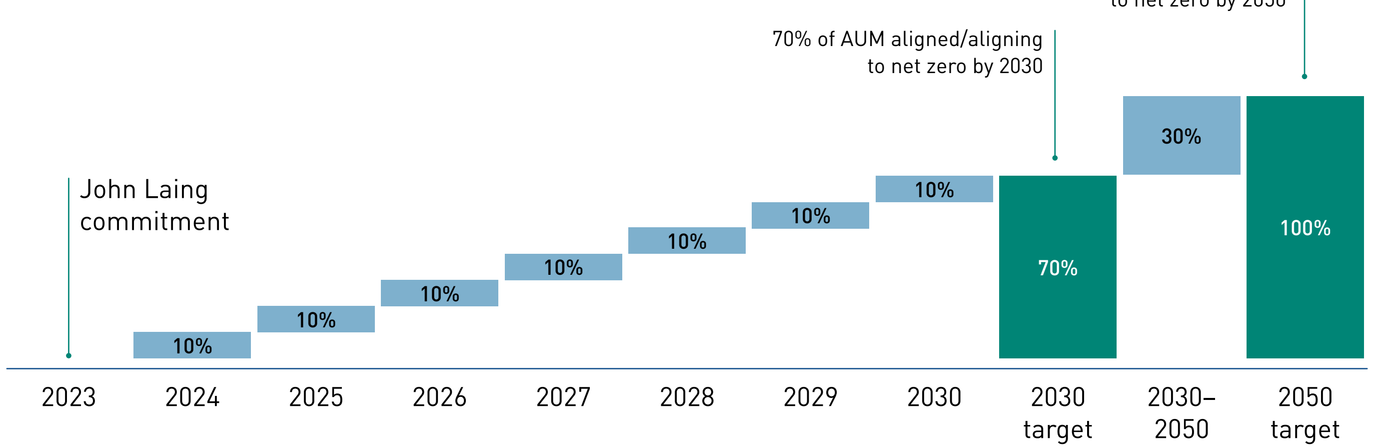
We are piloting and developing sector- and asset-specific decarbonisation plans informed by science-based guidance. Our goal is for all assets to reach net zero by 2050.

In 2022, we successfully completed a second carbon footprint assessment. Our portfolio emissions represent more than 99 per cent of our overall footprint. This was conducted using the industry-leading methodology of the Partnership for Carbon Accounting Financials (PCAF) and included some estimates – for example for our assets' supply chains (their Scope 3). We have further refined and improved the quality of this assessment in 2023.

We achieved our objective to improve our Scope 1 and 2 data quality and cover more of our material Scope 3 emissions. Ninety per cent of our portfolio (by valuation) now calculates Scope 1 and 2 greenhouse gas emissions vs 60 per cent last year and 100 per cent of our assets estimated material Scope 3 emissions vs 40 per cent last year. This complete data set allows us to set a baseline for asset decarbonisation plans. Coverage now exceeds market standards as **we achieved a high data accuracy (score 2 out of 5, 1 being best) for all our assets.**

SCORE 1	Reported emissions	**Verified** emissions
SCORE 2	Reported emissions	**Unverified** emissions
SCORE 2	Physical activity-based emissions	**Calculated** using primary physical activity data for the asset's energy consumption and emission factors
SCORE 3	Physical activity-based emissions	**Calculated** using primary physical activity data for the asset's production and emission factors
SCORE 4	Economic activity-based emissions	**Estimated** based on the asset's revenue and greenhouse gas emissions per sector
SCORE 5	Economic activity-based emissions	**Estimated** based on assets per sector and greenhouse gas emissions per sector
SCORE 5	Economic activity-based emissions	**Estimated** based on revenue per sector and greenhouse gas emissions per sector

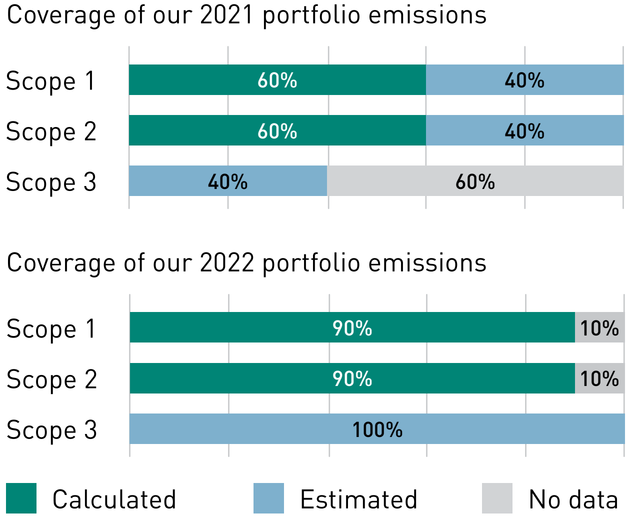
Figure 5: Our journey to a net zero portfolio by 2050



Several assets are already putting decarbonisation initiatives into action. For our North Carolina solar farms, we are using agrivoltaic farming methods to produce energy and grow agricultural crops on the same land, while the A6 motorway in the Netherlands reduced transportation of materials by sourcing locally, minimising asphalt and using solar generation to power the roadside equipment.

We participate in several industry groups helping to lead the infrastructure sector's thinking on net zero. In 2022, we joined iCI, the private market climate initiative, where we, together with IIGCC, take part in an industry dialogue to develop net zero asset managers' methodology for net zero alignment in infrastructure portfolios.

Figure 6: Coverage of carbon footprint



Case study: Road testing our decarbonisation plans

On the A16 in the Netherlands we are deploying innovative solutions to decarbonise the road, aiming to make it the world's first energy-neutral highway.

The project involves building a new 11km connection between the A13 and A20 motorways north of Rotterdam to relieve congestion and improve access to Rotterdam The Hague airport.

The A16 is one of the assets on which we are piloting an ESG action plan, including a decarbonisation plan.

Construction began in early 2019 and greenhouse gas emissions are minimised by using biofuels to operate equipment and piloting a range of electric construction equipment, which are less emission-intensive than traditional equivalents.

When it becomes operational, the road will use a direct current (DC) power system for various tunnel installations, which is more energy efficient than the more commonly used alternating current (AC) system. The tunnel also uses LED lighting and reflective paint on the walls to reduce the amount of lighting needed – helping make it the first energy-neutral tunnel in the world.

Additionally, 20,000m² of solar panels have been installed to generate electricity for the road's operations.

In 2020, the project was awarded a 'Duurzame Parel' (Sustainable Pearl) award in recognition of its sustainable civil engineering approach.

Image: Klettwitz, Germany

Case study: Generating clean energy at Klettwitz

Clean energy plays a critical role in addressing the climate challenge by reducing the reliance on fossil fuels to generate electricity and heat.

