

A photograph of a wind turbine in a field at sunset. The sky is a mix of purple, pink, and orange. The turbine is white and stands on a hill. Other turbines are visible in the distance.

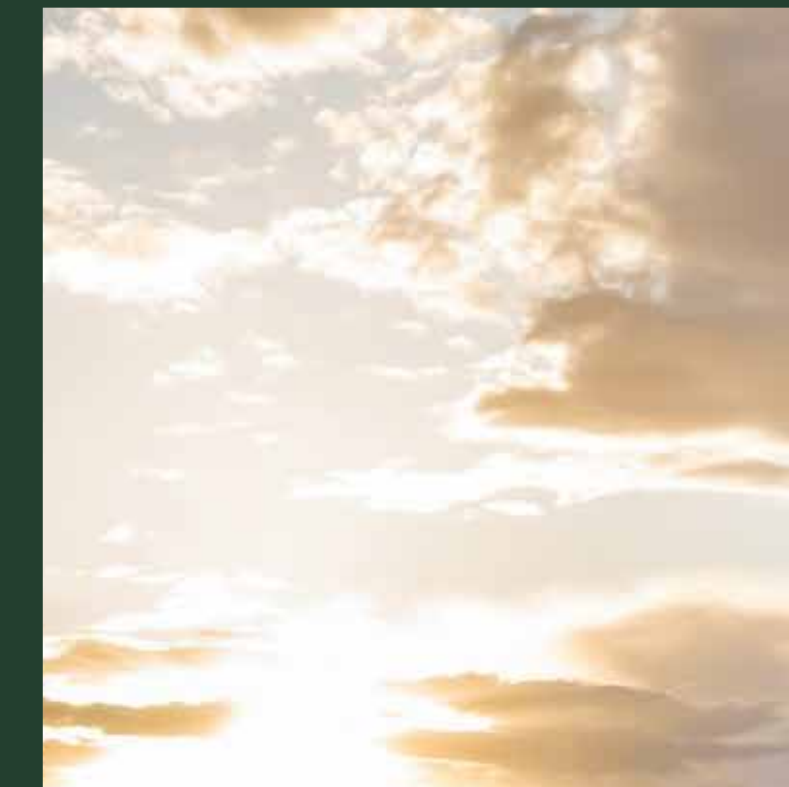
QIC

QIC Infrastructure Sustainability Report

2022



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QIC respectfully acknowledges the Traditional Owners and Custodians of Country throughout Australia and recognises their continuing connection to land, water and community. We pay our respects to Elders past, present and emerging.



