

Modern Slavery and Human Trafficking Statement for the InfraRed Group

Scope of statement

This statement is made pursuant to the UK's Modern Slavery Act 2015 and Australia's Modern Slavery Act 2018, having been agreed by the following (referred to collectively as "InfraRed"):

- InfraRed Partners LLP
- InfraRed Capital Partners Ltd

InfraRed is an investment manager to a range of private and listed infrastructure investment funds.

This statement is made in respect of InfraRed's investment and corporate activities and the corresponding supply chains in accordance with the following:

- In respect to InfraRed's corporate activities, this includes professional advisors undertaking due diligence work for InfraRed in its capacity as a fund manager.
- In respect to the investment activities, this may include Engineering Procurement and Construction ("EPC") and Facility Management ("FM") sub-contractors and their suppliers. It may also include independent services providers who are responsible for overseeing the day-to-day management of the portfolio company or providing other services such as security, or cleaning.

Introduction from the Deputy CEO

InfraRed takes its corporate responsibilities seriously: to its investors, its partners, its employees and the wider community.

InfraRed has a no tolerance approach to modern slavery or human trafficking in all forms and is confident that modern slavery is not taking place within InfraRed's own business. InfraRed recognises that it has a responsibility to understand the risks within its supply chain and is committed to taking steps to reduce the risk of modern slavery taking place in the businesses of its suppliers.

Sustainability-led Mindset

As a manager of infrastructure assets which impact the lives of millions of people globally, InfraRed are committed to ensuring that its investments contribute positively to society, whether through promoting social development, improving the quality of life or supporting decarbonisation.

InfraRed's Sustainability Policy outlines how sustainability considerations are incorporated into our investment and on-going management processes as well as the management of its own internal corporate operations, to ensure we meet our sustainability commitments.

A copy of InfraRed's Sustainability Policy is available on our website via www.ircp.com/sustainability

Approach to Risk Assessment

InfraRed has assessed the risk it faces in its own business and in the supply chains described above. In respect to its corporate activities, InfraRed believes it faces only a low risk of involvement in slavery or human trafficking. This is based on the limited range of goods and services forming InfraRed's supply chains, the territories in which it is active, and the company's clean track record. However, it remains mindful that suppliers and lines of business can change.

InfraRed has extended its risk assessment to the funds in respect of which it acts as investment manager, where it assesses a relatively higher risk. This risk arises in relation to infrastructure projects where InfraRed acts on behalf of the relevant investment fund to engage contractors for development works, facilities management and other services as highlighted above. InfraRed appreciates that the sectors of construction and facilities management are at risk of modern slavery in the UK and elsewhere. For example, the UK's Chartered Institute of Building has noted problems in that sector, especially in relation to migrant labour. More

recently, we have also witnessed growing concerns around the forced labour in the Xinjiang region, which is where the vast majority of polysilicon is sourced to produce solar panels.

In light of these risks, InfraRed has taken the following steps:

Overall Approach

- InfraRed has long adopted a Sustainability Policy which outlines how the assessment of Environmental, Social and Governance (“ESG”) risks and opportunities are integrated into each stage of our investment and management processes. The ESG considerations assessed includes modern slavery and human trafficking.
- As a signatory to the Principles for Responsible Investment (“PRI”), InfraRed has been committed to including relevant issues such as working conditions, slavery and child labour into investment analysis, decision-making and ownership practices.
- InfraRed references internationally recognised frameworks such as the United Nations Global Compact (“UNGC”) to ensure that high standards of fundamental human rights are upheld within its own business, and that the same is encouraged within InfraRed’s supply chain.
- InfraRed monitors the risk it faces from modern slavery and human trafficking. Where it perceives an increase in its risk profile, it takes appropriate responsive action to analyse and control the risk.
- Individuals working at InfraRed are encouraged to report breaches of policy, malpractice or other concerns, and can make disclosures to InfraRed’s Deputy CEO under its whistleblowing policy.

