



Modern Slavery Report

September 2022

Infratil Limited (NZX:IFT, ASX:IFT)

This is the Modern Slavery report made by Infratil Limited for the financial year ended 31 March 2022. It has been prepared pursuant to the requirements of the Australian Modern Slavery Act 2018.

This report was approved by the Infratil Board in September 2022.

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Foreword

The Infratil Board believes that the respect of human rights is an integral part of society and that Modern Slavery, exhibited in any form, should be globally eradicated.

We are pleased to publish our third report on Modern Slavery.

The Board acknowledges the work of the United Nations (“UN”) and accept its standards of achievement for all peoples and nations within the Universal Declaration of Human Rights (“the UN Declaration”). Based on the UN Declaration, we understand that infringements on human rights can occur in many forms and across many countries and industries.

Infratil has a vision to be a leader in sustainable infrastructure investment. A key goal that supports this vision is for Infratil to invest in a manner that has a positive impact on people and communities, while doing so responsibly and in accordance with social standards.

We are committed to understanding modern slavery risks that may arise within each of the industry sectors in which we participate and, on our behalf in its capacity as our Manager, Morrison & Co actively engages with Infratil’s investments to ensure that appropriate steps are taken to mitigate these risks.

In 2020, the Board formalised its views on human rights and modern slavery and our commitments to ensuring that the risk of modern slavery occurring within Infratil’s supply chain is minimised. Our views have not changed.

Our 2022 Modern Slavery Report builds upon our prior two disclosures and provides an overview of our progress made in identifying and addressing Modern Slavery risks within our Portfolio Entities’ supply chains during the reporting period. We have extended our engagement with each of Infratil’s Portfolio Entities, supported by independent research-led insights, to understand the extent to which they are managing this risk in both direct and indirect supply chains.

While there is some variation between each Portfolio Entity’s approach, it is pleasing to report that good progress is being made across the portfolio.



Alison Gerry
Chair



Jason Boyes
Chief Executive

Introduction

This Modern Slavery Report has been prepared pursuant to the Australian Modern Slavery Act 2018 (“the Act”)

Infratil’s third Modern Slavery Report (“**Report**”) describes Infratil, its investment portfolio and its operations, and outlines:

- Infratil’s approach to the identification of risks of Modern Slavery practices occurring within its operations and supply chains, and within its Portfolio Entities.
- The actions taken by Infratil and its manager, Morrison & Co, to assess and address these risks.
- The assessment of the effectiveness of actions to be taken to address Modern Slavery risk.

Definitions

Infratil

Infratil Limited (ARBN 144 728 307), a New Zealand incorporated company which is listed on the New Zealand Stock Exchange (“NZX”) and the Australian Stock Exchange (“ASX”). Infratil has only one direct employee.

Modern Slavery

Describes situations where offenders use coercion, threats or deception to exploit victims and undermine their freedom. Practices that constitute modern slavery can include human trafficking, slavery, servitude, forced labour, debt bondage, forced marriage and child labour.

Morrison & Co or Manager

The day-to-day management of Infratil has been delegated to Morrison & Co.

Morrison & Co is a leading global alternative asset manager with experience across infrastructure and property in both private and listed markets. Morrison & Co’s service offering spans the full spectrum of alternative investment management including research, origination, due diligence, deal/trade execution, debt arranging and capital management, transition management, portfolio management, long-term active asset management and governance.

Morrison & Co’s purpose is to invest wisely in ideas that matter and, in doing so, it aims to create long-term value for its clients, the environment and society. It has been a signatory to the Principles for Responsible Investment (“PRI”) since 2010. Morrison & Co believes that the respect of human rights is an integral part of society, and that human rights infringement, exhibited in any form, should be globally eradicated. It believes that action should be taken globally to minimise the number of people in forms of Modern Slavery and understands that its investments may expose it to indirect breaches of human rights and Modern Slavery.

Portfolio Entity/ies

A business in which Infratil holds an ownership interest. At the end of the FY22 reporting period, the Portfolio Entities included the material investments described in Table 1 below.

