



**Infratil**  
**Modern Slavery Report**

December 2020

Infratil Limited (NZX:IFT, ASX:IFT)

This is an inaugural modern slavery report made on behalf of Infratil Limited for the financial year ended 31 March 2020. It has been prepared pursuant to the requirements of the Australian Modern Slavery Act 2018.

This report was approved by the Infratil Board on 11 December 2020.

## Contents

---

<b>Foreword</b>	<b>1</b>
<hr/>	
<b>Introduction and Definitions</b>	<b>2</b>
<hr/>	
<b>About Infratil</b>	<b>3</b>
<hr/>	
<b>Approach to Managing Modern Slavery Risk</b>	<b>5</b>
<hr/>	
<b>Assessing the Effectiveness of Infratil's Approach</b>	<b>8</b>
<hr/>	

## Foreword

**The Board believes that the respect of human rights is an integral part of society, and that modern slavery, exhibited in any form, should be globally eradicated.**

We are pleased to publish our first report on modern slavery.

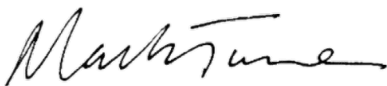
The Board acknowledges the work of the United Nations (“UN”) and accept its standards of achievement for all peoples and nations within the Universal Declaration of Human Rights (“the UN Declaration”). Based on the UN Declaration, we understand that infringements on human rights can occur in many forms and across many countries and industries.

In 2020, the Board formalised its views on human rights and modern slavery and our commitments to ensuring that the risk of modern slavery occurring within Infratil’s supply chain is minimised.

The Board believes that action should be taken globally to minimise the number of people in forms of modern slavery. We understand that Infratil’s investments may be exposed to the risk of human rights breaches and modern slavery, particularly if the procurement activities undertaken by Portfolio Entities are not managed appropriately, and we do not tolerate activities, including within Portfolio Entities, that prolong infringements on human rights and support modern forms of slavery.

On behalf of Infratil, Morrison & Co, Infratil’s manager, has established a human rights and modern slavery program which focuses on ensuring that the risk of human rights and modern slavery infringements within Infratil’s supply chain is minimised.

We are committed to understanding modern slavery risks that may arise within each of the industry sectors in which we participate and, on our behalf, Morrison & Co actively engages with Infratil’s investments to ensure that appropriate steps are taken to mitigate these risks.



**Mark Tume**  
Chairman



**Marko Bogoevski**  
Chief Executive

# Introduction

## This Modern Slavery Report has been prepared pursuant to the Australian Modern Slavery Act 2018

Infratil's inaugural Modern Slavery Report ("**Report**") describes Infratil, its investment portfolio and its operations, and outlines:

- Infratil's approach to the identification of risks of modern slavery practices occurring within its operations and supply chains, and within its Portfolio Entities;
- The actions taken by Infratil and its manager, Morrison & Co, to assess and address these risks;
- The assessment of the effectiveness of actions to be taken to address modern slavery risk.

## Definitions

<b>Infratil</b>	Infratil Limited (ARBN 144 728 307), a New Zealand incorporated company which is listed on the New Zealand Stock Exchange (NZX) and the Australian Stock Exchange (ASX).
<b>Modern Slavery</b>	Describes situations where offenders use coercion, threats, or deception to exploit victims and undermine their freedom. Practices that constitute modern slavery can include human trafficking, slavery, servitude, forced labour, debt bondage, forced marriage and child labour.
<b>Morrison &amp; Co</b>	<p>The day to day management of Infratil has been delegated to Morrison &amp; Co.</p> <p>Morrison &amp; Co is a leading alternative asset manager with experience across infrastructure and property in both private and listed markets. Morrison &amp; Co's service offering spans the full spectrum of alternatives investment management including research, origination, due diligence, deal/trade execution, debt arranging and capital management, transition management, portfolio management, long-term active asset management and governance.</p>
<b>Portfolio Entity</b>	<p>A business in which Infratil holds an ownership interest. At the end of the FY20 reporting period, the Portfolio Entities included the following material investments:</p> <ul style="list-style-type: none"><li>■ Tilt Renewables Limited</li><li>■ Trustpower Limited</li><li>■ Longroad Energy</li><li>■ Wellington International Airport Limited</li><li>■ Vodafone New Zealand</li><li>■ Canberra Data Centres</li><li>■ Retire Australia.</li></ul> <p>Infratil divested four Portfolio Entities during the reporting period. Due to their disposal, these Portfolio Entities were not within the scope of Infratil's modern slavery programme.</p>
<b>Reporting period</b>	Infratil's financial year is 1 April to 31 March

# About Infratil

## Infratil is an infrastructure investment company whose businesses provide services that are critical to the communities in which they operate

Infratil is a publicly-owned company, listed on the NZX (New Zealand) and the ASX (Australia). It was established in 1994. From its initial \$25 million equity base, Infratil has grown to \$7.9 billion of consolidated assets. Infratil's success is based on investing in growth infrastructure and ensuring that its facilities and services efficiently meet the needs of their users and communities.