John Laing has invested in a wide range of renewable energy projects. Among our wind and solar projects, our total generation capacity is 1,106MWh.

One such development is the Klettwitz wind farm in Germany, which the company acquired in 2015. Klettwitz is a large renewable energy project on the former site of an open cast lignite mine. When it closed in 1991, almost 5,200 hectares of land had been over-excavated, 362 million tons of lignite had been extracted and 1,324 million m³ moved by the three conveyor bridges. Now, over 20 years later, the site has been transformed from using fossil fuels to generating renewable energy. The 27 wind turbines on the farm can produce up to 89MWh of clean electricity on peak days, enough to power thousands of homes.

3 Invest in climate solutions

We are investing in climate solutions, from green buildings to electrified public transport. In total, 36 per cent of our portfolio value is currently in low-carbon investments[3] – as informed by the EU and other taxonomies. This includes investments in renewable infrastructure, electric buses, electric rail transport and electrified trackside infrastructure.

In 2022:

2,361GWh+

of renewable electricity

259

electric buses

143km

of rail

2

near-zero buildings

Company level: John Laing's corporate emissions

Our corporate emissions – ie those generated by our workforce and business (Scope 1 and 2) – represent only a small fraction of our total footprint, but we are determined to minimise them. Business travel is our single largest source of carbon emissions and we have made reducing our travel footprint a priority, guided by our Travel Policy, which was updated in 2022. We successfully reduced emissions by 5 per cent in 2022 versus our pre-Covid-19 baseline.

3 As of 31 December 2022.

PILLAR 1 DATA	2022	2021	ACTIONS AND TARGETS
Scope 1 greenhouse gas emissions (tCO_2e)	4,017	34,769	70% of AUM to be aligning/aligned to net zero by 2030
Scope 2 greenhouse gas emissions (tCO_2e)	11,096	11,731	
Scope 3 greenhouse gas emissions (tCO_2e)	99,103	26,209	
Total greenhouse gas emissions (tCO_2e)	114,216	70,082	
Carbon footprint (tCO_2e)	114,340	70,201	
Share of renewable energy consumption (%)	83%	n/a	
Share of investments in companies active in the fossil fuel sector (%)	0%	0%	Decarbonisation feasibility included in early due diligence
Proportion of assets that have performed physical climate risk assessment (%)	32%	25%	Transversal analysis of climate risk assessment at portfolio level

Image: Buckleberry, US

Pillar 2: Resource Use

Resource extraction and processing produce 50 per cent of greenhouse gas emissions and 90 per cent of biodiversity loss. Moving towards a resource-efficient and circular economy is critical from both supply security and environmental perspectives.

John Laing is helping to drive progress in building a more circular economy by promoting the efficient and sustainable use of resources across our portfolio and supporting innovation to prevent, reduce and recover waste.

Our business controls list ensures that each asset has a tailored environmental policy to manage the use of energy, water and other natural resources efficiently and conscientiously.

The three levers we use to guide our approach to sustainable resource management:

1. **Reduce the use of primary raw materials**
2. **Prevent and reduce waste from construction, maintenance and demolition**
3. **Prevent and reduce water usage**

1 Reduce the use of primary raw materials

Water, concrete and metals are integral to delivering infrastructure. One of our priorities is to work with our partners to use fewer resources in the design and engineering phase of our projects and to introduce more recycled and reused materials.

The North East Link road project in Australia has developed an alternative stabilised sand product made from 100 per cent recycled materials sourced during early work along Greensborough Road in Macleod.

North East Link has already used more than 3,478m^3 of the new recycled backfill material – almost two-and-a-half Olympic-sized swimming pools worth – reusing waste that would otherwise have ended up in landfill.

2 Prevent and reduce waste from construction, maintenance and demolition

We regularly monitor each asset's management of water and waste through our ESG questionnaire. **Nearly half of our assets have implemented a waste prevention and reduction plan.** Four of our projects in construction have achieved reuse and recycling rates of over 90 per cent – using innovations such as the reuse of crushed concrete or recycled asphalt (see Figure 7).

Figure 7: Rates of reuse and recycling in projects in construction

NAME	COUNTRY	STATUS	PROPORTION OF WASTE REUSED OR RECYCLED
Melbourne Metro	Australia	Construction	**94%**
Hurontario LRT	Canada	Construction	**99%**
East Rockingham	Australia	Construction	**53%**
A16	Netherlands	Construction	**91%**
Ruta Del Cacao	Colombia	Construction	**90%**
I-75	US	Construction	**>70%**
North East Link	Australia	Construction	**96%**

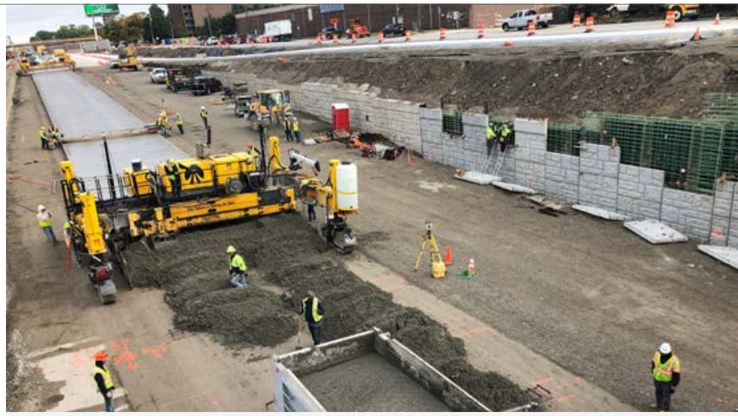


Image: I-75, US

Case study: Maintaining and modernising Michigan's roads

While new-build infrastructure often grabs headlines, maintaining or modernising current infrastructure such as highways is just as important to preventing waste.

Oakland Corridor Partners, a John Laing-led consortium, is responsible for the modernisation of a five-and-a-half-mile stretch of the I-75 road in Michigan, US. During this project, they used innovative methods to improve resource efficiency.

Existing Portland cement concrete pavement is being used as a base for new road construction, recycled asphalt used to construct the tunnel site and the steel obtained from demolition is used further down the project or for other steel projects in southeast Michigan.

Where non-hazardous primary road material (binder course and/or surface course or concrete slabs) has been used, we have removed or demolished it. Between 70 and 100 per cent is collected with the aim of subsequent reuse or recycling.

3 Prevent and reduce water usage

The sustainable use of water is one of the topics we have prioritised given some of our assets are located in areas of high water stress that face water scarcity and droughts challenges.

The Denver Eagle commuter rail project helps reduce congestion across Denver's growing metropolitan area, a region considered to be a high desert.

