



Foresight

FOR A SMARTER FUTURE

**DIVERSIFIED
INFRASTRUCTURE TRUST
& ENERGY
INFRASTRUCTURE TRUST**

**MODERN SLAVERY
STATEMENT**

30 JUNE 2022

1. About this Statement

We are pleased to publish this joint modern slavery statement (**Statement**) for the Diversified Infrastructure Trust (**DIT**) and the Energy Infrastructure Trust (**EIT**), both 'Reporting Entities' for the purposes of the Modern Slavery Act 2018 (Cth).

This Statement describes the actions taken by the Reporting Entities and the entities they control, to identify, manage and mitigate risks of modern slavery in their supply chain.

The Statement has been prepared by Foresight Australia Funds Management Limited (**FAFM**), in its capacity as investment manager for the Reporting Entities. FAFM was formerly known as Infrastructure Capital Group Limited (**ICG**). The Statement has been approved by Infrastructure Specialist Asset Management Limited (**ISAM** or **Trustee**), in its capacity as trustee for the Reporting Entities.

This Statement has a reporting period from 1 July 2021 to 30 June 2022. Following the reporting period, ICG was acquired by Foresight Group and renamed FAFM.

FAFM is committed to managing our investments in a socially responsible way, to ensure long-term success for our investments, our clients and the communities we operate in. We understand that there is a risk that DIT and EIT's operations have the potential to cause, contribute to, or be linked to modern slavery through its operations and supply chains. FAFM is committed to actively engaging and consulting with its investee companies to ensure that steps are taken to mitigate modern slavery risks.

This Modern Slavery Statement was approved by the Board of Directors of ISAM on 8 December 2022.



Garry Cameron
Chairman
Infrastructure Specialist Asset Management Limited

1.1. REPORTING ENTITY'S STRUCTURE

DIT and EIT both manage and own infrastructure assets, predominantly located in Australia, on behalf of institutional investors.

DIT is structured as a wholesale, unlisted unit trust. DIT's investments are split across two vehicles (DIT and DIT II) which are stapled to form DIT. DIT is managed by FAFM under an investment management agreement with the Trustee.

EIT is structured as a wholesale, unlisted unit trust and is managed by FAFM under an investment management agreement with the Trustee.

We recognise that modern slavery risks may also be present across FAFM's other managed funds. This includes the Australian Renewables Income Fund (**ARIF**), which is an investment of EIT. ARIF is not required to report under the Modern Slavery Act for the reporting year ended 30 June 2022. Our approach to identifying and managing modern slavery risks also applies to ARIF.

DIT and DIT II's ABN is 88 255 996 292 and 24 939 073 368 respectively. EIT's ABN is 23 779 151 748. The entities have a registered address at Suite 1, Level 1/150 Collins Street, Melbourne VIC 3000

Overview of FAFM

Foresight Australia Funds Management Limited (FAFM) is wholly owned by Foresight Group Holdings Limited (Foresight Group), a leading infrastructure and private equity investment manager, listed on the London Stock Exchange. Foresight Group operates from 13 offices across seven countries globally, with AUM of c.£12.5 billion. FAFM was formerly known as Infrastructure Capital Group Limited (ICG). ICG was acquired by Foresight Group on 8 September 2022.

FAFM has over A\$3.0 billion in equity funds under management and manages three unlisted infrastructure equity funds including ARIF, DIT and EIT. The three funds currently comprise investments across the renewable, power, water, transportation and commodity-linked infrastructure sectors.

For further details regarding FAFM, please refer to www.infrastructurecapital.com.au and www.foresightgroup.eu.

Overview of ISAM

The Trustee of DIT and EIT is ISAM, a wholly-owned subsidiary of FAFM's parent company, Foresight Capital Holdings Ltd (**FCH**). The Investment Management Agreement (**IMA**) sets out the relationship between the Trustee and the Manager. In carrying out its duties, the Trustee at all times recognises its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of unit holders.

The Trustee brings significant commercial and financial experience, while providing a robust, independent governance overlay and monitoring FAFM's compliance with its obligations under the IMA.

The Trustee has established the Audit, Compliance and Risk Management Committee, which is responsible for oversight of the risk management framework.

2. Describing Modern Slavery Risks

DIT and EIT are unlisted unit trusts that invest in assets in the infrastructure sector on behalf of institutional investors.

The supply chain for both DIT and EIT consists of the following:

- **Investment management:** the day-to-day management of DIT and EIT has been delegated to FAFM as the Investment Manager. Activities undertaken include investment and asset management services undertaken by FAFM. DIT and EIT also engage professional, third-party service providers to provide legal, accounting, independent valuation, taxation, audit and IT services;
- **Asset management:** Infrastructure Asset Management Pty Ltd (**IAM**) is a wholly owned subsidiary of FAFM's parent ICH and provides asset management and operational services to DIT and EIT portfolio companies. The IAM team comprises of over 25 employees, based in Australia.
- **Investee Companies:** DIT and EIT are long-term investors in unlisted infrastructure equity investments across renewables, power generation, gas supply, transportation and commodity-linked infrastructure. DIT and EIT's level of control and influence across its investee companies varies depending on ownership level and governance structure. Each investee company typically has its own management team and board of directors, with oversight provided by FAFM through asset management oversight and board representation.

