

HICL Infrastructure PLC

Modern Slavery Act Transparency Statement

HICL Infrastructure PLC (“HICL” or “the Company”) is a long-term investor in infrastructure.

HICL has a zero-tolerance policy towards slavery, human trafficking and forced labour of any type within its own business or the companies in which HICL holds an investment and their associated supply chains.

HICL’s strategy and purpose

HICL is a closed-ended, UK domiciled investment company which seeks to deliver sustainable income from a diversified portfolio of core infrastructure assets that are vital to communities. The Company has a Sustainability Policy which applies to both new investments and the management of the current portfolio, and this includes a focus on compliance with employment law, health and safety and human rights.

HICL manages its affairs primarily through its Investment Manager, InfraRed Capital Partners Limited (“InfraRed”), who is responsible for assessing and managing the risk to HICL and its stakeholders from Environmental, Social and Governance (“ESG”) issues, including modern slavery and human trafficking.

InfraRed is a signatory to the Principles for Responsible Investment (the “Principles”), 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;
- work together to enhance effectiveness in implementing the Principles; and
- report on activities and progress towards implementing the Principles.

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 transport infrastructure. The assets in HICL’s portfolio are located the UK, Ireland, France, the Netherlands, Germany, Canada and the United States of America.

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 InfraRed. The Board and InfraRed 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 InfraRed 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

InfraRed's Infrastructure Team is responsible for conducting due diligence to review prospective acquisitions against HICL's Sustainability Policy. It takes a systematic approach to this responsibility, highlighting at an early stage any ESG 'red flags' before proceeding to the next stage of the investment process and conducting due diligence in respect of prospective acquisitions, using a form of checklist that includes a focus on labour conditions, and screening contractors and other key counterparties to detect negative publicity and any history of ESG issues. If concerns were to be identified during the initial screening phase of investment due diligence, considerations vary depending on the type of project, but would likely include:

- considering alternative suppliers;
- broadening the scope of due-diligence, including on-the-ground audit; and
- reviewing contractual arrangements to ensure that action can be taken against supply chain participants if they are found to be violating codes of conduct.

In relation to HICL's portfolio of infrastructure investments, InfraRed 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, InfraRed reports directly to the Board and is required to escalate any material breaches of the Sustainability Policy. InfraRed maintains its own sustainability and risk management policies and procedures and conducts staff training as required.

We believe that our suppliers should be working to ensure modern slavery does not occur. This includes our suppliers' subcontractors, who may use temporary and agency employees. If HICL discovered that one of its suppliers was accepting of modern slavery in its business or supply chain, InfraRed would engage with the business to seek to remove such practices from their business and, if necessary, terminate its arrangement with that supplier at the earliest opportunity.

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 InfraRed to monitor actively compliance on the part of the managers of HICL's underlying investments.

InfraRed undertakes an annual ESG survey of HICL's portfolio. For the year ended 31 December 2021, 98% of portfolio companies had a policy associated with the Modern Slavery Act.

The majority of HICL's portfolio companies contract operations and maintenance activities. For the year ended 31 December 2021, 97% of portfolio companies ensure that the requirements of the Modern Slavery Act 2015 in the UK or equivalent legislations in other geographies are actively considered and implemented in the project's supply chain, and 91% of portfolio companies train their staff to ensure that they understand the Act and also undertake audit procedures to ensure that the relevant modern slavery policies are being effectively implemented. 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/2022/Modern-Slavery-and-Human-Trafficking-Statement-March-2022.pdf>
- High Speed 1: <https://highspeed1.co.uk/modern-slavery-act-statements>
- Allenby & Connaught: <https://aspiredefence.co.uk/adsl/modern-slavery-act/>

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 18 May 2022. It will be reviewed again in 2023.

A handwritten signature in dark ink, appearing to read 'Ian Russell', written in a cursive style.

Ian Russell
Chairman
25 May 2022