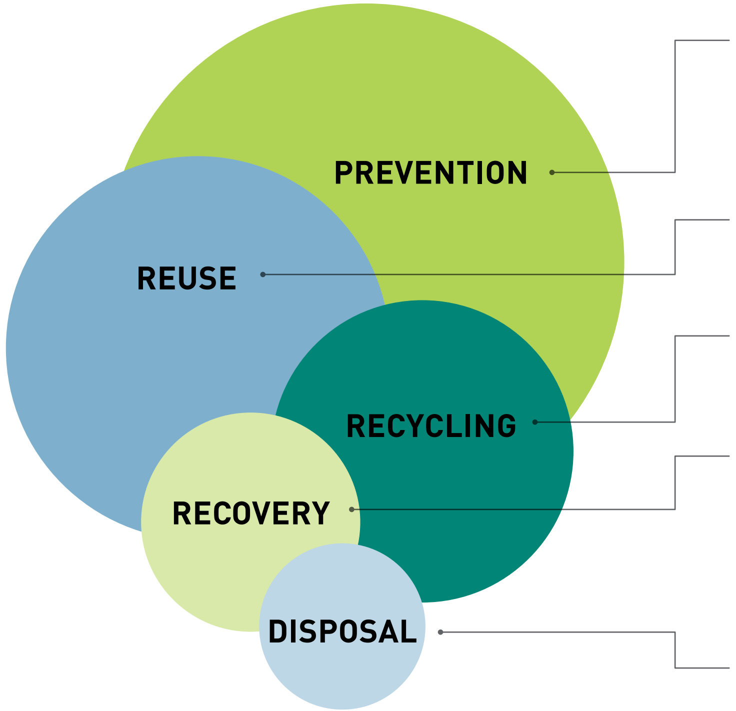
The average station consumes over 170,000 litres of water per month to water station parking-lot vegetation and island grass strips as well as to power clean the trains and stations.

Measures such as xeriscaping (reducing the need for irrigation) were put in place in an effort to promote water efficiency by using plants that are native and adaptable to Colorado's semi-arid climate. Measures to reduce potable water demand and increase of non-potable reliance in overall water usage were also put in place at the Commuter Rail Maintenance Facility.

Company wide: Waste management in the office

At the corporate level, we are encouraging employees to be mindful of our own waste by implementing recycling initiatives at our offices. At our London office, we recycled over 50 per cent of materials in 2022, including food and general office waste, amounting to almost half a ton of recycled materials, generating 134kWh of energy through waste to energy initiatives.

Figure 8: How we mitigate negative impact



1. **Better design,** equipment and components of high durability and recyclability and that are easy to dismantle and refurbish, avoid generation of hazardous wastes, integrated pest management
2. Use **materials recovered** from the site in the design and construction after treatment
3. **Recycling** of materials such as concrete, wood, glass, gypsum drywall and asphalt shingles
4. **Backfilling** non-hazardous construction and demolition waste after treatment, energy recovery of contaminated wood, organic insulation, bitumen based waterproofing membranes and non-recyclable plastics
5. **Hazardous waste**

PILLAR 2 DATA	2022	2021	ACTIONS AND TARGETS
Emissions to water	n/a	n/a	Included in our ESG questionnaire and maturity matrix
Hazardous waste generated by assets per million GBP	0.02	n/a	
Total waste generated (tons)	1,112,376	271,258	Waste will vary depending on the construction phase of our assets
Number of assets with a waste reduction plan	12/29	10/29	Included in our ESG questionnaire and maturity matrix
Percentage of total waste generated that is recycled	97%	n/a	Considerations will be integrated in future requests for proposals

Case study: Waste reuse and recycling in Toronto

The Hurontario Light Rail Transit (LRT) in the Greater Toronto and Hamilton area has embraced a circular philosophy throughout the project.

During construction, excavated materials were carefully catalogued, processed and reused or recycled wherever possible. In total, 99 per cent of the project's waste was reused or recycled, representing over 1,220,843 tons of excavated material being internally or externally reused or recycled, the equivalent to nine times the weight of the CN Tower, which is 130,000 tons.

By maintaining high environmental standards and embracing a philosophy of resource efficiency throughout our projects, John Laing is contributing to a more circular economy.

Image: Hurontario, Canada

Pillar 3: Biodiversity

For every tree, turtle and bird, we identify what our impact will be on the local ecosystem and ensure that we align our projects' plans to have the least negative impact. Responsible asset management requires a deep understanding of the ecosystem around an infrastructure project and a steadfast commitment to preserving its biodiversity."

Kara Vague
Director, Asset Management

Protecting our nature

2022 marked a potential inflection point in the world's approach to protecting biodiversity. After decades of sustained biodiversity loss – wildlife populations have declined by 69 per cent on average since 1970 – policymakers and markets were stung into action. At the 2022 UN Biodiversity Conference (COP 15), global governments agreed on the '30x30' goal, to permanently conserve 30 per cent of the planet's surface for nature by 2030. In the private sector, the Taskforce on Nature-related Financial Disclosures (TNFD) framework to help businesses disclose nature-related risks began to emerge.

We are committed to partner with governments to deliver on their biodiversity 2030 commitments[4] by:

- Bringing the loss of areas of high biodiversity importance close to zero
- Reducing the rates of introduction and establishment of invasive alien species by at least 50 per cent
- Reducing the overall risk from pesticides and highly hazardous chemicals by at least half
- Taking immediate action to prevent human-induced extinction of threatened species and promote species recovery and conservation

The three levers we use to achieve our biodiversity goals:

1. **Avoid the loss of areas of high biodiversity importance**
2. **Manage invasive species and reduce the use and risk of pesticides**
3. **Prevent habitat loss**

4 Kunming-Montreal Global Biodiversity Framework, 2030 targets.

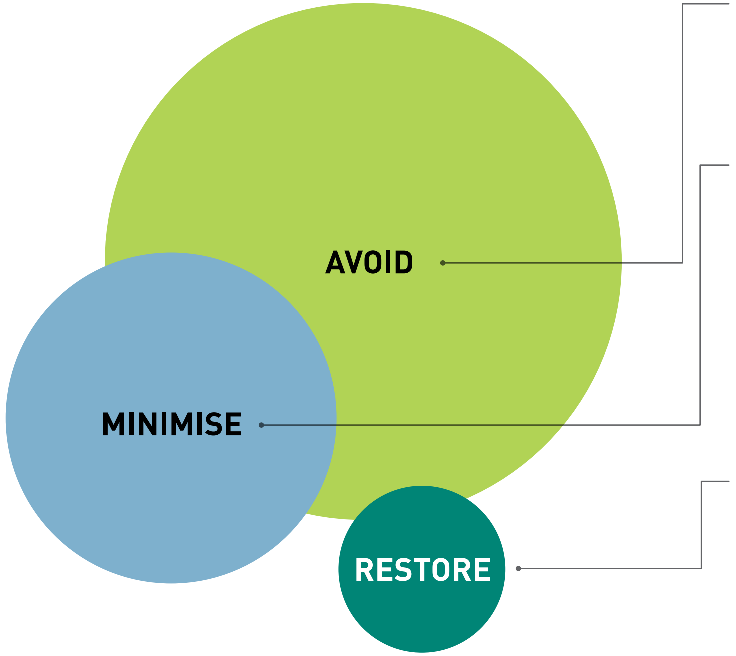
1 Avoid the loss of areas of high biodiversity importance

We require all our assets to have a biodiversity protection policy and are committed to working with our clients and partners to mitigate any biodiversity impact.