Sector	Entity	Location
Renewable Energy	Manawa Energy (formerly Trustpower)	New Zealand
	Longroad Energy	USA
	Gurin Energy	Asia (ex-China and North Korea)
	Galileo	Europe
Digital Infrastructure	CDC Data Centres	Australia & New Zealand
	Kao Data	United Kingdom
	Vodafone	New Zealand
Healthcare	RHC Group (Pacific Radiology, Bay Radiology and Auckland Radiology Group)	New Zealand
	Qscan	Australia
Retirement Living	RetireAustralia	Australia
Airports	Wellington International Airport	New Zealand

Table 1: Infratil's material investments as at 31 March 2022

Reporting period

This report covers Infratil's FY22 period, being 1 April 2021 to 31 March 2022

Tier

The level at which a supplier participates in an organisation's corporate supply chain. A tier 1 supplier is a direct supplier to Infratil or a Portfolio Entity. A tier 2 supplier provides goods or services to a tier 1 supplier, and so on.

About Infratil

Infratil is an infrastructure investment company whose businesses provide services that are critical to the communities in which they operate

Infratil is a publicly owned company, listed on the NZX and the ASX. It was established in 1994. From its initial NZ\$25 million equity base, Infratil has grown to NZ\$9.9 billion of consolidated assets. Infratil's success is based on investing in growth infrastructure and ensuring that its facilities and services efficiently meet the needs of their users and communities. Infratil's investments are focused on four core sectors: renewable energy, digital infrastructure, healthcare and airports.

Corporate Governance

The Board of Directors ("**Board**") is elected by Infratil's shareholders and has overall responsibility for the governance of Infratil, including in relation to Modern Slavery, while the day-to-day management responsibilities for Infratil have been delegated to Morrison & Co.

The primary role of the Board is to approve and monitor the strategic direction of Infratil recommended by Morrison & Co and to add long-term value, having appropriate regard to the interests of all material stakeholders.

The Board has established three standing committees, and other committees may be formed when it is efficient or necessary to facilitate decision-making or when required by law. The standing committees are the Audit and Risk Committee, the Nomination and Remuneration Committee and the Manager Engagement Committee.

The Board is committed to undertaking its role in accordance with internationally accepted best practice, within the context of Infratil's business. Infratil's corporate practices have been prepared with reference to the Financial Markets Authority's Corporate Government Handbook, the requirements of the NZX Listing Rules and the recommendations of the NZX Corporate Governance Code. Infratil's corporate structure, capital allocation and capital sources are described in Figure 1.

Supply Chain

The three key elements of Infratil's supply chain are its Manager, other directly engaged professional service providers and its investments.

