

# Sustainability Policy

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## Purpose

***HICL's investment proposition is to deliver sustainable income from a diversified core infrastructure portfolio that is at the lower end of the risk spectrum.***

Investing sustainably is central to HICL's business model. It means ensuring each portfolio company takes responsibility for its environmental, social and governance impacts, risk and opportunities. It is when environmental, social and economic sustainability come together in a strong governance framework that the investment proposition can be delivered in the long term.

The infrastructure in HICL's portfolio impacts people and the environment. With this comes a responsibility for HICL and its service providers to act with care, consideration and integrity. HICL's Sustainability Policy seeks to articulate how those responsibilities are discharged in order to mitigate risks and to create a positive impact beyond commercial objectives.

HICL is committed to meeting all local and national laws and regulations in the jurisdictions in which it operates. HICL will actively contribute to the United Nations (UN) Sustainability Development Goals<sup>1</sup> (SDGs). Although HICL contributes to multiple SDGs, the nature of HICL's investment proposition means the Company will contribute, in particular, to addressing the following UN SDGs: develop industry, innovation and infrastructure (SDG 9); and build sustainable cities and communities (SDG 11).

## Roles and responsibilities

The Board has overall responsibility for HICL's Sustainability Policy and its application.

HICL's Sustainability Policy applies to both making new investments, including throughout the deal screening and due diligence processes, and the running of the current portfolio, including asset management activities, monitoring and reporting. The application of the Sustainability Policy to making new investments and the management of HICL's portfolio is undertaken by InfraRed Capital Partners ("InfraRed"), as Operator, so that HICL:

- Invests in assets which have a social purpose, which promote social development and quality of life;
- Creates a positive environmental impact now and for future generations;
- Makes an overall beneficial impact on the communities in which our assets are located; and
- By doing all of the above, aligns the interests of stakeholder groups of HICL's investments which typically have long asset lives.

The Operator's approach to achieve sustainable investment decisions is based on a foundation of:

- Robust corporate governance;
- Guiding principles, where environmental, social and governance opportunities and risks are considered throughout the investment cycle;
- Strong track record as an environmentally and socially responsible partner; and
- Corporate values that are lived and adhered to by its people.


InfraRed publishes its sustainability policy, including its approach to the integration of sustainability considerations into the investment cycle, on its website at: <https://www.ircp.com/sustainability-policy>.

InfraRed has been a signatory of the Principles for Responsible Investment ("PRI") since 2011. InfraRed's Responsible Investment Transparency Report and PRI Assessment Report are both available via HICL's website at: <https://www.hicl.com/about-us/responsible-investment>.

Adherence to InfraRed's sustainability policy and contributions to sustainability are embedded into InfraRed's partners' and employees' performance objectives and will also be taken into account in their annual performance assessment and compensation.

This Sustainability Policy is subject to ongoing enhancement including a formal annual review and will be reported on in HICL's annual report and accounts.

Signature:



Date: 6 May 2020

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<sup>1</sup> <https://www.un.org/sustainabledevelopment/>