Through our asset managers and site teams, we regularly monitor the impact of our assets on the environment through site inspections. Our assets must disclose whether they operate in or are adjacent to official protected areas or biodiversity-sensitive areas. This is cross-checked through a transversal analysis of the portfolio. We also query whether our assets have performed a biodiversity or habitats risk assessment within the past three years, and whether they have a potential negative impact on any of these areas. In 2022, 34 per cent of assets had conducted a biodiversity and habitats risk assessment.

Thirty-four per cent of our assets are near biodiversity sensitive areas. For these assets, a thorough environmental impact of the projects ensured any potential biodiversity impact was mitigated.

Figure 9: How we mitigate our impact



1. Variations in the layout of project facilities, alternative engineering and manufacturing processes and construction practices, selection of different sites or routing of linear facilities
2. Design of drainage systems; construction methods (for example, to reduce dust and noise); pattern of vegetation clearance; selection of different pollution abatement treatments; implementation of erosion and sedimentation control measures; construction of wildlife passageways (trench plugs or bridges in the case of linear infrastructure); and the layout of infrastructure
3. Vegetation rehabilitation (erosion control and facilitated natural regeneration of ecosystems); restoration of the original habitat type (where appropriate techniques are known/can be developed); and restoration of major ecosystems, such as facilitated watercourse flow

Image: Hurontario, Canada

Case study: Greening transit – Hurontario light rail delivers biodiversity net gain

Hurontario LRT has been chosen to participate in the Envision Sustainability awards that recognise achievements towards sustainable infrastructure.

In the design stage of the project, we incorporated Low Impact Development (LID) measures to promote the retention of precipitation on site rather than diversion to stormwater sewers. LID measures being considered for use in the project delivery include on-site filtration (such as permeable pavers, minimising paved surfaces), physical retention and reuse of water (rainwater harvesting) and bioretention (bioswales and ponds).

The project will deliver biodiversity net gains through the following:

- **Minimise:** Operational policies and programmes are being developed to reduce the impact of pesticides and fertilisers
- **Restore:** Disturbed areas will be reinstated with native species. Landscaping plans were optimised to maximise the use of pollinator species

2 Manage invasive species and reduce the use and risk of pesticides

Invasive alien species are one of the five main direct drivers of biodiversity loss[5], together with changes in land and sea use, overexploitation, climate change and pollution. Maintenance of vegetation along road and rail transport infrastructure, such as the A16, Hurontario and Sydney light rail projects, helps promote native plant species and ensures that invasive species do not spread.

We have also explored biological vegetation management strategies to reduce the risk of pollution and support the recovery of nature. For example, at the Finley Solar Farm in rural New South Wales, instead of using pesticides and mowers, we have been keeping sheep on site to keep weeds and grasses down to prevent bushfire hazards. Over 65 hectares of the site of Sunraysia Solar Farm were also designated as a biobank site, providing biodiversity-friendly soil cover.

3 Prevent habitat loss

While each incidence of land use change is localised, the aggregated impact can have consequences for ecosystems on a global scale.

At the Finley Solar Farm in New South Wales, we deliberately do not prune hollow-bearing trees during spring to early summer to avoid the main breeding period for hollow-dependent fauna. Similarly, the SLR in Australia undertakes a microbat pre-clearance survey when bridge maintenance activities are required and will postpone works if microbats are detected using the bridges.

The SLR is also helping restore biodiversity by setting up ecological corridors that allow for species migration to maintain healthy ecosystems.

On the A16, the wildlife passage across the road is covered with soil and vegetation to avoid the fragmentation and degradation of habitat, while the Nordergruende windfarm in Germany is supporting a local bird sanctuary.

PILLAR 3 DATA	2022	2021	ACTIONS AND TARGETS
Activities negatively affecting biodiversity-sensitive areas	0	0	Where the construction of assets negatively affects ecosystems, restoration measures are in place to compensate for the loss or provide a net gain

5 According to the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES).

Image: North East Link, Australia

Case study: Restoring nature in Melbourne

Australia's North East Link project is constructing a 26km tolled motorway scheme that will change the way people move around Melbourne. The largest road project investment in the history of the state of Victoria, it will provide the missing link in Melbourne's freeway network, delivering faster travel and improved walking and cycling networks. John Laing is part of the Spark consortium that will construct the twin three-lane North East Link tunnels and its key interchanges via the biggest PPP in Australia to date.

Great care is being taken to minimise impact on local biodiversity, including engineering longer tunnels than initially proposed to protect sensitive environmental areas. It will also contribute to urban forest outcomes by replacing lost canopy and achieving a net gain in canopy cover by 2045, restoring the local natural environment.

Pillar 4: Communities

Local communities are a source of talent, services and goodwill, all of which are essential for our projects to thrive. We strive to create strong, sustainable local partnerships that benefit everyone involved.”

Duncan Jewell
Co-Head of APAC

Building constructive relationships with communities

Local communities are an important source of talent, products and services for the infrastructure sector and their support is critical to our social licence to operate. As well as being a creator of local jobs, infrastructure is inherently beneficial to local communities, providing access to essential services.

At John Laing, we strive to include communities in the planning and design process of infrastructure development, and to consider accessibility issues so the socially and economically vulnerable can use the essential services created.

The three levers we use to support communities located near our assets:

1. **Improve access to essential services**
2. **Support sustainable livelihoods and land rights**
3. **Engage meaningfully with relevant stakeholders**

1 Improve access to essential services

Many of our projects bring intrinsic benefits to communities through the provision of essential services. Our transport assets strive to improve access for target populations, and some of our rail projects were designed to prioritise locations with a higher number of low-income riders. Five of our assets, representing 37 per cent of our portfolio, provide access to quality healthcare services, housing and telecommunications.

In the UK, for example, Brigid provides retirement living units developed in partnership with McCarthy Stone, the UK’s leading developer and manager of retirement communities. This assisted-living accommodation meets the growing needs of an ageing population as well as offering the increased flexibility of a rental model.

Community programmes run by each asset serve local needs. In Colombia, for example, a project helped three isolated communities in the surroundings of Pacifico 2 and Ruta Del Cacao access safe drinking water. This included delivering water filters to 160 families and six rural schools and helping to build and operate five water treatment plants, benefiting almost 3,500 people.