**Corporate Governance** The Board of Directors ("**Board**") is elected by its shareholders and has overall responsibility for the governance of Infratil, while the day to day management responsibilities for Infratil have been delegated to Morrison & Co.

The primary role of the Board is to approve and monitor the strategic direction of Infratil recommended by Morrison & Co and to add long-term value to Infratil's securities, having appropriate regard to the interests of all material stakeholders.

The Board has established three standing committees, and other committees may be formed when it is efficient or necessary to facilitate efficient decision-making or when required by law. The standing committees are the Audit and Risk Committee, the Nomination and Remuneration Committee and the Manager Engagement Committee.

The Board is committed to undertaking its role in accordance with internationally accepted best practice, within the context of Infratil's business. Infratil's corporate practices have been prepared with reference to the Financial Markets Authority's Corporate Government Handbook, the requirements of the NZX Listing Rules and the recommendations of the NZX Corporate Governance Code. Infratil's corporate structure, capital allocation and capital sources are described in Figure 1.

### Supply Chain

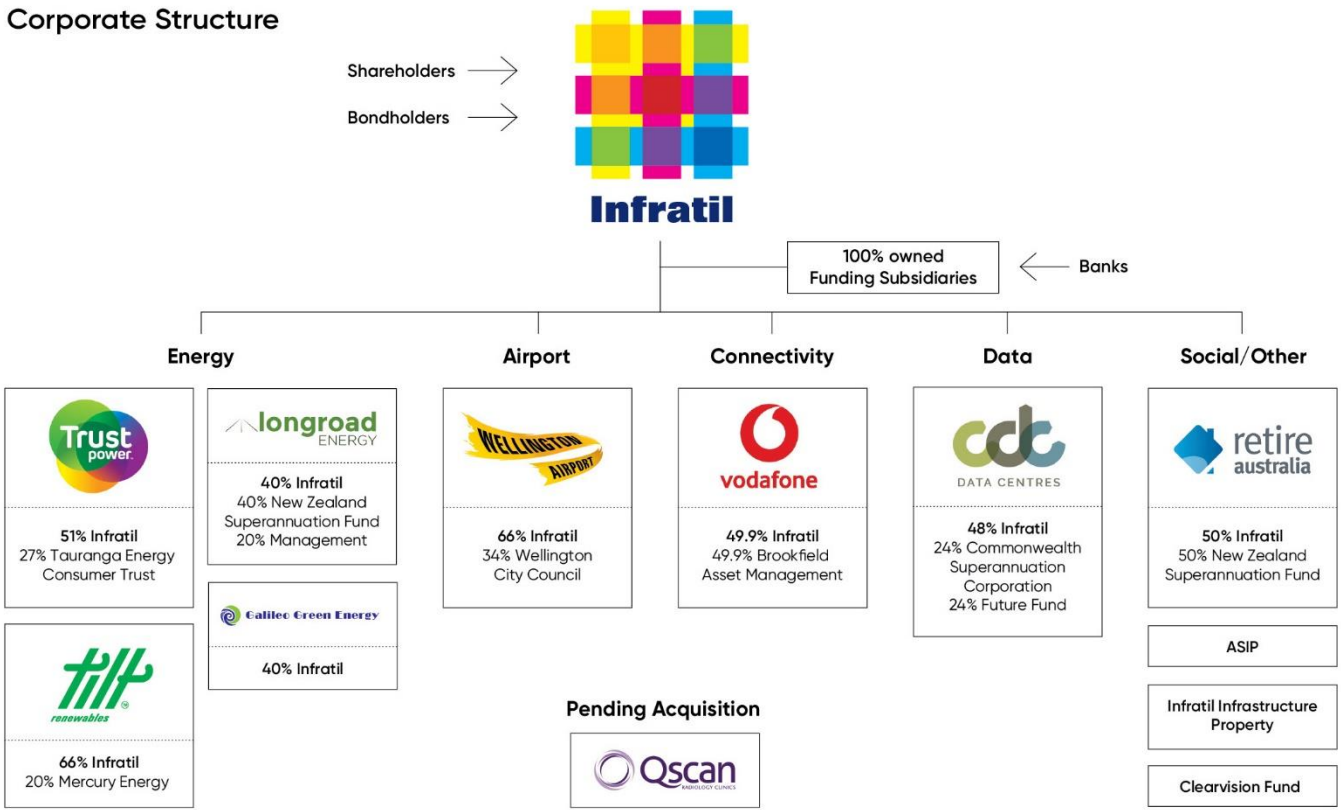
The three key elements of Infratil's supply chain are its manager, other directly engaged professional service providers and its investments.

