

# Modern Slavery Statement

For the year ended 30 June 2023

Australian Renewables Income Fund  
Diversified Infrastructure Trust  
Energy Infrastructure Trust



Foresight

## 1. About this Statement

We are pleased to publish this joint modern slavery statement (**Statement**) for the Australian Renewables Income Fund (**ARIF**), Diversified Infrastructure Trust (**DIT**) and the Energy Infrastructure Trust (**EIT**), together Reporting Entities under the Modern Slavery Act 2018 (Cth) (**Act**).

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. It has been prepared for the year ended 30 June 2023.

The Statement has been prepared by Foresight Australia Funds Management Limited (**FAFM** or **Manager**), in its capacity as investment manager of the Reporting Entities. This Statement was approved by Infrastructure Specialist Asset Management Limited (**ISAM** or **Trustee**) on [14] December 2023 in its capacity as trustee for the Reporting Entities.

FAFM is wholly-owned by Foresight Group Holdings Limited (**Foresight Group**), a leading infrastructure and private equity investment manager. Foresight Group operates from 13 offices across six countries in Europe and Australia with assets under management of c.£12.2 billion as at 30 September 2023. FAFM was formerly known as Infrastructure Capital Group Limited (**ICG**). ICG was acquired by Foresight Group on 8 September 2022.

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 the Reporting Entities' 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 Statement was approved by the Board of Directors of ISAM on 14 December 2023.



Garry Cameron  
**Chairman**  
Infrastructure Specialist Asset Management Limited

## 2. About Us

### 2.1 OVERVIEW OF FAFM

FAFM is an infrastructure investment manager with over A\$3.5 billion in equity funds under management. FAFM manages three unlisted infrastructure equity funds, ARIF, DIT and EIT.

The three funds currently comprise investments across the renewable, power, water, transportation and commodity-linked infrastructure sectors. FAFM has offices in Sydney and Melbourne, with approximately 60 employees.

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For further details regarding FAFM, please refer to [www.foresightgroup.eu](http://www.foresightgroup.eu).

### 2.2 OVERVIEW OF ISAM

The Trustee of the Reporting Entities is ISAM, a wholly-owned subsidiary of FAFM's parent company, Foresight Capital Holdings Pty Ltd (**FCH**). The Investment Management Agreement for each fund 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 investors.

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 Investment Management Agreement.

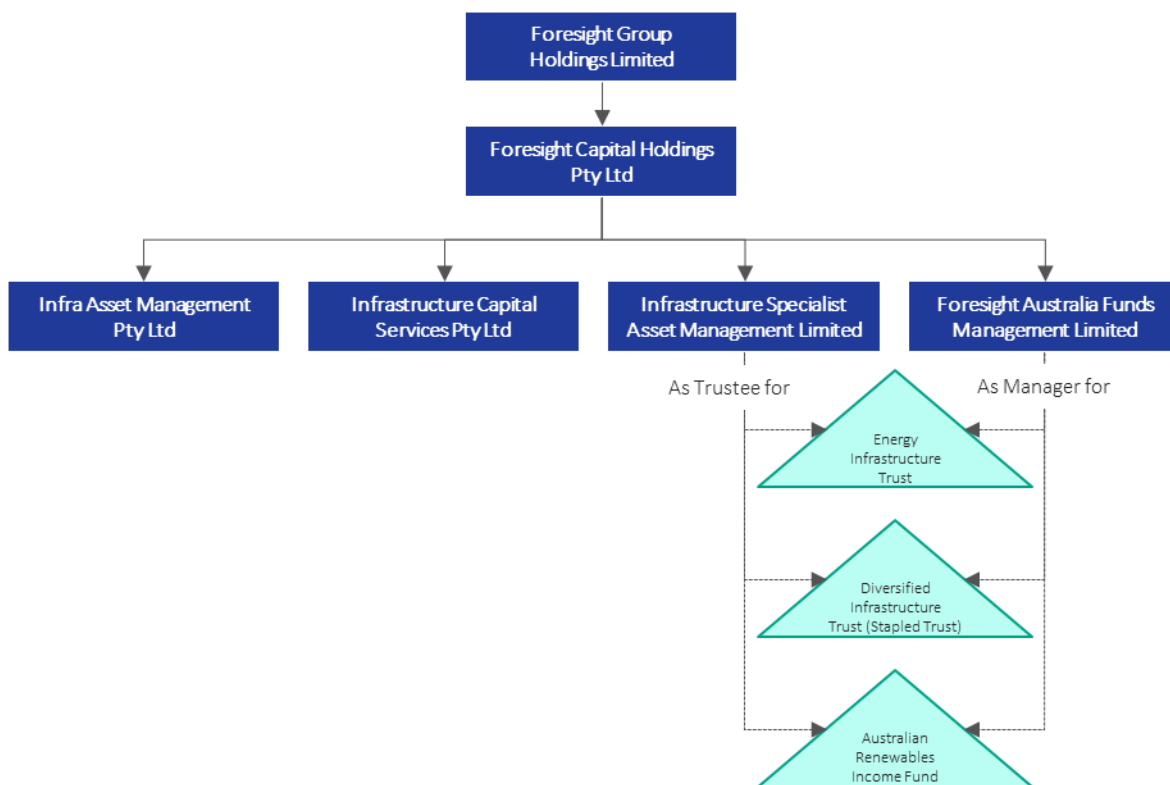
The Trustee has established the Audit, Compliance and Risk Management Committee, which is responsible for oversight of the risk management framework.