Image: Community engagement, Colombia

Image: Electribus, Colombia

Case study: Electric buses in Bogotá – getting across town doesn’t have to cost the earth

In 2022, we purchased Electribus, an availability-based PPP with concessions that will run until 2035. The concessions provide a total of 259 electric buses to Transmilenio, the public transport authority of Bogotá, and are operated through a separate contract by Somos, a Colombian public transport operator.

Electric buses provide affordable, accessible and sustainable transport for generations to come, and John Laing is determined to be part of the growth in this mode of transport.

These buses have already had a strong impact on local communities, improving service levels, reducing noise and air pollution and reducing local CO_2 emissions by 16,400 tons a year. All electricity for these buses comes from emissions-free hydroelectric power, meaning that getting across town won’t cost the earth.

We believe that our investment in electric buses will benefit local communities by improving the environment and increasing the availability of low-cost sustainable transport.

Figure 10: Public benefits created in 2022

270
hospital beds

730
units of assisted-living accommodation

804
bedrooms for students

3,500
people provided with water filters

c.90m
rail passengers

Image: University of Brighton, UK

2 Support sustainable livelihoods and land rights

Most of our assets do not require the resettlement of local communities, but those that do have relocation, environmental, livelihood and social safeguards in place.

We specifically seek to avoid any adverse impact on indigenous peoples' populations who may be at heightened risk due to marginalisation or vulnerability. Two of our projects, Hurontario and North East Link, are located on or adjacent to first nation/indigenous communities' land. On both assets, we worked in partnership with local elders to ensure that we considered the values, needs and concerns of indigenous peoples.

North East Link is the world's first road project to use the award-winning International Indigenous Design Charter principles, which encourage best practice processes. The overarching aim was to promote `Connection to Country', one of three pillars of the Kulin Nations indigenous worldview. As the first project of its scale and type globally to centre on indigenous knowledge, it sets a benchmark for meaningful engagement with first nations peoples. The scheme includes dozens of new and upgraded connections across the road corridor, as well as more than 25kms of shared use paths, revitalised wetlands, active recreation spaces and cultural precinct space.

3 Engage meaningfully with relevant stakeholders

To help build strong community relations and participation, we implement robust community engagement programmes that aim to address queries or concerns throughout the construction and operational phases. Depending on the project, our asset managers or operators ensure that engagement is timely, accessible, appropriate and safe for stakeholders.

Last year, 70 per cent of our assets had a community engagement plan in place.

Through our asset managers and operators, we have a direct line of communication to key stakeholders and disseminate information to local residents through a number of channels, including phone line and emails, meetings and public consultation sessions. This allows us to inform residents in the local community of what the project will involve as well as the wider benefits.

PILLAR 4 DATA	2022	2021	ACTIONS AND TARGETS
Proportion of assets without remediation mechanism for stakeholders materially affected by the operations of the investee companies	16/27	n/a	–
Proportion of our assets with a community engagement plan in place	70%	70%	–

The John Laing Charitable Trust

The trust was established in 1962 by Sir John Laing to care for the welfare of existing and former employees of John Laing, and to work with others in the community to improve the lives of those in need.

Make a Difference: Matched donations

The John Laing Charitable Trust (JLCT) has been supporting John Laing employees with their charitable objectives for the past 60 years. During 2022, John Laing employees were invited to apply for a Make a Difference donation for a charity they or a close family member are involved with, and if their application met the criteria, the trust would match any fundraising they or a family member had successfully carried out.

Elevate Orlando

One of the objectives of the trust is to promote integration in the community and help tackle poverty. An example of the trust's work is its support for Elevate Orlando, a not-for-profit organisation based in Florida.

Elevate supports urban youth through mentorship programmes. JLCT's contribution is spread over three years. By covering the salary and benefits of one teacher or mentor for a year, this funding will directly benefit students in the programme. The help extends to the many events and opportunities organised outside of the classroom, which Elevate believes are just as important as the experiences within schools and colleges.

Pillar 5: Diversity, Equity and Inclusion

"The most successful management teams are those with a diverse range of experience, backgrounds and problem-solving skills. We also find that good diversity, equity and inclusion (DEI) management can help improve the bottom line by tapping new markets and improving employee satisfaction and retention."

Anneka Adams
Senior Talent Manager

Diversity, equity and inclusion has been high on the corporate agenda for several years. In 2022, we started to see the positive effects of this. Over the last three years, we have seen new initiatives emerge to tackle racism and foster minority rights, as well as strategies to promote LGBTQ+ equality and the rights of persons with disabilities.

Our diverse global teams have an extensive presence, spanning seven countries across Europe, the Americas and the Asia Pacific. Despite operating on a global scale, we value the importance of local expertise and resources, ensuring that our teams are firmly rooted in the communities we serve.

We believe that increasing diversity supports our goal of delivering higher top and bottom lines and tapping existing and new end-markets.

The three levers we use to support our DEI goals:

1. **Promote DEI across our portfolio**
2. **Support local employment**
3. **Build an inclusive workplace**

Image: Melbourne Metro, Australia

1 Promote DEI across our portfolio

We require our assets to have robust diversity and inclusion policies that encourage all employees to be their authentic selves and build policies into supplier codes of conduct. We monitor diversity data – including Board diversity and gender pay gaps – annually through our ESG questionnaire and have seen positive trends emerge.

The proportion of assets with a DEI policy has increased from 36 per cent in 2021 to 44 per cent in 2022.

2 Support local employment

Our commitment to hire from communities close to projects whenever possible is an important part of fostering social inclusion.

As one example, the North East Link road tunnel in Australia, the largest PPP in Australian history, is aiming to create 450 jobs for young jobseekers, 90 roles for jobseekers with disabilities and 90 jobs for transitioning workers. These targets are supported by various initiatives, including the development of on-site skills, a job centre, and employment and training services for disadvantaged residents in the State of Victoria.

Infrastructure provides opportunities for small businesses to benefit from major projects. In the US, the federal and state governments set statutory targets for the number of Disadvantaged Business Enterprises (DBEs) and Small Business Enterprises (SBEs) we must use in each project, including businesses owned by women, veterans and minority groups. We have exceeded these targets across all our US projects.

The I-75 road project (design and construction phase) currently exceeds the DBE/SBE target by 285 per cent and the Denver Eagle rail project (operational) exceeds its DBE/SBE target for subcontractors by 4 per cent amounting to US$53 million spent with local businesses in total. Sometimes, the amount spent with these smaller suppliers has meant that they were no longer able to identify as DBEs or SBEs, which shows the positive impact our projects can have on upward mobility and social inclusion.