**Management services:** The day to day management of Infratil has been delegated to Morrison & Co under the Management Agreement.

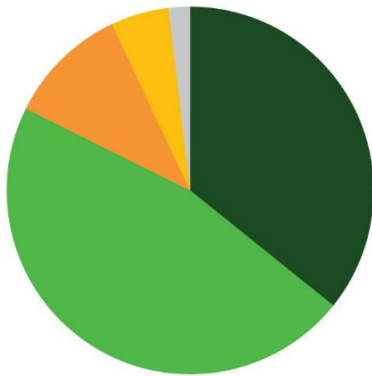
**Other professional services:** Infratil engages specialists to provide professional services that include financial auditing, legal, accounting and taxation advice, and other such services. Infratil expects that its service providers are appropriately managing their own exposure to modern slavery risks.

**Investments:** Infratil is a long-term owner of publicly and privately owned infrastructure entities (**Portfolio Entities**). Infratil typically holds majority or significant minority positions in each investment, and Infratil's level of control and influence over the Portfolio Entities varies depending on the level of Infratil's ownership of each business. The Portfolio Entities carry on business in a number of different sectors and geographies, and are managed by their own boards of directors and management teams – Infratil does not directly operate any of these businesses. Accordingly, Infratil's activities with respect to the Portfolio Entities focus primarily on Infratil's role and responsibilities as an owner of those businesses, and the varying level of control and influence which Infratil has in each business. Each Portfolio Entity has its own supply chain which is a mixture of outsourced and in-house operations, and each Portfolio Entity oversees its own outsourcing or in-house activities.

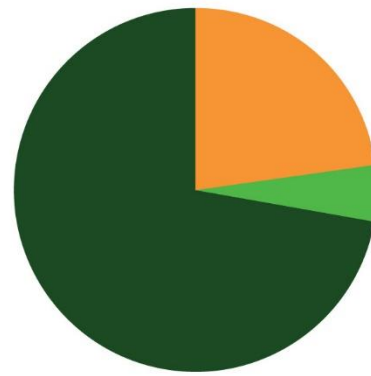
# Corporate Structure



## Sector



## Capital Structure



- Renewable Energy
- Digital Infrastructure
- Airport
- Social Infrastructure
- Other

- Net bank debt and dated bonds
- Perpetual bonds
- Equity (Market value)

**Figure 1:** Infratil corporate structure, capital allocation and capital sources

## Approach to Managing Modern Slavery Risk

**The Board has defined its expectations for minimising modern slavery risk across the Infratil portfolio. It expects that by delivering these expectations, the likelihood of modern slavery occurring within its supply chain will be minimised.**

Infratil's Human Rights & Modern Slavery Position Statement describes the commitments that Infratil has made in relation to human rights and modern slavery. Commitments include:

- Understanding and monitoring the materiality of human rights and modern slavery risks within each of the sectors that Infratil's Portfolio Entities operate in.
- Seeking to ensure that each Portfolio Entity has assessed and is managing the risk of human rights breaches and modern slavery within its business (including sector-based risks that have been identified by the Manager) and is focussed on the measures it can take to assess and mitigate these risks.
- Optimising Infratil's corporate systems and processes and seeking to ensure that Morrison & Co's corporate systems and processes are optimised, to minimise the risk of Infratil being complicit in human rights and modern slavery violations.
- Ensuring that Infratil reports in accordance with the Act.
- Supporting Infratil's Portfolio Entities in their reporting in accordance with legislation in the jurisdictions in which they operate, including the Act.

Morrison & Co's sustainability specialists and investment professionals are responsible for understanding and, where feasible, seeking the mitigation of environmental, social and governance risks associated with the operations of Portfolio Entities.

### **Modern slavery risk mapping**

Infratil is committed to understanding the materiality of human rights and modern slavery risks within each of the sectors that Infratil's Portfolio Entities operate in.