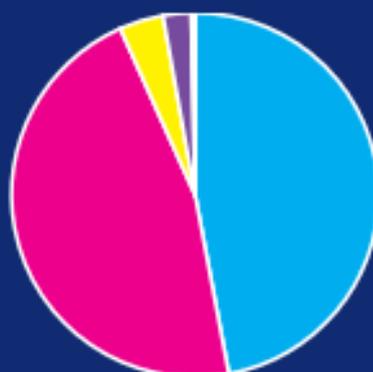
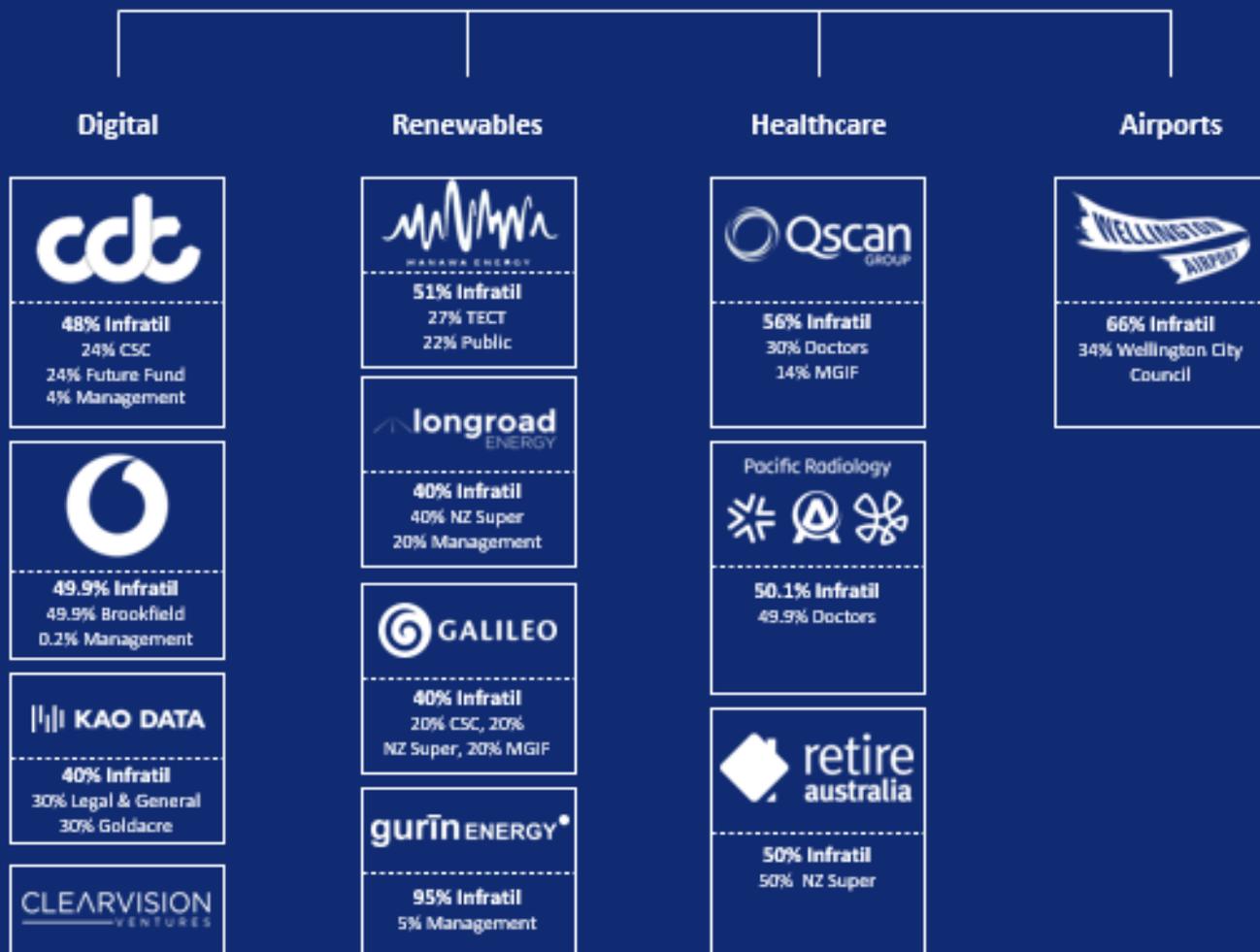
Management services: The day-to-day management of Infratil has been delegated to Morrison & Co under the Management Agreement.

Other professional services: Infratil engages specialists to provide professional services such as funding and financial services, auditing, legal, accounting and taxation advice. Infratil expects, and the Manager engages to assess, that its service providers are appropriately managing their own exposure to Modern Slavery risks.

Investments: Infratil is a long-term investor in publicly and privately owned infrastructure entities ("the Portfolio Entities"). Infratil typically holds majority or significant minority positions in each investment, and Infratil's level of control and influence over the Portfolio Entities varies depending on the level of Infratil's ownership of each business. The Portfolio Entities carry on business in a number of different sectors and geographies and are managed by their own boards of directors and management teams – Infratil does not directly operate any of these businesses. Accordingly, Infratil's activities with respect to the Portfolio Entities focus primarily on Infratil's role and responsibilities as an active owner of those businesses, and the varying level of control and influence which Infratil has in each business. Each Portfolio Entity is ultimately responsible for managing risks in its operations and supply chain, including in relation to Modern Slavery.



Infratil



■ Digital Infrastructure
 ■ Renewables
 ■ Healthcare
 ■ Airports
 ■ Other
 ■ New Zealand
 ■ Australia
 ■ North America
 ■ United Kingdom
 ■ Europe
 ■ Asia

Figure 1: Infratil corporate structure, capital allocation and capital sources, as at 31 March 2022

Approach to Managing Modern Slavery Risk

The Board has defined its expectations for minimising Modern Slavery risk across the Infratil portfolio. It expects that by delivering on these expectations, the likelihood of Modern Slavery occurring within its supply chain will be minimised.