FAFM has undertaken a review of the operational activities across DIT and EIT's investee companies. The risk-mapping process is aimed at identifying at a high-level the activities being undertaken, and where modern slavery may exist. Under the Act, the term 'risks of modern slavery practices' means the potential to cause, contribute to, or be directly linked to modern slavery through the operations and supply chains.

The table below highlights potential for modern slavery risks across the EIT investment portfolio.

Sector, Investee Companies	Description of operations	Areas of Potential Risk
Investment Management and Asset Management	<p>FAFM has approximately 55 professional staff located across three offices in Sydney, Melbourne and Perth. Additional asset management staff including IAM employees are based at sites across Australia.</p> <p>Third party, professional service providers are also engaged to provide legal, accounting, audit and independent valuation services.</p>	<ul style="list-style-type: none"> • Procurement of office equipment and supplies. • Out-sourced services including, IT, facilities management and cleaning.
Electricity generation <ul style="list-style-type: none"> • Neerabup Power Station • Kwinana Power Station* • Esperance Energy Project • Zenith Energy 	<p>Operations and maintenance of electricity generation projects in Australia.</p>	<ul style="list-style-type: none"> • Security and cleaning services may have risk of modern slavery due to reliance on a low-skilled labour force. • IT procurement. • Equipment, including spare parts may be manufactured offshore, in countries with higher risk of modern slavery occurrences.
Renewable generation <ul style="list-style-type: none"> • Hallett Hill 2 Wind Farm • Wattle Point Wind Farm • Australian Renewables Income Fund 	<p>Operations and maintenance of utility-scale renewable electricity generation projects in Australia.</p>	<ul style="list-style-type: none"> • Security and cleaning services may have risk of modern slavery due to reliance on a low-skilled labour force. • IT procurement. • Equipment, including spare parts may be manufactured offshore, in countries with higher risk of modern slavery occurrences.
Ports and export terminals <ul style="list-style-type: none"> • Flinders Ports* • Port of Newcastle Export Terminal* 	<p>Operation of port facilities and export terminals in South Australia and Newcastle, Australia.</p>	<ul style="list-style-type: none"> • Security, cleaning and transportation services may have risk of modern slavery due to reliance on a low-skilled labour force. • IT procurement. • Equipment, including spare parts may be manufactured offshore, in countries with higher risk of modern slavery occurrences. • Construction activities.

Gas supply & distribution <ul style="list-style-type: none"> Tas Gas Esperance Energy Project 	Operations and maintenance of natural gas supply and distribution network.	<ul style="list-style-type: none"> Security and cleaning services may have risk of modern slavery due to reliance on a low-skilled labour force. IT procurement. Equipment, including spare parts may be manufactured offshore, in countries with higher risk of modern slavery occurrences.
Transportation <ul style="list-style-type: none"> Kinetic * Port Hedland International Airport 	Kinetic: Provider of mass transit bus services in Australia, New Zealand. Port Hedland International Airport: Operating airport in Port Hedland.	<ul style="list-style-type: none"> Security and cleaning services may have risk of modern slavery due to reliance on a low-skilled labour force. Procurement of vehicle spare parts and petroleum
Water Treatment <ul style="list-style-type: none"> Springvale Water Treatment Plant 	Operation of a water treatment plant in Lithgow. NSW.	<ul style="list-style-type: none"> Equipment, including spare parts may be manufactured offshore, in countries with higher risk of modern slavery occurrences.

*Denotes companies that publish their own modern slavery statements.

3. Approach to Managing Modern Slavery Risks

FAFM is committed to actively engaging with DIT and EIT's investee companies to ensure that steps are taken to mitigate modern slavery risks. As an active asset manager, FAFM seeks to influence Environmental, Social and Governance (ESG) issues, including Modern Slavery requirements, through active ownership and board representation across its portfolio companies.

3.1. GOVERNANCE STRUCTURE

A key feature to the approach to managing modern slavery risks is through DIT and EIT's governance structure. As Trustee, ISAM provides an independent governance overlay alongside FAFM's Investment Committee. The Trustee has established the Audit, Compliance & Risk Management Committee, which has responsibility for oversight of the risk management framework.

FAFM has a number of policies and procedures in place to manage modern slavery risks. At the forefront is our Modern Slavery Policy, which sets out our approach to identifying and managing modern slavery risks. This policy is reviewed annually by the FAFM Board. Other relevant policies and procedures include a business wide Code of Conduct, Whistleblowing policy and Incident and Breach Management policy.