To inform Infratil's modern slavery-related engagements with its supply chain. Infratil has undertaken a review of operational activities that occur within each industry sector in which it materially invests or interacts. The aim of the review was to identify the activities being undertaken that are believed to most likely lead to increased risk of occurrences of modern slavery.

The results of the risk mapping process are described in Table 1.

Sector	Sector Traits	Key Risk Areas
<b>Professional services</b> <ul style="list-style-type: none"> <li>• Morrison &amp; Co (Manager)</li> <li>• KPMG (Group Auditor)</li> <li>• Other consultants</li> </ul>	<p>Professional service sector participants such as companies that provide investment and asset management services are commonly office based. Contractors are engaged to provide facility management services such as cleaning. Suppliers include companies that provide IT equipment and office catering.</p>	<ul style="list-style-type: none"> <li>▪ Office-related procurement (IT equipment and catering)</li> <li>▪ Cleaning services</li> </ul>
<b>Airports</b> <ul style="list-style-type: none"> <li>• Wellington International Airport Limited</li> </ul>	<p>Airports typically employ a relatively limited direct workforce but engage a multitude of contractors and subcontractors to undertake facility services. Further, there are many tenants on site that may employ their own contractors (aeronautical, retail and commercial). Construction activities occur frequently on site, often major development. Directly engaged contractors are considered a key focus to alleviate any modern slavery risks from company-controlled operations, followed by tenants and their contractors associated with the airport.</p>	<ul style="list-style-type: none"> <li>▪ Cleaning &amp; maintenance</li> <li>▪ Construction activities</li> <li>▪ Human trafficking &amp; detainment</li> </ul>
<b>Energy Generation and Retailing</b> <ul style="list-style-type: none"> <li>• Trustpower</li> </ul>	<p>Organisations associated with energy generation and retailing are primarily office based with some infield operations required for maintenance and engineering purposes. Contractors are often engaged for construction or major works and specialist engineering services are required across the network. Equipment may be sourced from countries with an increased risk of modern slavery occurrences.</p>	<ul style="list-style-type: none"> <li>▪ Construction activities</li> <li>▪ Equipment manufactured offshore</li> <li>▪ Support services procured offshore e.g. IT helpdesk, HR &amp; payroll</li> </ul>
<b>Renewable Energy Development and Operations</b> <ul style="list-style-type: none"> <li>• Longroad Energy</li> <li>• Tilt Renewables</li> <li>• Galileo Green Energy</li> </ul>	<p>Organisations associated with the development and operation of utility-scale renewable energy projects and infrastructure are primarily office based with some infield operations required for maintenance and engineering purposes. Contractors are often engaged for any construction or major works and specialist engineering required across the network. Equipment may be sourced from countries with an increased risk of modern slavery occurrences.</p>	<ul style="list-style-type: none"> <li>▪ Construction activities</li> <li>▪ Contracted labour force (Operations &amp; Maintenance)</li> <li>▪ Equipment manufactured offshore</li> </ul>
<b>Digital Infrastructure</b> <ul style="list-style-type: none"> <li>• Vodafone</li> <li>• CDC Data Centres</li> </ul>	<p>Organisations operating within the data and connectivity sector are largely office-based. Contractors are regularly engaged to deliver infrastructure-related projects and technology upgrades. Electronics and telecommunication-related systems may be sourced from countries with an increased risk of modern slavery occurrences.</p>	<ul style="list-style-type: none"> <li>▪ Support services procured offshore e.g. data warehousing, customer call centres.</li> <li>▪ Telecommunications and IT equipment manufactured offshore.</li> <li>▪ Contracted facility services (i.e. cleaning and security)</li> </ul>
<b>Retirement Living</b> <ul style="list-style-type: none"> <li>• Retire Australia</li> </ul>	<p>Retirement living businesses typically employ head office staff and a small management team at each facility. Contract services are often utilised to fulfil facility related services such as cleaning, catering, gardening and care assistance roles. Residents may also directly engage healthcare professionals and other service providers. Due to the often geographically disparate nature of retirement living communities different service models may exist between facilities. New developments are common.</p>	<ul style="list-style-type: none"> <li>▪ Contracted facility services (i.e. catering, cleaning and groundskeeping).</li> <li>▪ Construction activities.</li> </ul>



Sector	Sector Traits	Key Risk Areas
<b>Real Estate Management</b> <ul style="list-style-type: none"> <li>• Infratil Infrastructure Property</li> <li>• ASIP</li> </ul>	Real estate management tends to be office based. The activities undertaken by the organisation will likely include outsourcing of asset level cleaning, security and construction works to service providers and contractors. Development projects many also be undertaken periodically.	<ul style="list-style-type: none"> <li>▪ Construction activities.</li> <li>▪ Contracted facility services (i.e. cleaning and security).</li> </ul>

**Table 1:** Results of modern slavery risk mapping investigation

### Supply chain engagement

Infratil is committed to ensuring that its suppliers and Portfolio Entities are adequately assessing and managing the risk of modern slavery occurrences. Infratil is also committed to confirming that each entity is aware of its responsibilities associated with assessing and managing the risk of human rights and modern slavery within its operations and supply chain.