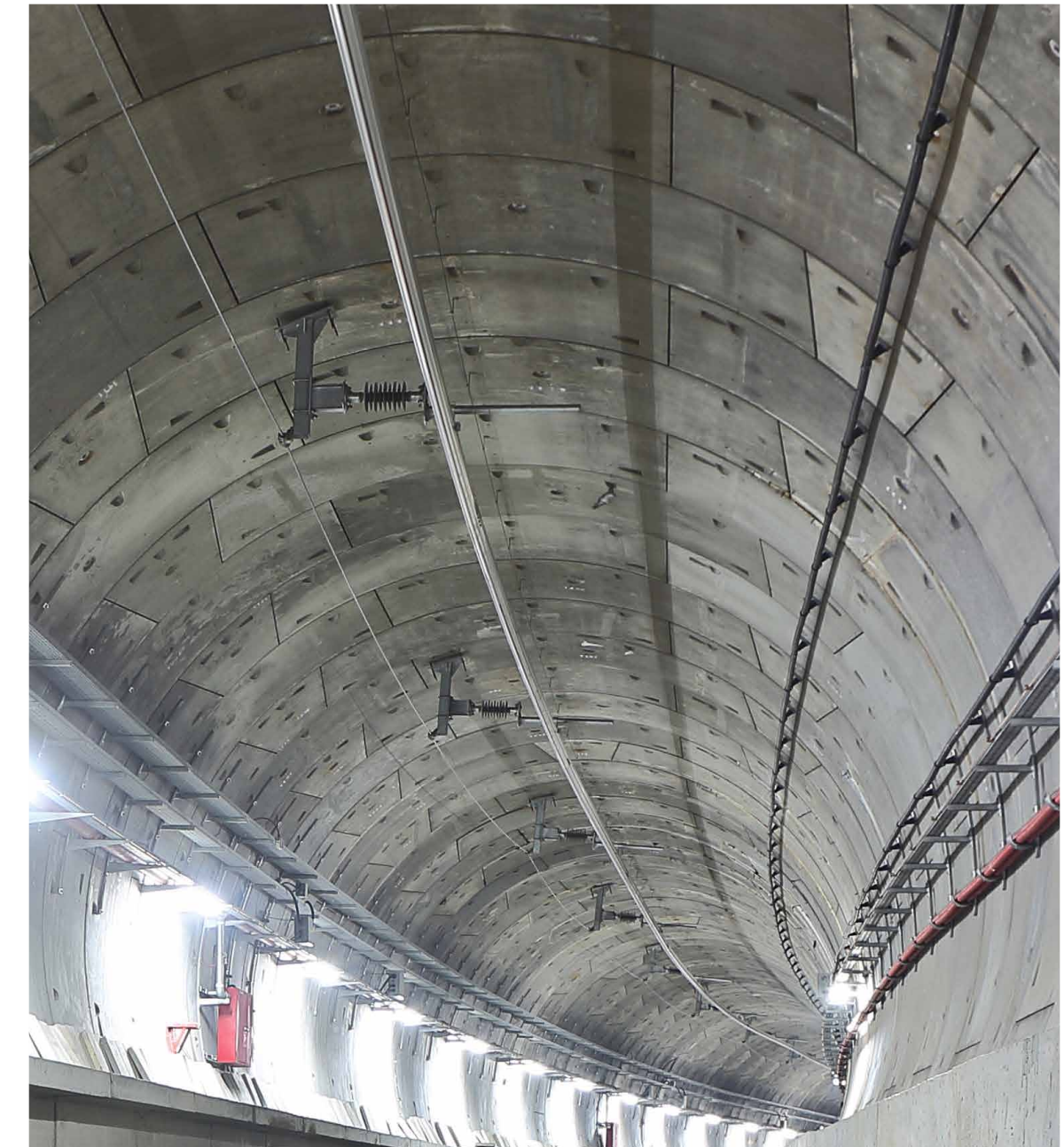
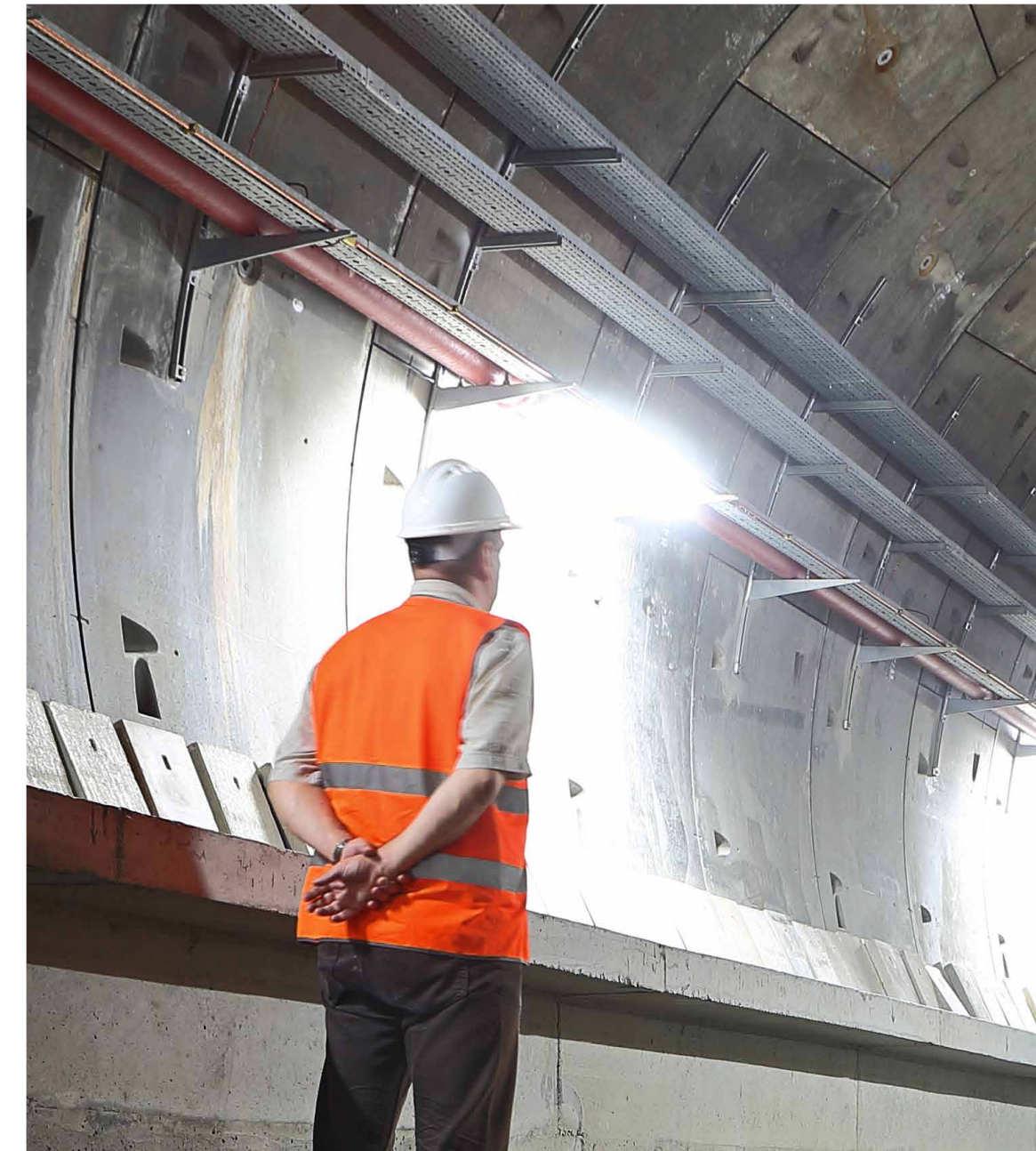
This report is produced annually and covers our material governance, environmental and social activities during the period from 1 January to 31 December 2021 (unless noted otherwise). This report should be read in conjunction with the QIC Sustainability Report, QIC Taskforce for Climate Related Financial Disclosure Report and Modern Slavery Statement.