Through the Pacifico 2 road project in Colombia, we have provided skills programmes for local youth and held training sessions in entrepreneurship to share our knowledge of business. We have also set up fund programmes through our Sunraysia project that have provided educational scholarships to local children.

Image: Clontarf Foundation

Case study: A force for good in Aboriginal communities

In recent years, alongside JLCT, we have supported Aboriginal, Torres Strait and other indigenous Australian communities, including in our two major Victorian infrastructure projects, North East Link and Melbourne Metro PPP.

North East Link has committed to deliver at least 2.5 per cent Aboriginal participation during both delivery and operations. As of October 2022, Spark, the consortium behind the North East Link project of which we are a part of, had a cumulative spend of AU$1 million for social procurement enterprises, of which 45 per cent is with Aboriginal businesses and 55 per cent with social enterprises.

Melbourne Metro has adopted a procurement priority that sees it scan for appropriate Aboriginal businesses first, for opportunities under AU$200,000, before looking to the wider market. These measures ensure Aboriginal businesses and communities, which have sometimes been overlooked by the sector, benefit from our operations.

In addition, alongside the trust, we provide funding to the Clontarf Foundation, an educational charity that promotes job-related skills among young Aboriginal and indigenous men. John Laing also supports the STARS Foundation, a similar programme designed to provide mentorship and support for indigenous women.

3 Build an inclusive workplace

As a responsible employer, we strive to ensure all employees at John Laing are treated fairly and given equal opportunity.

We want to be as inclusive as possible, and as part of this launched our 'Count Me In' campaign in 2022. This campaign aims to ensure every employee record in our human resources (HR) system has current, accurate and complete personal information that can guide our DEI activities. This data enables us to gain a clear and accurate understanding of our employees' demographics and will prove valuable in achieving our recruitment priorities.

We recognise there is more to do, and our HR department constantly seeks out new ways to drive forwards DEI initiatives such as our Inclusion in Action network (see below).

PILLAR 5 DATA	2022	2021	ACTIONS AND TARGETS
Average asset board gender diversity	12%	n/a	–
Proportion of assets with a DEI policy	61%	36%	–

Case study: Inclusion in Action

Evidence shows companies that are more diverse financially outperform their non-diverse peers – with one McKinsey study suggesting diversity can provide a 36 per cent uplift in performance.

That's why we have invested in initiatives across recruitment and retention to help build a diverse and inclusive workforce at John Laing. One example is Inclusion in Action, our employee network dedicated to attracting, developing, advancing and retaining women.

Led by Estefania Leon, Investment Director in our Colombia office, and supported by a committee, the network is responsible for driving inclusion, supporting professional development and providing networking opportunities for women in a historically male-dominated industry.

The network's activities have included hosting a number of events with inspirational women, including a keynote address from Jude Kelly, CBE, CEO and Founder of The Women of the World (WOW) Foundation and an 'in conversation' with Mary Muldoon, the former Head of Technology Infrastructure at Pfizer. We also organised events for Pride month, ranging from inclusion training for managers to LGBTQ+ allyship learning sessions to develop understanding of identities and experiences, and what it means to be an authentic ally.

Pillar 6: Responsible Business

Strong accountability and controls in areas such as health and safety, anti-bribery and corruption, and human rights are the bedrock on which sustainable, long-term value is built. Encouraging responsible business in this way is not just about compliance, it's about ensuring that our asset managers are accountable corporate citizens, well set up to succeed over the long haul."

James Abbott
General Counsel & COO

Upholding best-in-class moral, ethical, governance and labour standards

2023 marks the 75th anniversary of the Universal Declaration of Human Rights – one of the world's most ground-breaking international commitments. Regulators and markets continued to demand the highest standards as highlighted by the growing worldwide movement to legally require companies to undertake human rights and environmental due diligence.

New responsible business regulation also emerged on anti-bribery and corruption (ABC), culminating in a wide-ranging EU proposal, strengthening rules criminalising corruption offences and harmonising penalties across the EU.

For John Laing, this underlines the importance of our long-established focus on embedding responsible business conduct into our policies, identifying and mitigating our impact and tracking implementation and results.

The three levers we use to embed responsible business practices:

1. **Ensure health and safety for all**
2. **Ensure respect for human rights and workers' rights in the value chain**
3. **Prevent and detect corruption and bribery**

1 Ensure health and safety for all

Ensuring that anyone whose work relates to a John Laing asset goes home safely at the end of the day is a priority for us.

The projects in which we invest and operate each have their own health and safety policy and implementation procedures. Many of these are certified to the ISO 45001 best practice management standard, and all are reviewed regularly by our asset managers and appointed directors at Board meetings. All incidents are followed up and investigated and we proactively encourage continuous improvement.

Our project controls specify minimum health and safety standards across our assets. They cover aspects including training and incident management. As of 2022, all assets had a health and safety policy in place. Each asset manager undertakes an annual review of health and safety performance which is reported to our Portfolio Review Committee.

2 Ensure respect for human rights and workers' rights in the value chain

The infrastructure sector in general, and the construction sector, has a poor record on human rights compared to other sectors. We consider a human rights risk to be a business risk and it is crucial to uphold the highest standards in our treatment of employees, subcontractors and all communities impacted by our work.

All asset managers establish procurement and supplier management processes to mitigate human rights risks, including a supplier code of conduct.

We undertake due diligence on any new supplier before any contract is signed and regularly monitor our main asset stakeholders for business conduct and labour standard risks. **Recently, we have also introduced an artificial intelligence (AI)-powered compliance search engine to help us monitor such risks in our supply chain.** Our Modern Slavery Statement sets out the steps we take to prevent modern slavery in our business and our supply chain.

Image: Kettwitz, Germany

Image: Melbourne Metro, Australia

3 Prevent and detect corruption and bribery

We have zero tolerance for bribery, corruption and any type of anti-competitive, discriminatory or unethical behaviour, and we do not make political contributions. We have been using training and digitalisation as enablers to prevent corruption.

All employees are trained to observe John Laing's Code of Conduct, which details appropriate standards of behaviour on anti-corruption, fair competition and financial crime, fair working conditions, environmental and safety responsibility, and human rights. Annual training provides clear examples of activities that will compromise the ethical behaviour of the business when working with the public sector. Anyone who wants to report a concern or incident can report it confidentially and directly through our whistleblowing hotline.

Mandatory due diligence is carried out for new suppliers, partners and target investments and our AI-powered compliance search engine helps us gather information on the activities of third parties. This may include any past legal violations, transaction-related conflicts and other indicators of ABC risk. We ensure that we know who the ultimate beneficial owners of the parties we do business with are. We use a global database for sanctions screening, which automatically checks active partners on a regular basis.