Investment Due Diligence Processes

- InfraRed takes a systematic approach to assessment of sustainability issues for new investments. This includes highlighting at an early stage any ESG ‘red flags’ before proceeding to the next stage of the investment process and conducting due diligence in respect of prospective acquisitions, using a form of checklist that includes a focus on labour conditions, and screening contractors and other key counterparties to detect negative publicity and any history of ESG or human rights issues.
- An example of how this investment process was implemented in practice for a greenfield solar transaction in Spain can be found on page 41 of InfraRed’s 2022 Sustainability Report which can be accessed on the website at www.ircp.com/sustainability.
- Further information on the investment processes can be found in InfraRed’s Sustainability Policy.

On-going Investment Management and Monitoring

- InfraRed undertakes an annual ESG survey of its projects to confirm that the relevant portfolio companies and direct subcontractors have a current Modern Slavery Policy in place. This requirement applies to all jurisdictions. The annual ESG survey enables InfraRed to identify if there are any areas of non-compliance, in which case, InfraRed will engage with the portfolio company to rectify this position.
- InfraRed also uses the survey to assess whether these parties actively consider and implement processes to ensure that modern slavery requirements are addressed in a project’s supply chain. For example, InfraRed encourages counterparties to train their staff on modern slavery requirements and utilise audit procedures to ensure that the requirements are being implemented effectively.
- InfraRed believes that our suppliers should be working to ensure modern slavery does not occur. If InfraRed discovered that one of its suppliers was accepting of modern slavery in its business or supply chain, InfraRed would engage with the business to seek to remove such practices from their business and, if necessary, terminate its arrangement with that supplier at the earliest opportunity.

Engagement of Suppliers

- In respect to its corporate activities, InfraRed operates a global procurement policy which requires a risk analysis for all new suppliers, to include ESG factors and a check on negative publicity. A representation or warranty on the topic of modern slavery and human trafficking is not mandatory but one can be requested if appropriate, e.g. if a supplier has a track record of issues.

- In respect to its investment activities, InfraRed completes searches to assess its counterparties approach to sustainability, including human rights issues. These searches also look to identify if there is negative publicity or any history of ESG or human rights issues. For high-risk areas, InfraRed will review policies and procedures of InfraRed's subcontractors and their supply chain as part of the pre-investment due diligence.
- InfraRed generally requires all counterparties and managed service providers to abide by local law and regulation on topics like recruitment (e.g. checking right to work), labour standards and health & safety; these obligations extend to project sub-contractors. Contractors have strict duties to report immediately on material health & safety matters including modern slavery and human trafficking.

Application and Effectiveness


The policies noted above are part of InfraRed's global policies, publicised in line with the values of the business and subject to annual attestation by all partners and individuals.

InfraRed maintains an operational risk and internal controls framework to control and monitor the risks it faces. The subject matter of this statement is included in InfraRed's definition of operational risk, meaning any material risk, near-miss events or actual incidents must be escalated and assessed in a structured way to a central risk management function. Corrective actions would be put in place to reflect the firm's zero tolerance risk appetite, including by replacing or working with suppliers. Such actions would then be monitored and reported as part of the wider risk management framework.

All of InfraRed's main management service providers are required to attest annually that they have not experienced any issues in relation to modern slavery.

InfraRed remains committed to the prevention of modern slavery and upholding the commitments set out in this document. It is acknowledged however, that there will be limitations to what can be achieved in practice. Beyond the direct suppliers that InfraRed and its portfolio companies deal with, there is an extensive supply chain where there are no direct contractual relationships. Through the use of ESG surveys and engagement with stakeholders, InfraRed aims to increase visibility of the supply chain beyond the first tier. As part of this, InfraRed advocates for change relating to human rights and the prevention of modern slavery by participating in relevant industry associations. InfraRed will continue to evolve its processes in this area as progress is made.


Approved by InfraRed Partners LLP

Signed by  _____

Authorised Signatory

Dated 13 June 2022 _____

Approved by the Board of InfraRed Capital Partners Limited

Signed by  _____

Designated Director

Dated. 13 June 2022 _____