### 2.3 REPORTING ENTITY'S STRUCTURE

ARIF, DIT and EIT 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. ARIF and EIT are structured as a wholesale, unlisted unit trusts. All three funds are managed by FAFM under an Investment Management Agreement with the Trustee.

A simplified corporate structure diagram is below.



### 3. Describing Modern Slavery Risks

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

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

- **Investment management:** the day-to-day management of ARIF, DIT and EIT has been delegated to FAFM as investment manager. ARIF, 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 FCH and provides asset management and operational services to ARIF, DIT and EIT portfolio companies. The IAM team comprises of over 30 employees, based in Australia.
- **Investee Companies:** ARIF, DIT and EIT are long-term investors in unlisted infrastructure equity investments across renewables, power generation, gas supply, transportation and commodity-linked infrastructure. The Reporting Entities' 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 ARIF, 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 ARIF, DIT and EIT investment portfolio.

Sector, Investee Companies	Description of operations	Areas of Potential Risk
<b>Investment Management and Asset Management</b>	<p>FAFM has approximately 60 professional staff located across three offices in Sydney and Melbourne. 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"> <li>• Procurement of office equipment and supplies.</li> <li>• Out-sourced services including, IT, facilities management and cleaning.</li> </ul>
<b>Electricity generation</b> <ul style="list-style-type: none"> <li>• Neerabup Power Station</li> <li>• Kwinana Power Station*</li> <li>• Zenith Energy</li> </ul>	<p>Operations and maintenance of electricity generation projects in Australia.</p>	<ul style="list-style-type: none"> <li>• Security and cleaning services may have risk of modern slavery due to reliance on a low-skilled labour force.</li> <li>• IT procurement.</li> <li>• Equipment, including spare parts may be manufactured offshore, in countries with higher risk of modern slavery occurrences.</li> </ul>
<b>Renewable generation</b> <ul style="list-style-type: none"> <li>• Hallett Hill 2 Wind Farm</li> <li>• Wattle Point Wind Farm</li> <li>• Hallett 4 Wind Farm</li> <li>• Bald Hills Wind Farm</li> <li>• Ginan Solar Portfolio</li> <li>• Peak Renewables</li> <li>• Mumbida Wind Farm</li> <li>• Willogoleche Wind Farm</li> </ul>	<p>Operations and maintenance of utility-scale renewable electricity generation projects in Australia.</p>	<ul style="list-style-type: none"> <li>• Security and cleaning services may have risk of modern slavery due to reliance on a low-skilled labour force.</li> <li>• IT procurement.</li> <li>• Equipment, including spare parts may be manufactured offshore, in countries with higher risk of modern slavery occurrences.</li> </ul>
<b>Sea Ports</b> <ul style="list-style-type: none"> <li>• Flinders Ports*</li> </ul>	<p>Operation of port facilities in South Australia, Australia.</p>	<ul style="list-style-type: none"> <li>• Security, cleaning and transportation services may have risk of modern slavery due to reliance on a low-skilled labour force.</li> <li>• IT procurement.</li> <li>• Equipment, including spare parts may be manufactured offshore, in countries with higher risk of modern slavery occurrences.</li> <li>• Construction activities.</li> </ul>
<b>Gas supply &amp; distribution</b> <ul style="list-style-type: none"> <li>• Tas Gas</li> <li>• Esperance Energy Project</li> </ul>	<p>Operations and maintenance of natural gas supply and distribution network.</p>	<ul style="list-style-type: none"> <li>• Security and cleaning services may have risk of modern slavery due to reliance on a low-skilled labour force.</li> <li>• IT procurement.</li> <li>• Equipment, including spare parts may be manufactured offshore, in countries with higher risk of modern slavery occurrences.</li> </ul>
<b>Transportation</b> <ul style="list-style-type: none"> <li>• Kinetic *</li> <li>• Port Hedland International Airport</li> </ul>	<p>Kinetic: Provider of mass transit bus services in Australia, New Zealand, as well as globally.</p> <p>Port Hedland International Airport: Regional airport in Port Hedland.</p>	<ul style="list-style-type: none"> <li>• Security and cleaning services may have risk of modern slavery due to reliance on a low-skilled labour force.</li> <li>• Procurement of vehicle spare parts and petroleum</li> </ul>
<b>Water Treatment</b> <ul style="list-style-type: none"> <li>• Springvale Water Treatment Plant</li> </ul>	<p>Operation of a water treatment plant in Lithgow. NSW.</p>	<ul style="list-style-type: none"> <li>• Equipment, including spare parts may be manufactured offshore, in countries with higher risk of modern slavery occurrences.</li> </ul>

\*Denotes companies that publish their own modern slavery statements.