PILLAR 6 DATA	2022	2021	ACTIONS AND TARGETS
Proportion of assets with a health and safety policy	100%	86%	Training/share best practices across the portfolio
Lost time injuries	375 days lost due to injury	n/a	
Fatalities	0	4	
Proportion of assets that track near-miss incidents	64%	n/a	
Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises	0	n/a	Plan to review policies in line with the 2023 updated OECD Guidelines for Multinational Enterprises on Responsible Businesses Conduct
Processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	60%	n/a	
Percentage of assets with an ABC policy in place	93%	93%	
Percentage of assets providing training on ABC	78.6%	n/a	
Number of bribery or corruption incidents	0	0	

Governance

Image: Rv555, Norway

ESG considerations are embedded throughout our investment processes, asset management process and risk process through three executive committees and a dedicated Head of Sustainability.

Sustainability governance

Oversight and management of sustainability risks and opportunities

Ultimate responsibility for our ESG performance rests with the Board, which is responsible for considering sustainability-related risks and opportunities as part of our strategy and risk management. The Board is updated quarterly on sustainability risks and opportunities.

It oversees our sustainability-related target setting and monitors progress against goals, including whether and how related performance metrics are included in remuneration policies.

Our Group Management Team, including the CEO, CFO, COO and Global Head of PPP, is responsible for the operations of the company and the implementation of the company's strategic objectives, risk strategy and progress against goals and targets, including those on sustainability. It may delegate or act through our Head of Sustainability who provides updates and advice to relevant committees such as:

- **Investment Committee** – regarding risks, opportunities and impacts related to new investments
- **Portfolio Review and Valuations Committee (PRVC)** – monitoring of the assets
- **Risk Committee** – regarding material risks for John Laing

To embed ESG into our company culture, we include sustainability-related objectives in company-wide goals that form part of management's performance review and remuneration. These include objectives around the development of John Laing's ESG incorporation approach and stewardship tools, the integration of ESG in investments, portfolio management and the development of ESG action plans for our assets.

Our specific governance on climate risk management can be found in the climate section of this report.

Figure 11: ESG governance organogram

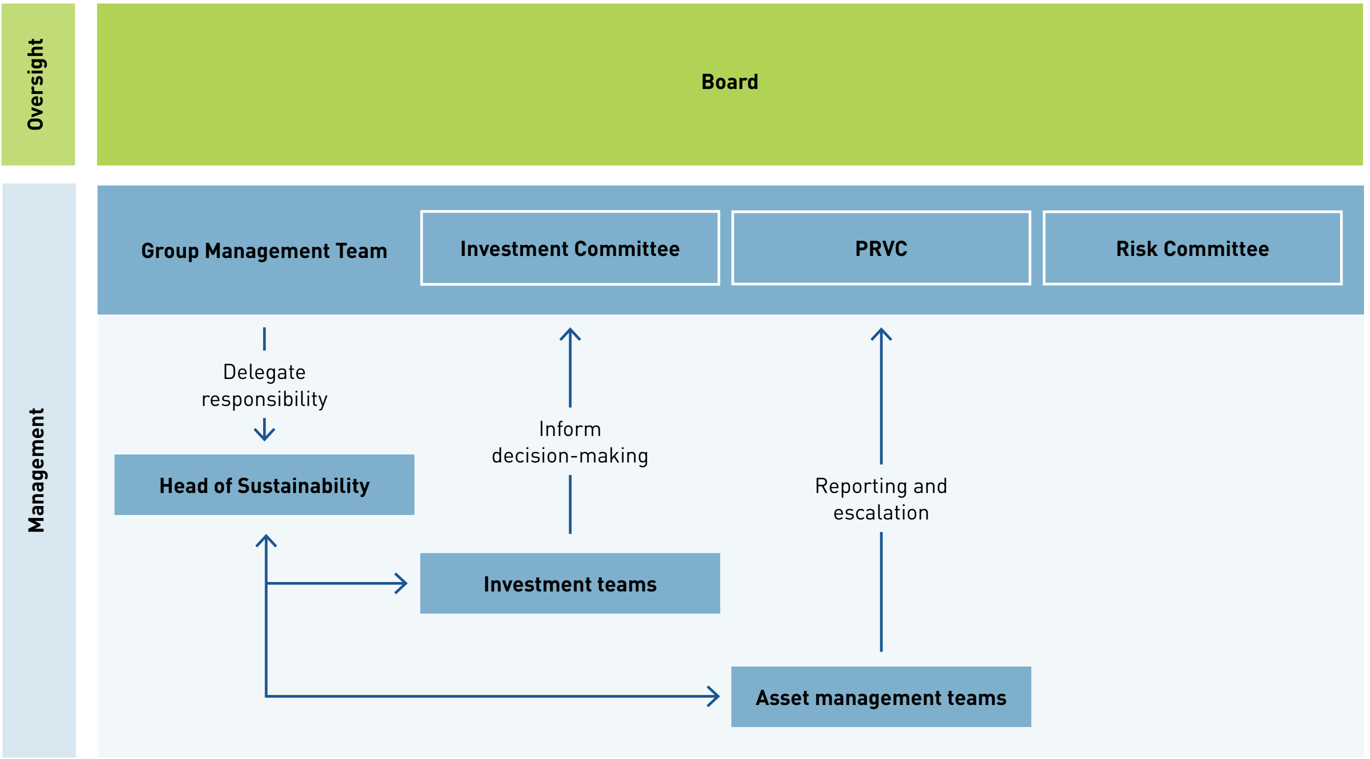


Image: NGR, Australia

The road ahead

John Laing's sustainability strategy has made good progress in 2022, but there remains much to do.

It is vital that we continue to reduce the greenhouse gas emissions from our assets, strengthen the surrounding ecosystems and enhance diversity, equity and inclusion in our organisation and across our assets. We recognise that the decisions we make now will be felt by generations to come.

For the remainder of 2023, we will focus on developing best practice ESG action plans for selected assets, supporting our assets with the development of their decarbonisation plans and further embedding ESG into our portfolio processes.

These ESG action plans will be ambitious yet realistic, designed to deliver real-world sustainability outcomes aligned with internationally agreed sustainability goals. We will enable best practice sharing across our portfolio and continue working with our partners to achieve our sustainability objectives.

We will continue to help our assets develop and implement robust decarbonisation plans to reach our commitment to align 70 per cent of AUM to net zero by 2030.

By integrating our ESG questionnaire and ESG maturity assessment into a new portfolio reporting platform, we will centralise all financial and non-financial reporting in one place, enhancing transparency and our data analysis capabilities. Taking this work forwards will enable us to create value for all our stakeholders by developing and actively managing infrastructure that responds to public needs, fosters sustainable growth and improves the lives of communities around the world.

Image: Ruta del Cacao, Colombia

Global Reporting Initiative (GRI) Content Index

John Laing has reported the information cited in this GRI content index for the period 1 January – 31 December 2022 with reference to the 2021 GRI Standards.