3.2. ENGAGEMENT WITH INVESTEE COMPANIES

FAFM closely monitors and supports DIT and EIT's investee companies. These entities have developed or are developing detailed sustainability plans incorporating modern slavery, as well as other ESG risks. FAFM intends to continue its consultation process with investee companies on modern slavery.

Depending on its governance position, this may also involve engagement with other investment managers, financial investors or superannuation funds represented at the board level to further develop monitoring and reporting.

Key risks for investee companies are around:

- Geographic location of suppliers and whether any known high risk entities and influence on suppliers;
- Significant requirement to purchase equipment and raw materials;
- Provision of cleaning, security services, catering and food supplies; and
- Whether the portfolio company has significant inbound/outbound transportation and/or exposure to construction activities.

FORESIGHT ENGAGE

To foster engagement with and amongst investee companies, FAFM established Foresight Engage during the year. Foresight Engage is a platform that links portfolio companies together with the objective of enhancing business performance through knowledge sharing and collaboration across a number of business areas. A sub-branch of Foresight Engage, the Foresight Engage – ESG Community, brings together similar functional resources across the broader FAFM portfolio to discuss best practices and emerging trends in the pursuit of excellence in sustainability, including Modern Slavery.

3.3. ENGAGING WITH SUPPLIERS

For investment management and DIT and EIT investee company operations, FAFM has developed a Modern Slavery Questionnaire, which was completed by key suppliers in 2022. Utilising the risk mapping work that has already been performed, the Questionnaire aimed to identify countries and regions where suppliers are located and analyse how supply arrangements are structured. FAFM also conducted interviews with the person in each organisation who is responsible for managing Modern Slavery.

The responses of this questionnaire have been reviewed, with no material breaches of key suppliers modern slavery policies identified. Whilst no material issues were identified, there is a recognition that improvement opportunities will certainly enhance the existing procedures of each organisation. Further analysis is being undertaken to understand potential risks and develop mitigating measures.

3.4. ESG INTEGRATION FRAMEWORK

FAFM's ESG framework involves the inclusion of environmental, social and governance factors into investment analysis and decision making. This occurs from investment screening and due diligence through to ongoing asset management and monitoring. Modern

slavery risks are incorporated within this framework under social risks. FAFM is currently enhancing its due diligence ESG checklist to heighten awareness of human rights and modern slavery risk within the transaction process.

All new investments are screened and considered against FAFM's ESG policy and Modern Slavery policy to ensure compliance. During due diligence, if negative screening occurs and risk management mitigants are uncertain, then investments or sectors are rejected on the basis of unacceptable ESG risks.

When undertaking due diligence on potential investments, FAFM seeks to incorporate ESG issues and risks within the scopes of third-party advisers and consultants. This ensures that specialist and expert views are incorporated into the analysis process.

3.5. TRAINING AND INCREASING AWARENESS

FAFM is focused on raising awareness and educating employees on modern slavery. All FAFM staff undertake mandatory training relating to their legal, regulatory and risk obligations with the company. A training module relating to modern slavery was added to the staff training programme for 2022. The module covers an overview of the Act, reporting obligations and case studies to provide increased awareness amongst FAFM staff. During the year to 30 June 2022, all staff successfully completed the modern slavery training module. Additional training sessions may be undertaken by staff over the course of the year, in particular for investment and asset managers.

4. Assessing the Effectiveness of our Approach

FAFM will continue to monitor the effectiveness of its approach to managing modern slavery. This includes through an ongoing review of policies and procedures including its Modern Slavery policy, review of the risk management framework, increasing staff awareness of re-assessment of modern slavery risks in operations and supply chains.

How we will assess the effectiveness of our approach going forward:

Category	Description
Review of policies, processes and risk framework	<ul style="list-style-type: none">• Ensuring regular review of policies relating to modern slavery, ESG and procurement.• Internal review process of modern slavery. This will involve development of metrics and checks as part of improving the internal review process.
Staff awareness	<ul style="list-style-type: none">• Monitoring participation and ensuring completion of modern slavery training modules, which have been rolled out to employees.• Undertake group training or information sessions on modern slavery topics.
Investee Company and Supplier engagement	<ul style="list-style-type: none">• Reviewing responses of supplier Modern Slavery Questionnaire and identifying high risk areas for modern slavery in the DIT and EIT portfolios.• Level of engagement with suppliers and incorporation of clauses relating to modern slavery into terms of supplier contracts.• Supporting investee company development of detailed sustainability plans incorporating modern slavery, as well as other ESG risks.
Review of reported incidents	<ul style="list-style-type: none">• Review of incidents reported from DT or EIT or investee companies.• Regular review of related policies including the Incident and Breach Management policy and Whistleblowing policy.

Foresight

FOR A SMARTER FUTURE

Foresight Australia Funds Management

ABN 85 094 815 513
AFSL 237518
Level 5, 20 Hunter Street
Sydney, NSW 2000
Australia
www.foresightgroup.eu