Infratil's Human Rights & Modern Slavery Position Statement describes the commitments that Infratil has made in relation to human rights and Modern Slavery. This Position Statement was reviewed by the Infratil Board in February 2022 and the Board reconfirmed its commitments, which include:

- Understanding and monitoring the materiality of human rights and Modern Slavery risks within each of the sectors that Infratil's Portfolio Entities operate in.
- Seeking to ensure that each Portfolio Entity has assessed and is managing the risk of human rights breaches and Modern Slavery within its supply chain (including sector-based risks that have been identified by the Manager) and is focussed on the measures it can take to assess and mitigate these risks.
- Optimising Infratil's corporate systems and processes and seeking to ensure that Morrison & Co's corporate systems and processes are optimised, to minimise the risk of Infratil being complicit in human rights and Modern Slavery violations.
- Ensuring that Infratil reports in accordance with the Act.
- Supporting Infratil's Portfolio Entities to report in accordance with legislation in the jurisdictions in which they operate, including the Act.

Morrison & Co's sustainability specialists and investment professionals are responsible for understanding and, where feasible, seeking the mitigation of environmental, social and governance risks, including Modern Slavery risk, associated with the operations of Portfolio Entities.

To support the commitment to minimising Modern Slavery risk, Morrison & Co employees underwent online Modern Slavery training in late 2021 to increase their understanding of the risk, and to raise their awareness of where Modern Slavery risks can arise in the operations and supply chains of Portfolio Entities. In addition, the Morrison & Co Sustainability team have specific experience in developing and implementing Modern Slavery and supply chain due diligence programs, which has been readily shared with Portfolio Entities.

Morrison & Co has requested that any occurrences of Modern Slavery identified by Portfolio Entities are reported to the Board of the relevant Portfolio Entity and that such occurrences are reported to Infratil.

Modern Slavery risk mapping

Infratil is committed to understanding the materiality of human rights and Modern Slavery risks within each of the sectors that Infratil's Portfolio Entities operate in.

To inform Infratil's Modern Slavery-related engagements with its supply chain, Infratil has undertaken an annual review of operational activities that occur within each industry sector in which it materially invests or interacts. The aim of the review was to identify the activities being undertaken that are most likely lead to increased risk of occurrences of Modern Slavery.

The 2022 results of the risk mapping process are described in Table 2.

Sector	Sector Traits	Key Risk Areas
Professional services <ul style="list-style-type: none"> • Morrison & Co (Manager) • Share registry services • Lawyers and other consultants • Audit services, funding and financial services and financial advisors 	<p>Professional service sector participants such as companies that provide financial and asset management services are commonly office based. Contractors are engaged to provide facility management services such as cleaning. Suppliers include companies that provide IT equipment and office catering.</p>	<ul style="list-style-type: none"> • Office-related procurement (IT equipment and catering) • Cleaning services
Airports <ul style="list-style-type: none"> • Wellington International Airport 	<p>Airports typically employ a relatively limited direct workforce but engage a multitude of contractors and subcontractors to undertake facility services. Further, there are many tenants on site that may employ their own contractors (aeronautical, retail and commercial). Construction activities occur frequently on site and are often major developments. Directly engaged contractors are considered a key focus to alleviate any Modern Slavery risks from company-controlled operations, followed by tenants and their contractors associated with the airport.</p>	<ul style="list-style-type: none"> • Cleaning, maintenance & security • Construction activities • Human trafficking & detainment
Renewable Energy <ul style="list-style-type: none"> • Manawa Energy • Longroad Energy • Galileo • Gurin Energy 	<p>Organisations associated with the development and operation of utility-scale renewable energy projects and infrastructure are primarily office based with some infield operations required for maintenance and engineering purposes. Contractors are often engaged for any construction or major works and specialist engineering required across the network. Equipment, or key inputs to equipment, may be sourced from countries with an increased risk of Modern Slavery occurrences.</p>	<ul style="list-style-type: none"> • Construction activities • Contracted labour force (Operations & Maintenance) • Equipment, and key inputs to equipment, manufactured offshore
Digital Infrastructure <ul style="list-style-type: none"> • Vodafone • CDC Data Centres • Kao Data 	<p>Organisations operating within the data and connectivity sector are largely office-based. Contractors are regularly engaged to deliver infrastructure-related projects and technology upgrades. Electronics and telecommunication-related systems may be sourced from countries with an increased risk of Modern Slavery occurrences.</p>	<ul style="list-style-type: none"> • Support services procured offshore e.g., data warehousing, customer call centres. • Telecommunications and IT equipment manufactured offshore. • Contracted facility services (i.e., cleaning and security)
Retirement Living <ul style="list-style-type: none"> • RetireAustralia 	<p>Retirement living businesses typically employ head office staff and a small management team at each facility. Contract services are often utilised to fulfil facility related services such as cleaning, catering, gardening and care assistance roles. Residents may also directly engage healthcare professionals and other service providers. Due to the often geographically disparate nature of retirement living communities different service models may exist between facilities. New developments are common.</p>	<ul style="list-style-type: none"> • Contracted facility services (i.e., catering, cleaning and groundskeeping, care staffing). • Construction activities.
Healthcare <ul style="list-style-type: none"> • Qscan • RHC Group (Pacific Radiology, Bay Radiology, Auckland Radiology) 	<p>Diagnostic imaging clinics are typically office-like facilities with multiple enclosed rooms utilised for medical imaging services and to undertake medical procedures and consultations. Administrative and support staff work alongside doctors and diagnostic imaging specialists at each facility. Maintenance and specialist engineering services are required on an ad hoc basis which are often outsourced. Cleaning services for the facilities are also outsourced.</p>	<ul style="list-style-type: none"> • Cleaning & maintenance. • Equipment manufactured offshore. • Support services procured offshore e.g., IT helpdesk, HR & payroll.