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	2022 Sustainability Report, Our business, p2 About John Laing: https://www.laing.com/about/ Our portfolio: https://www.laing.com/portfolio/
	2-2 Entities included in the organization's sustainability reporting	This reports covers all entities under the John Laing Group Limited. Filing history is available on Companies House: https://find-and-update.company-information.service.gov.uk/company/01345670/filing-history.
	2-3 Reporting period, frequency and contact point	1 January – 31 December 2022 Contact: enquiries@laing.com
	2-4 Restatements of information	No restatements of information made.
	2-5 External assurance	This report has been reviewed by senior executives at John Laing. This report has not been externally assured.
	2-6 Activities, value chain and other business relationships	2022 Sustainability Report, Strategy and business model, p4
	2-7 Employees	John Laing employs c130 people, 46% of whom are women.
	2-9 Governance structure and composition	2022 Sustainability Report, Our governance, p23 The team: https://www.laing.com/the-team/
	2-12 Role of the highest governance body in overseeing the management of impacts	2022 Sustainability Report, Our governance, p23 2022 Sustainability Report, Pillar 1: Climate Change, p9
	2-13 Delegation of responsibility for managing impacts	2022 Sustainability Report, Our governance, p23 2022 Sustainability Report, Pillar 1: Climate Change, p9

GRI STANDARD	DISCLOSURE	RESPONSE
GRI 2: General Disclosures 2021 *continued*	2-14 Role of the highest governance body in sustainability reporting	2022 Sustainability Report, Our governance, p23
	2-15 Conflicts of interest	Refer to our John Laing Responsible Investment Policy: https://www.laing.com/company/policies/
	2-22 Statement on sustainable development strategy	2022 Sustainability Report, Foreword, p1
	2-23 Policy commitments	Our policies: https://www.laing.com/company/policies/
	2-24 Embedding policy commitments	2022 Sustainability Report, Pillar 6: Responsible Business, p21
	2-27 Compliance with laws and regulations	2022 Sustainability Report, Pillar 6: Responsible Business, p21 No non-compliance events were reported in 2023 at John Laing level and at asset level.
	2-28 Membership associations	2022 Sustainability Report, Our investment process, Working with our partners and peers, p7
	2-29 Approach to stakeholder engagement	2022 Sustainability Report, Our investment process, Working with our partners and peers, p7 2022 Sustainability Report, Pillar 4: Communities, Engage meaningfully with relevant stakeholders, p18
GRI 3: Material Topics 2021	3-1 Process to determine material topics	2022 Sustainability Report, Our sustainability strategy, p5
	3-2 List of material topics	2022 Sustainability Report, Our sustainability strategy, p5
	3-3 Management of material topics	2022 Sustainability Report, Our sustainability strategy, p5 • Climate Change, pp9 – 12 • Resource Use, pp13 – 14 • Biodiversity, pp15 – 16 • Communities, pp17 – 18 • Diversity, Equity and Inclusion, pp19 – 20 • Responsible Business, pp21 – 22 https://www.laing.com/sustainability/
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	2022 Sustainability Report, Pillar 1: Climate change, p9

GRI STANDARD	DISCLOSURE	RESPONSE
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Our portfolio: https://www.laing.com/portfolio/ 2022 Sustainability Report, Pillar 4: Communities, p17
	203-2 Significant indirect economic impacts	Our portfolio: https://www.laing.com/portfolio/ 2022 Sustainability Report, Pillar 4: Communities, p17
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	2022 Sustainability Report, Pillar 6: Responsible Business, p22
	205-2 Communication and training about anti-corruption policies and procedures	2022 Sustainability Report, Pillar 6: Responsible Business, p22
	205-3 Confirmed incidents of corruption and actions taken	2022 Sustainability Report, Pillar 6: Responsible Business, p22
GRI 302: Energy 2016	302-1 Energy consumption within the organization	13,449kWh (natural gas and diesel). This covers our offices in the UK, the Netherlands and Australia and excludes our US offices, as no reliable information was available.
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	2022 Sustainability Report, Pillar 2: Resource Use, p13 This will be part of our asset level materiality assessment and prioritised in the ESG action plan if relevant.
	303-4 Water discharge	2022 Sustainability Report, Pillar 2: Resource Use, p13 No emissions to water reported from our assets.
	303-5 Water consumption	Water consumption reported by the assets: c330,000m^3
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	2022 Sustainability Report, Pillar 3: Biodiversity, p15
	304-2 Significant impacts of activities, products and services on biodiversity	2022 Sustainability Report, Pillar 3: Biodiversity, pp15 – 16
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Gross direct greenhouse gas (GHG) emissions: 99.84 (tCO_2e) Source of emissions factor: DEFRA 2022
	305-2 Energy indirect (Scope 2) GHG emissions	Scope 2 GHG emissions for 2022 (location-based): 34.18 (tCO_2e/year) Scope 2 GHG emissions for 2022 (market-based): 24.47 (tCO_2e/year)
	305-3 Other indirect (Scope 3) GHG emissions	Scope 3 GHG emissions for 2022 include: Business travel: 1,648.78 (tCO_2e/year) and Financed emissions: 112,831 (tCO_2e/year)

GRI STANDARD	DISCLOSURE	RESPONSE
GRI 305: Emissions 2016 *continued*	305-5 Reduction of GHG emissions	2022 Sustainability Report, Pillar 1: Climate Change, p12
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	2022 Sustainability Report, Pillar 2: Resource Use, p13 – 14
	306-2 Management of significant waste-related impacts	2022 Sustainability Report, Pillar 2: Resource Use, p13 – 14
	306-3 Waste generated	2022 Sustainability Report, Pillar 2: Resource Use, Pillar 2 data, p14
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	2022 Sustainability Report, Pillar 6: Responsible Business, p21 As of 2022, all assets had a health and safety policy in place.
	403-5 Worker training on occupational health and safety	2022 Sustainability Report, Pillar 6: Responsible Business, p21 Our project controls specify minimum health and safety standards across our assets. These cover aspects including training and incident management. All assets provided health and safety training to their employees in 2022.
	403-9 Work-related injuries	There were no work-related injuries at John Laing. Asset-level statistics: 2022 Sustainability Report, Pillar 6: Responsible Business, p22
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	100% of employees receive bi-annual performance reviews.
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	There are two men and one woman on the Board of John Laing.
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	There were no incidents of discrimination during the reporting period.
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	There were zero violations.
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	2022 Sustainability Report, Pillar 4: Communities, p17 – 18
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	2022 Sustainability Report, Pillar 6: Responsible Business, p21
GRI 415: Public Policy 2016	415-1 Political contributions	No political contributions were made during the reporting year.