



ENERGY INFRASTRUCTURE TRUST

MODERN SLAVERY STATEMENT

Financial Year 2019-20

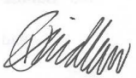
1. Introduction

We are pleased to publish our first modern slavery statement.

This modern slavery statement ('Statement') has been prepared pursuant to the *Australian Modern Slavery Act 2018* ('Act'), for the financial year ended 30 June 2020. It has been made by Infrastructure Capital Group Limited ('ICG'), in its capacity as investment manager, and approved by Infrastructure Specialist Asset Management Limited ('ISAM' or 'Trustee'), in its capacity as trustee for the reporting entity, the Energy Infrastructure Trust ('EIT').

ICG 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 EIT's operations have the potential to cause, contribute to, or be linked to modern slavery through its operations and supply chains. ICG is committed to actively engaging 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 26 March 2021.



Tom Laidlaw
Director
Infrastructure Specialist Asset Management

1.1 REPORTING ENTITY'S STRUCTURE

EIT acquires and develops core infrastructure assets, currently all located in Australia, to provide institutional investors with stable and attractive risk-adjusted returns. EIT is structured as a wholesale, unlisted unit trust and is managed by ICG under an investment management agreement with the Trustee. EIT's governance structure is outlined in the diagram to the right.

Recognising that modern slavery risks may also be present across ICG's other managed funds, the Australian Renewables Income Fund ('ARIF') and the Diversified Infrastructure Trust ('DIT'), our approach to identifying and managing modern slavery risks also applies to ARIF and DIT.

EIT's ACN is 23 779 151 748 and its registered address is Suite 1, Level 1/150 Collins Street, Melbourne VIC 3000.

1.1.1 ICG

ICG is an Australian-based, privately-owned infrastructure investment manager with over A\$2.5 billion in equity funds under management. ICG 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.

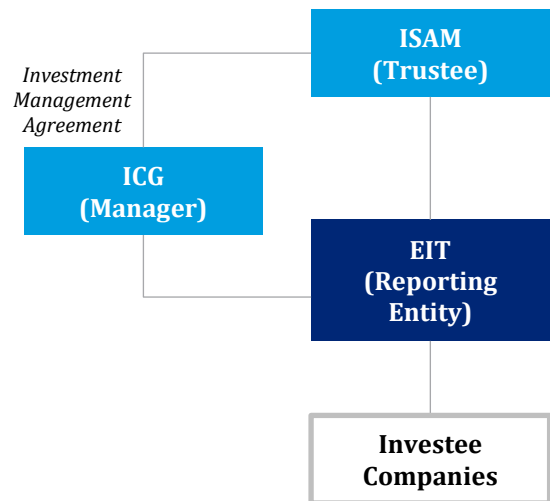
For further details regarding ICG, please refer to www.infrastructurecapital.com.au.

1.1.2 ISAM

The Trustee of EIT is ISAM, a wholly-owned subsidiary of ICG's parent company. 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 investors.

The Trustee brings significant commercial and financial experience, while providing an robust, independent governance overlay and monitoring ICG'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

EIT is an unlisted unit trust that invests in assets in the infrastructure sector on behalf of institutional investors.

The supply chain for EIT consists of the following:

- **Investment management:** the day-to-day management of EIT has been delegated to ICG as Manager. Activities undertaken include investment management services undertaken by ICG. EIT also engages professional, third-party service providers to provide legal, accounting, independent valuation, taxation advice and audit services; and
- **Investee Companies:** EIT is a long-term investor in unlisted infrastructure equity investments across power generation, gas supply, transportation and commodity-linked infrastructure. 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 ICG through asset management oversight and board representation.

ICG has undertaken a review of the operational activities across 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	ICG has 26 professional staff located across three offices in Sydney, Melbourne and Perth. Third party, professional service providers are also engaged to provide legal, accounting, audit and independent valuation services.	<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 	Operations and maintenance of gas-fired electricity generation projects in Australia.	<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 	Operations and maintenance of utility-scale renewable electricity generation projects in Australia.	<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* 	Operation of port facilities and export terminals in South Australia and Newcastle, Australia.	<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

		<ul style="list-style-type: none"> • 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.

*denotes mandatory reporting entity under the Act

3. Approach to Managing Modern Slavery Risks

ICG is committed to actively engaging with EIT’s investee companies to ensure that steps are taken to mitigate modern slavery risks. As an active asset manager, ICG seeks to influence Environmental, Social and Governance (ESG) issues, including Modern Slavery requirements, through active ownership and board representation across its portfolio companies. A Modern Slavery Roadmap has been developed, which outlines a number of goals and activities to be implemented over the short to medium term to identify and manage modern slavery risks.

3.1 GOVERNANCE STRUCTURE

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

ICG has established a business wide Code of Conduct and set of ICG policies covering compliance with legal obligations, risk management, incident management and report. ICG’s policies are reviewed annually by the ICG Board and include its ESG policy. Additional policies that may be relevant include the Whistleblowing policy and Incident and Breach Management policy.

3.2 ENGAGEMENT WITH INVESTEE COMPANIES

ICG is closely monitoring and supporting EIT’s investee companies, several of which are also reporting entities under the Act. These entities have developed or are developing detailed sustainability plans incorporating modern slavery, as well as other ESG risks. ICG intends to continue its consultation process with investee companies, and as a next step conduct a detailed review across EIT 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 EIT 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.

3.3 ENGAGING WITH SUPPLIERS

For investment management and EIT investee company operations, ICG intends to develop and roll-out a Modern Slavery Questionnaire, to be completed by key suppliers in 2021. Utilising the risk mapping work that has already been performed, the Questionnaire will identify countries and regions where suppliers are located and analyse how supply arrangements are structured. Where risks of modern slavery are identified through questionnaire responses, they will be ranked so further supplier engagement can be prioritised. Further analysis will then be undertaken to understand the risks and develop mitigating measures. To assist with this process, ICG will develop a risk management process that utilises global indexes and guidelines and integrate this into the Due Diligence Questionnaire.

3.4 ICG'S ESG INTEGRATION FRAMEWORK

ICG'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. ICG 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 ICG's ESG 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, ICG 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

ICG is focused on raising awareness and educating employees on modern slavery. All ICG staff undertake mandatory training relating to their legal, regulatory and risk obligations with the company. A training module relating to modern slavery has been added to the ICG staff mandatory compliance training programme for financial year 2020-2021. The module covers an overview of the Act, reporting obligations and case studies to provide increased awareness amongst ICG staff. 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

ICG will continue to monitor the effectiveness of its approach to managing modern slavery. This includes through an ongoing review of ICG policies including its ESG 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 audit 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.
Supplier engagement	<ul style="list-style-type: none"> • Monitoring progress in roll-out of supplier Modern Slavery Questionnaire. • Level of engagement with suppliers and incorporation of clauses relating to modern slavery into terms of supplier contracts.
Review of reported incidents	<ul style="list-style-type: none"> • Review of incidents reported from EIT or investee companies. • Regular review of related policies including the Incident and Breach Management policy and Whistleblowing policy.