Table 2: Results of Modern Slavery risk mapping investigation

This year, in order to further understand Infratil's potential Modern Slavery risks, Morrison & Co engaged an independent supplier risk assessment platform (Fair Supply) which provides detailed supply chain data for the sectors in which Infratil's Portfolio Entities operate. This platform allows an organisation to map its global supply chain risk up to ten tiers, across 190 countries and nearly 16,000 sectors. This information will also allow us to develop more targeted engagement with Portfolio Entities, including a more informed discussion on supply chains beyond tier 1.

This platform demonstrated that Infratil, as well as its Portfolio Entities, all present as low risk for Modern Slavery occurrence. This is due to the assets predominantly being located in Australia, New Zealand, US and the UK – jurisdictions with high standards of governance, as well as the sectors in which the Portfolio Entities operate (i.e., none of Infratil's Portfolio Entities directly operate in high-risk sectors such as mining, electronics manufacturing, agriculture, seafood or textiles). The risk assessment process undertaken by this third-party platform also determined that out of the ten tiers of suppliers mapped, tier 3 had the highest number of 'theoretical slaves', which emphasises the need to undertake due diligence on the supply chain beyond direct suppliers.

Highest risk areas in direct supply chains, as determined by each of the Portfolio Entities, as well as Morrison & Co's risk mapping exercise completed in FY22, align with the findings from the Fair Supply platform.

Supply chain engagement

Infratil is committed to ensuring that its suppliers and Portfolio Entities are adequately assessing and managing the human rights and Modern Slavery risks within their respective operations and supply chains.

Supply chain engagement actions taken by Infratil, or the Manager, are outlined in Table 3 below. Each of the actions are informed by the Modern Slavery risk mapping process outlined above.

Stakeholder(s)	Actions
Professional services – Morrison & Co	<p>Morrison & Co assessed the potential for Modern Slavery occurrences within its corporate supply chain in 2019. The assessment was reviewed in 2020 by the Morrison & Co compliance team to support the integration of Modern Slavery considerations into Morrison & Co's External Service Provider & Outsourcing Policy. Morrison & Co typically undertakes this review annually at the commencement of each calendar year.</p> <p>Morrison & Co periodically undertakes Modern Slavery reviews of its higher risk suppliers and service providers.</p>
Professional services - Other	<p>In the last two years (FY21 and FY22), Infratil expanded its Modern Slavery risk management review into this group of stakeholders. The top three suppliers to Infratil, based on a cost perspective were identified and engaged to determine their understanding of their own risk of Modern Slavery in their supply chains and operations. The professional services companies were re-engaged in FY22, and it was pleasing to report that progress has been made across each of their respective Modern Slavery risk management programmes.</p>
Portfolio Entities	<p>Infratil engaged with the Portfolio Entities at regular periods throughout the year to ascertain how they are identifying, understanding and managing their Modern Slavery risks.</p> <p>Four of Infratil's Portfolio Entities (those based in UK or Australia) are required to submit a Modern Slavery Statement and have their own systems and processes in place to achieve compliance with their respective legislation. Typically, Morrison & Co reviews these Statements before submission.</p> <p>In the case of entities reporting under section 14 of the Act, our approach did not change in FY22.</p>

Table 3: Results of stakeholder engagement on Modern Slavery

Ongoing engagement with the Portfolio Entities on Modern Slavery confirms that they all have programmes in place to undertake supplier due diligence, with a growing number of Portfolio Entities incorporating Modern Slavery into their supplier acquisition and review processes. Each Portfolio Entity has matured in its approach to Modern Slavery risk management compared to FY21, particularly the Australian entities and most New Zealand entities who are, or potentially will be, subject to Modern Slavery legislation.

