

HICL Infrastructure PLC

Modern Slavery Act Transparency Statement

HICL Infrastructure PLC (“HICL” or “the Company”) is a long-term investor in public infrastructure. HICL has a Sustainability Policy which applies to both new investments and the management of the current portfolio.

Policy

InfraRed Capital Partners Limited (“IRCP”) is the Investment Manager of HICL. IRCP is a signatory to the Principles for Responsible Investment (the “Principles”), formerly known as the United Nations Principles for Responsible Investment, 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; and
- report on activities and progress towards implementing the Principles.

HICL’s Sustainability Policy includes a focus on compliance with employment law, health and safety and human rights. The Board and IRCP have a zero tolerance policy towards slavery, human trafficking and forced labour of any type in respect of HICL, the companies in which HICL holds an investment, and the associated supply chains.

Structure and supply chain

HICL’s portfolio comprises infrastructure investments that support the delivery of essential services, working in partnership with the public and private sectors. The portfolio includes schools, hospitals, other accommodation projects, water and electricity transmission infrastructure, and toll roads. The infrastructure in HICL’s portfolio is in the UK, Ireland, France, the Netherlands, Canada and the United States of America. A full list of the investments in HICL’s portfolio can be found on the Company’s website: <https://www.hicl.com/portfolio>.

As is typical for an investment company, HICL does not directly employ staff. The application of the Modern Slavery Act is most relevant to the companies in HICL’s supply chains and to IRCP. The Board and IRCP recognise the Company’s responsibilities to society in relation to HICL’s supply chain (both to the HICL and to the companies in which it invests), and IRCP works collaboratively with the management teams of portfolio companies and seek to ensure that suppliers share the Company’s values and comply with relevant legislation.

Due diligence processes and risk assessment

IRCP's Infrastructure Team is responsible for conducting due diligence to review prospective acquisitions against HICL's Sustainability Policy. In relation to HICL's portfolio of infrastructure investments, IRCP actively implements good sustainability and risk management practices by being a "pro-active" owner of HICL's investments, including monitoring companies providing operational services to portfolio investments. In this capacity, IRCP reports directly to the Board, and is required to escalate any material breaches of the Sustainability Policy. IRCP maintains its own sustainability and risk management policies and procedures, and conducts staff training as required.

Measuring effectiveness

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

IRCP undertakes an annual ESG survey of HICL's portfolio. For the year ended 31 December 2019, 97% of portfolio companies had a policy associated with the Modern Slavery Act.

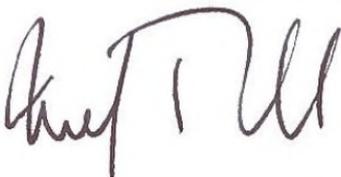
The majority of HICL's portfolio companies contract operations and maintenance activities. In the coming year, the portfolio companies will make enquiries of their principal contractor(s) to ascertain the policies they and their supply chain have in place with respect to the Modern Slavery Act, what procedures are undertaken to ensure these policies are effective and what training is given to staff. The following portfolio companies, which employ staff directly, have a publicly available Modern Slavery Act Transparency Statement on their website:

- Affinity Water: <https://www.affinitywater.co.uk/docs/policies/Modern-Slavery-Human-Trafficking-Statement-25-Sept-2019.pdf>
- High Speed 1: <https://highspeed1.co.uk/modern-slavery-act-statements>
- Allenby & Connaught: <https://aspiredefence.co.uk/wp-content/uploads/2019/07/Slavery-and-Human-Trafficking-Statement-2018.pdf>

HICL operates a Whistleblowing Policy under which individuals working at any service provider can disclose on an anonymous or confidential basis any malpractices associated with HICL and its portfolio or any attempt to deliberately conceal wrongdoing associated with HICL and its portfolio. Reports can be made to the Chairman of the Audit Committee.

Approval

This statement is made pursuant to Section 54 of the Modern Slavery Act 2015 and constitutes HICL's current modern slavery and human trafficking statement. This statement was approved by the Board of Directors on 13 May 2020. It will be reviewed again in 2021.



Ian Russell
Chairman
26 May 2020