1. Introduction

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INFRASTRUCTURE
SUSTAINABILITY REPORT 2022



As a responsible, long-term investment manager, we are cognisant of the critical role infrastructure plays in society. As such, it is vitally important that we pay close attention to the rapidly evolving needs of the communities in which we operate.

A key focus for our team is to deepen our understanding of the implications of, and contribution to, climate transition for the infrastructure assets we manage, the communities in which they operate, and for people globally in the coming decades. Beyond the obvious physical risks from severe weather events and chronic climate change, we expect significant changes to market dynamics, capital and finance access, and regulation.

By understanding the risks and considerations that are likely to emerge from climate-related factors, we can position our assets and portfolios to prioritise appropriate action, ensure they are well positioned to be future-proofed and capture opportunities as they emerge.

This transition will extend well beyond infrastructure assets themselves. The amount of change likely to be experienced as a society is exponential — a huge amount of transformation will be required to reach the ambitious goals being set globally to meet key climate-related targets, including significant investment in new infrastructure.

For example, modelling by the Princeton University Net Zero America Report shows that for the US to meet its net zero emission targets around 590,000sq km (or 227,800sq miles) would need to be covered in turbines and panels — around a tenth of all the land in the contiguous US¹. The scale and pace of the change will impact people, communities, industries and our way of life. It is critical that people are considered, consulted and brought on the journey through this change, ensuring a 'just transition' for all.

In this context, stakeholder engagement and working closely with the communities in which we operate will be vital to ensure we are growing and changing with them. Our approach as an active asset manager places us at the centre of this change.