Three of Infratil's Portfolio Entities also utilised the Fair Supply tool, which highlighted their sector-specific risks through to the tenth tier of their respective supply chains; others have engaged with legal or other consultants for professional advice or review of their approach.

During the engagement process with the Portfolio Entities new to Infratil in FY22, the discussions focused on describing Infratil's expectations on Modern Slavery risk management and establishing a timeline for developing their own Modern Slavery risk management programmes. Morrison & Co, on behalf Infratil, will assist the new Portfolio Entities in their approach over the course of the next twelve months.

The outcomes of the Fair Supply assessment also shaped the FY22 engagement with Infratil's Portfolio Entities in that it prompted a discussion about tier 2 (and beyond) suppliers. Despite the awareness on indirect supply chain, current efforts are still mostly focused on direct supply chain connections. This reflects the complexity inherent to supply chain due diligence as well as the Portfolio Entities' ongoing refinement of their respective Modern Slavery risk management programmes.

Engagement with indirect (tier 2 and 3) supply chain connections will be a focus for future supply chain due diligence and a key requirement for future Modern Slavery reports. Infratil, through its Manager, will encourage Portfolio Entities to map their extended supply chains and have a systemic approach to risk assessments, supplier engagement and risk management.

While the engagement process undertaken by Morrison & Co on behalf of Infratil determined that there are some inconsistencies between Portfolio Entities in their approach to the management and monitoring of Modern Slavery risks, it did not identify any actual or potential occurrences of Modern Slavery.

Infratil is committed to undertaking comprehensive ESG due diligence when seeking to acquire new investments, and human rights and Modern Slavery are key elements of this process. The due diligence process seeks to determine the extent to which the potential for human rights and Modern Slavery risks exist, together with the existence of policies and procedures that are in place to ensure that Modern Slavery and human rights breaches within the target entity and its supply chain are avoided.

Assessing the Effectiveness of Infratil's Approach

Infratil is committed to applying a disciplined, ongoing focus on the identification, monitoring and management of Modern Slavery risk to ensure the effectiveness of its actions.

The use of independent, data-driven software in FY22 has enabled Morrison & Co to further its understanding of Modern Slavery risks in Infratil and its Portfolio Entities and across their supply chains.

To date, Infratil has not identified any actual or potential cases of Modern Slavery within its direct operations. However, as is typical of most large organisations with global operations, Infratil's global supply chain is complex.

Morrison & Co acknowledges that the identification of Modern Slavery risk will require ongoing focus and attention. Regular engagement by Morrison & Co with each of the Portfolio Entities on their approach to Modern Slavery risk management will help ensure that Morrison & Co, and Infratil, are across any potential incidents if they occur. It is understood that the risk of Modern Slavery is higher in the indirect supply chains, accordingly the mapping of each Portfolio Entity's supply chain (tier 1 and beyond) will be encouraged.

If an actual or potential incident of Modern Slavery is identified within Infratil's supply chain, it would be treated in a similar manner to a material environmental or health and safety incident, namely, key stakeholders would be notified, remedial measures implemented (subject to Infratil's level of control) and the incident response tracked to closure. Any Modern Slavery occurrences that are identified would be recorded in Infratil's incident register and reviewed to ascertain any learnings that would support further improvements to risk management systems. Infratil has not formalised a remediation policy for Modern Slavery incidents at present.

The Board is committed to reviewing the effectiveness of the requirements of its Human Rights and Modern Slavery Position Statement on an annual basis and reporting in line with the Act. Infratil is also committed to periodically reviewing Modern Slavery risks within its portfolio to ensure its position remains current.

Infratil and Morrison & Co are committed to continuous improvement in corporate systems and processes (e.g., enterprise risk management) to minimise the risk of Infratil being complicit in Modern Slavery violations.



Managed by HRL Morrison & Co