The actions taken by Infratil are outlined in Table 2. Each of the actions taken are informed by the modern slavery risk mapping process outlined above.

Stakeholder(s)	Actions
<b>Professional services – Morrison &amp; Co</b>	Morrison & Co conducted an assessment of the potential for modern slavery occurrences within its corporate supply chain in 2019. The assessment was reviewed in 2020 by the Morrison & Co compliance team to support the integration of modern slavery considerations into Morrison & Co's Outsourcing Policy. Morrison & Co will periodically undertake modern slavery reviews of its corporate supply chain.
<b>Professional services - Other</b>	Given that it typically engages top tier organisations, Infratil currently expects that professional services suppliers are appropriately managing the risk of modern slavery occurrences within their supply chains. On this basis, the Infratil does not currently engage with this stakeholder group on modern slavery matters.
<b>Portfolio Entities</b>	<p>Infratil is committed to actively engaging with Portfolio Entities on modern slavery issues. Through an online survey, Infratil engaged with each material Portfolio Entity in order to confirm whether it:</p> <ul style="list-style-type: none"> <li>▪ has a policy on modern slavery or human rights;</li> <li>▪ is a signatory to, or a member of, any ethical trading or ethical working conditions initiatives, or anti-slavery initiatives or charters;</li> <li>▪ has provided modern slavery-related training to employees and, if so, when this occurred and the recipients of training;</li> <li>▪ is appropriately addressing the modern slavery risks identified in the sector-based risk mapping investigation;</li> <li>▪ has identified activities with material risks of modern slavery that were not identified by Infratil;</li> <li>▪ has developed a risk mitigation strategy for all material modern slavery risks.</li> </ul> <p>The outcomes of the engagements described above are aggregated and used to inform future engagements with key Infratil stakeholders such as Infratil shareholders, bondholders, the Board, Morrison &amp; Co and Portfolio Entities.</p>

**Table 2:** Results of modern slavery risk mapping investigation

The supply chain engagement process undertaken has determined that, for Infratil, sub-contracted facility services such as cleaning and security together with sub-contracted labour forces that undertake operations, construction and maintenance works, are the most likely Portfolio Entity controlled activities in which occurrences of modern slavery could exist within Infratil's current supply chain.

Infratil is committed to undertaking comprehensive ESG due diligence when seeking to acquire new investments, and human rights and modern slavery are key elements of this ESG due diligence process. The due diligence process seeks to determine the extent to which the potential for human rights and modern slavery risks exist, together with the existence of policies and procedures that are in place to ensure that modern slavery and human rights breaches within the target entity and its supply chain are avoided.

## Assessing the Effectiveness of Infratil's Approach

**Infratil is committed to applying a disciplined, ongoing approach to the identification, monitoring and management of modern slavery risk to ensure the effectiveness of its actions.**

To date, Infratil has not identified any actual or potential cases of modern slavery within its operations. However, as typical of most large organisations with global operations, Infratil's global supply chain is complex. It is acknowledged that the identification of modern slavery risk will require ongoing focus and attention.

In the event that an actual or potential incident of modern slavery is identified within Infratil's supply chain, it would be treated in a similar manner to a material environmental or a health and safety incident, namely, key stakeholders would be notified, remedial measures implemented (subject to Infratil's level of control) and the incident response is tracked to closure. Any modern slavery risks that are identified would be recorded in Infratil's incident register. Infratil has not formalised a remediation policy for modern slavery incidents at present.

The Board is committed to reviewing the effectiveness of the requirements of its Human Rights and Modern Slavery Position Statement on an annual basis, and is committed to reporting in line with the Act. Infratil is also committed to periodically reviewing modern slavery risks within its operating sectors to ensure its position remains current.

Infratil and Morrison & Co are committed to continuous improvement in corporate systems and processes (e.g. enterprise risk management) to minimise the risk of Infratil being complicit in modern slavery violations.





**Infratil**