

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 having been agreed by the following (referred to collectively as "InfraRed"):

- InfraRed Partners LLP
- InfraRed Capital Partners Ltd

InfraRed has a zero-tolerance approach to slavery, human trafficking and forced labour of any type. InfraRed is confident that modern slavery is not taking place within InfraRed's direct business and recognises that it has a responsibility to understand and manage human rights risks within its supply chain.

InfraRed's strategy and purpose

InfraRed is an international infrastructure investment manager, with more than 190 professionals operating worldwide from offices in London, New York, Sydney and Seoul. Over the past 25 years, InfraRed has established itself as a highly successful developer and custodian of infrastructure assets that play a vital role in supporting communities. InfraRed manages US\$14bn+ of equity capital¹ for investors around the globe, in listed and private funds across both income and capital gain strategies.

A long-term sustainability-led mindset is integral to how InfraRed operates as it aims to achieve lasting, positive impacts and deliver on its vision of Creating Better Futures. InfraRed has developed a targeted approach to sustainability focused on four key strategic priorities – Climate, Environment, Communities and People. These are the areas where the company believe its investments and core business can generate the greatest sustainability outcomes.

InfraRed has been a signatory to the Principles for Responsible Investment (the "Principles") since 2011, which are widely recognised and regarded around the world. The principles can be summarised as follows to:

- incorporate sustainability checks into investment analysis and decision-making;
- be active owners and incorporate sustainability controls into ownership policies and practices;
- seek appropriate disclosures on sustainability issues by the entities in which the investments are made;
- promote acceptance and implementation of the Principles within the investment industry;
- work together to enhance effectiveness in implementing the Principles; and
- report on activities and progress towards implementing the Principles.

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

¹ Data as at Q4 2022. Equity Capital is calculated using a 5-year average FX rate

Structure and supply chain

This statement is made in respect of InfraRed's corporate and investment activities as outlined below.

Corporate activities

In respect of InfraRed's corporate activities, this includes professional advisors undertaking investment due diligence and other support services for InfraRed in its capacity as a fund manager.

Investment activities

InfraRed manages an infrastructure investment portfolio on behalf of its investors. This portfolio includes schools, hospitals, solar and wind farms, power generation, battery storage, water and electricity transmission lines, transport infrastructure and communications infrastructure such as fibre networks and towers. The assets are predominately located in UK, Europe, North America and Australasia².

The application of the Modern Slavery Act and Minimum Safeguards is therefore most relevant to the supply chain associated with these infrastructure assets. InfraRed works collaboratively with the management teams of the various infrastructure assets (i.e. the portfolio company) and seek to ensure that their suppliers share the Company's values and comply with relevant legislation.

The most common suppliers for InfraRed's portfolio companies are:

- Facilities Management counterparties (including both 'hard' and 'soft' maintenance provision);
- Operations and Maintenance counterparties; and
- Construction counterparties.

In order to assess the risk of modern slavery occurring within portfolio companies or their supply chains, InfraRed conducts detailed due diligence and risk assessments as outlined below.

Due diligence processes and risk assessment

Corporate activities

InfraRed operates a global procurement policy which requires a risk analysis for new suppliers, which includes ESG factors and counterparty due diligence.

InfraRed also 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 low 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.

Investment activities

InfraRed employs a comprehensive sustainability investment and management framework, based on a foundation of robust guiding principles, ensuring that sustainability is integrated into each stage of the investment process. The framework spans the pre-investment activities, through to the management of the portfolio and corresponding reporting activities undertaken until the end of the investment life.

² As at 31 December 2022, 2% of InfraRed's investments were located in other geographies, including Asia, South America and the Middle East.

Prior to investment

InfraRed conducts due diligence to assess potential ESG exposures, including modern slavery and human trafficking, for new potential investments. InfraRed maintains an Exclusion Policy, a negative screening tool outlining activities that it will not support. These include activities pertinent to this Statement such as breaches of fundamental human rights and business ethics and compliance.

InfraRed uses the guidance of frameworks such as the United Nations Global Compact (UNGC) to ensure that high standards of fundamental human rights are upheld. The UNGC's ten principles cover *inter alia* human rights, labour rights and the fight against corruption.³

InfraRed's processes require an early assessment of 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 issues. If concerns were to be identified during the initial screening phase of investment due diligence, considerations vary depending on the type of project, but may include:

- considering alternative suppliers;
- including contractual agreement for action to be taken in respect of supply chain participants in the event that there is a violation of codes of conduct;
- management assertions that there is no modern slavery within their wider supply chains;
- broadening the scope of due-diligence, including on-the-ground audit; and
- reviewing contractual arrangements to ensure that action can be taken against supply chain participants if they are found to be violating codes of conduct.

Ongoing management

InfraRed's Asset Managers sit on the boards of portfolio companies and raise ESG issues at board meetings as appropriate. This includes ensuring that InfraRed's policy requirements, including policies governing sustainability, anti-bribery, cyber security, modern slavery, and health and safety are implemented and being maintained.

InfraRed believes that its suppliers should be working to ensure modern slavery does not occur. This includes InfraRed's suppliers' subcontractors, who may use temporary and agency employees. If InfraRed discovered that one of its suppliers was accepting of modern slavery in its business or supply chain, it 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.

Further information on the investment processes can be found in InfraRed's Sustainability Policy.

Application and Effectiveness

Corporate activities

InfraRed operates a Whistleblowing Policy under which individuals working at any service provider can disclose on an anonymous or confidential basis any malpractices associated with InfraRed and its portfolio.

³ These principles take their inspiration from several sources, including the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on the Environment and Development, the United Nations Convention Against Corruption and the Organisation for Economic Co-operation and Development's (OECD) Anti-Bribery Convention.

InfraRed staff are also encouraged to report breaches of policy, malpractice or other concerns directly to InfraRed's Deputy CEO.

Investment activities

InfraRed's Sustainability Report contains further detail on the implementation of the company's Sustainability Policy, including detail on how governance structures enable directors appointed by InfraRed to monitor compliance on the part of the managers of the underlying investments.

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's annual ESG survey also assesses 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 remains committed to the prevention of modern slavery and upholding minimum safeguards and delivering the commitments set out in this document. It is acknowledged that there will be limitations to what can be achieved in practice. Through the annual ESG survey and stakeholder engagement, InfraRed aims to increase its visibility of policies and processes relating to modern slavery within its portfolio companies and their supply chains, noting that these do not form part of InfraRed's supply chain.

As part of its commitment to responsible investment, 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.

Approval

This statement is made pursuant to Section 54 of the Modern Slavery Act 2015 and constitutes InfraRed's current modern slavery and human trafficking statement. This statement was approved by the Board of Directors on 12 December 2023. It will be reviewed again in 2024.



Approved by InfraRed Partners LLP

Signed by  _____

Dated: 19-Dec-23 | 11:07:02 AM GMT

Authorised Signatory

Approved by the Board of InfraRed Capital Partners Limited

Signed by  _____

Dated: 19-Dec-23 | 11:07:02 AM GMT

Designated Director