## 4. Managing Modern Slavery Risks

FAFM is committed to actively engaging with ARIF, 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.

### 4.1 GOVERNANCE STRUCTURE

A key feature to the approach to managing modern slavery risks is through ARIF, 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.

### 4.2 POLICIES IN RELATION TO MODERN SLAVERY AND GOVERNANCE

FAFM has a number of policies and procedures in place to manage modern slavery risks. At the forefront is its ESG Policy and Modern Slavery Policy, which sets out the approach to identifying and managing modern slavery risks. Other relevant policies and procedures include a business-wide Code of Conduct, Whistleblowing policy and Incident and Breach Management policy. Policies are reviewed annually by the FAFM and FCH Boards and employees must provide an attestation that they have read and complied with these policies annually.

### 4.3 ENGAGEMENT WITH INVESTEE COMPANIES

FAFM closely monitors and supports ARIF, DIT and EIT's investee companies and 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, a platform that links portfolio companies together with the objective of enhancing business performance through knowledge sharing and collaboration. 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.

### 4.4 ENGAGING WITH SUPPLIERS

For investment management and ARIF, DIT and EIT investee company operations, FAFM has developed a Modern Slavery Questionnaire, which was last completed by key suppliers in 2022. 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 to 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.

### 4.5 ESG INTEGRATION FRAMEWORK & DUE DILIGENCE

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.. To heighten awareness of human rights and modern slavery risk within the transaction process, FAFM has adopted the Sustainability Evaluation Tool (SET) in its investment due diligence process. The SET tool evaluates over 100 quantifiable ESG metrics, including modern slavery, to provide an objective view of sustainability and ESG performance.

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, 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 investment process.

FAFM may also engage with external agencies that offer enhanced supply chain due diligence. During the year, the EthixBase – Platform was used to interrogate supply chain across modern slavery, regulatory and ESG risks for prospective investments.

## 4.6 TRAINING AND INCREASING AWARENESS

FAFM is focused on raising awareness and educating employees on modern slavery. All FAFM staff undertake mandatory online training provided by an external provider, Go1 Online. New employees are required to undertake training upon commencement of employment and complete a refresher course at least every two years. A compliance module on modern slavery is included as part of this training, which covers the Australian Modern Slavery Act, reporting obligations and case studies to provide increased awareness amongst FAFM staff. During the year to 30 June 2022, all FAFM staff completed the modern slavery training module. A refresher course will be undertaken in the 2024.

FAFM also arranges for various service providers, including lawyers and accountants, to provide in-house training to the investment team.

## 5. Assessing the Effectiveness of our Approach

### 5.1 ASSESSING THE EFFECTIVENESS OF OUR APPROACH

FAFM will continue to monitor the effectiveness of its approach to managing modern slavery. This approach includes ongoing review of policies and procedures including its Modern Slavery policy, review of the risk management framework, and 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
<b>Policies and Risk Framework</b>	<ul style="list-style-type: none"> <li>Continued, annual review of policies relating to modern slavery and ESG.</li> </ul>
<b>Staff awareness and engagement</b>	<ul style="list-style-type: none"> <li>Monitoring participation and ensuring completion of modern slavery training for employees.</li> <li>Participation in group training or information sessions on modern slavery topics.</li> <li>Inclusion of ESG related KPI’s for staff, including modern slavery.</li> </ul>
<b>Investee Company and Supplier engagement</b>	<ul style="list-style-type: none"> <li>Reviewing responses of supplier Modern Slavery Questionnaire and identifying high risk areas for modern slavery in the ARIF, DIT and EIT portfolios.</li> <li>Level of engagement with suppliers and incorporation of clauses relating to modern slavery into terms of supplier contracts.</li> <li>Supporting investee company development of detailed sustainability plans incorporating modern slavery, as well as other ESG risks.</li> </ul>
<b>Review of reported incidents</b>	<ul style="list-style-type: none"> <li>Review of incidents reported from ARIF, DIT or EIT or investee companies.</li> <li>Regular review of related policies including the Incident and Breach Management policy and Whistleblowing policy.</li> </ul>

## 5.2 GOING FORWARD

Next year, FAFM will progress alignment of its Statement with the broader Foresight Group. It is intended that a joint statement will be published in September 2024, covering the Reporting Entities.

FAFM will develop and continue to monitor KPI's that are in place. In 2024, modern slavery online training is targeted for FAFM employees, as a refresher to training on modern slavery completed in 2022.

To increase the due diligence on suppliers, it is intended that Ethixbase will be rolled out from Foresight Group to cover FAFM's Reporting Entities.

## 6. Preparation of this Statement

In preparation of this joint statement, FAFM consulted with its investment team and senior management to ensure the Statement reflected the position of the Reporting Entities, ARIF, DIT and EIT.

This Statement was approved by the Board of Directors of ISAM, the trustee of the Reporting Entities on 14 December 2023 and covers the financial year ended 30 June 2023



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