Central to these transitions will be the people in our business and the businesses we manage. Ensuring the diversity and capability of boards and management teams is a key responsibility. At QIC this is where we focus, and supporting these management teams is key to achieving our objectives.

By putting people at the centre of our plans in this evolving world, we're ensuring that we're investing responsibly on behalf of our clients and supporting businesses that will contribute to building vibrant and prosperous communities.

Ross Israel,
Head of Global Infrastructure



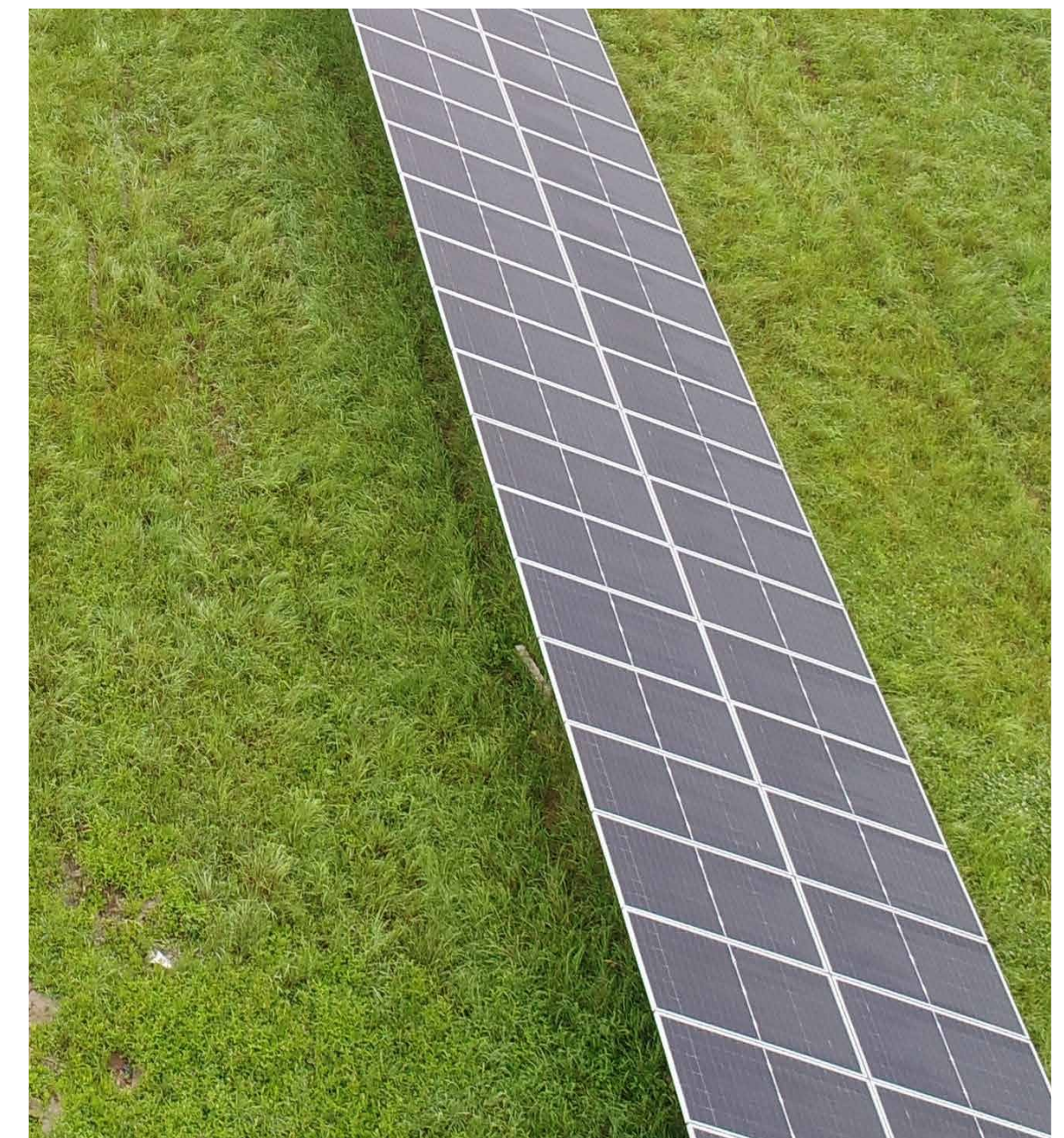
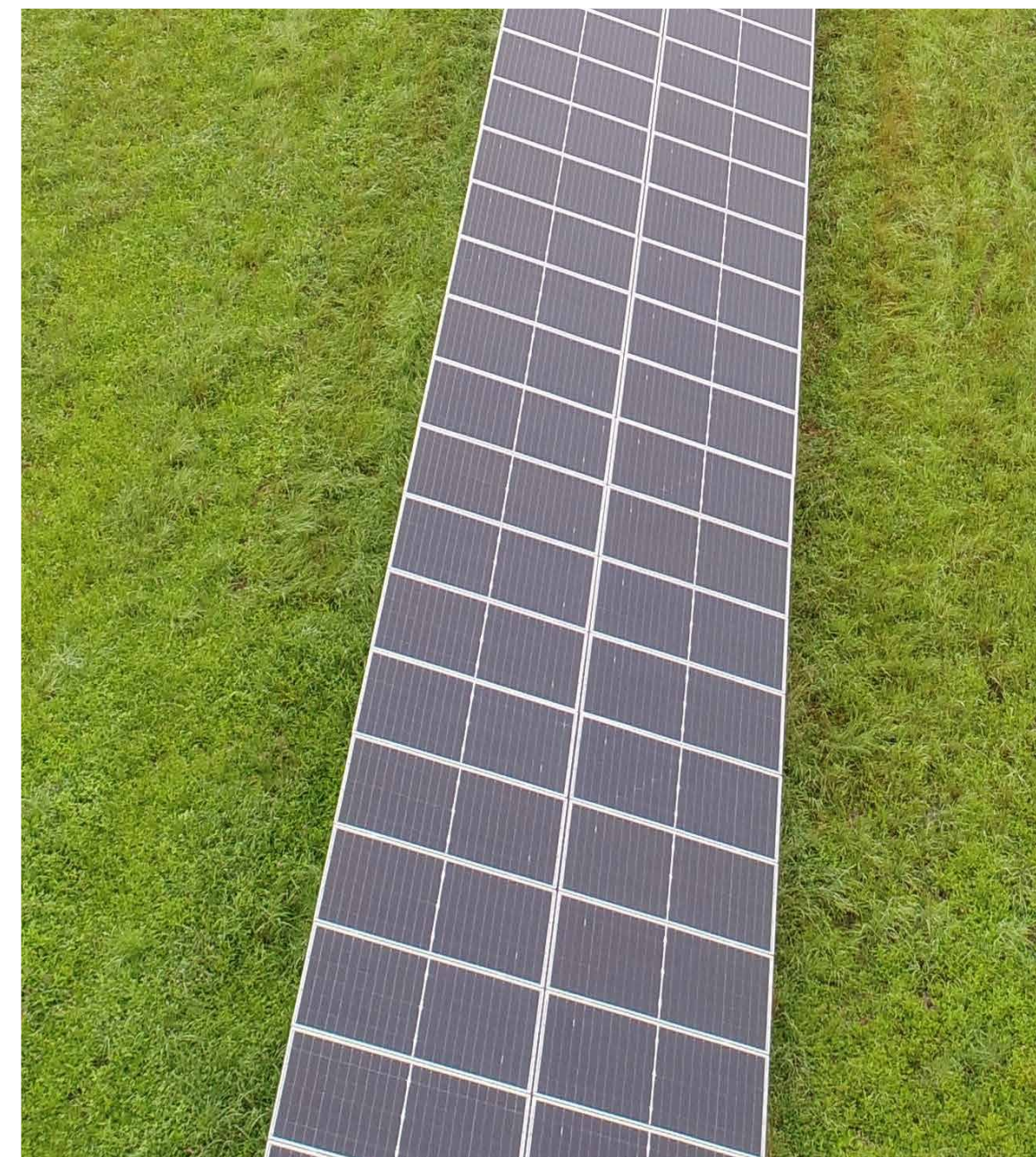
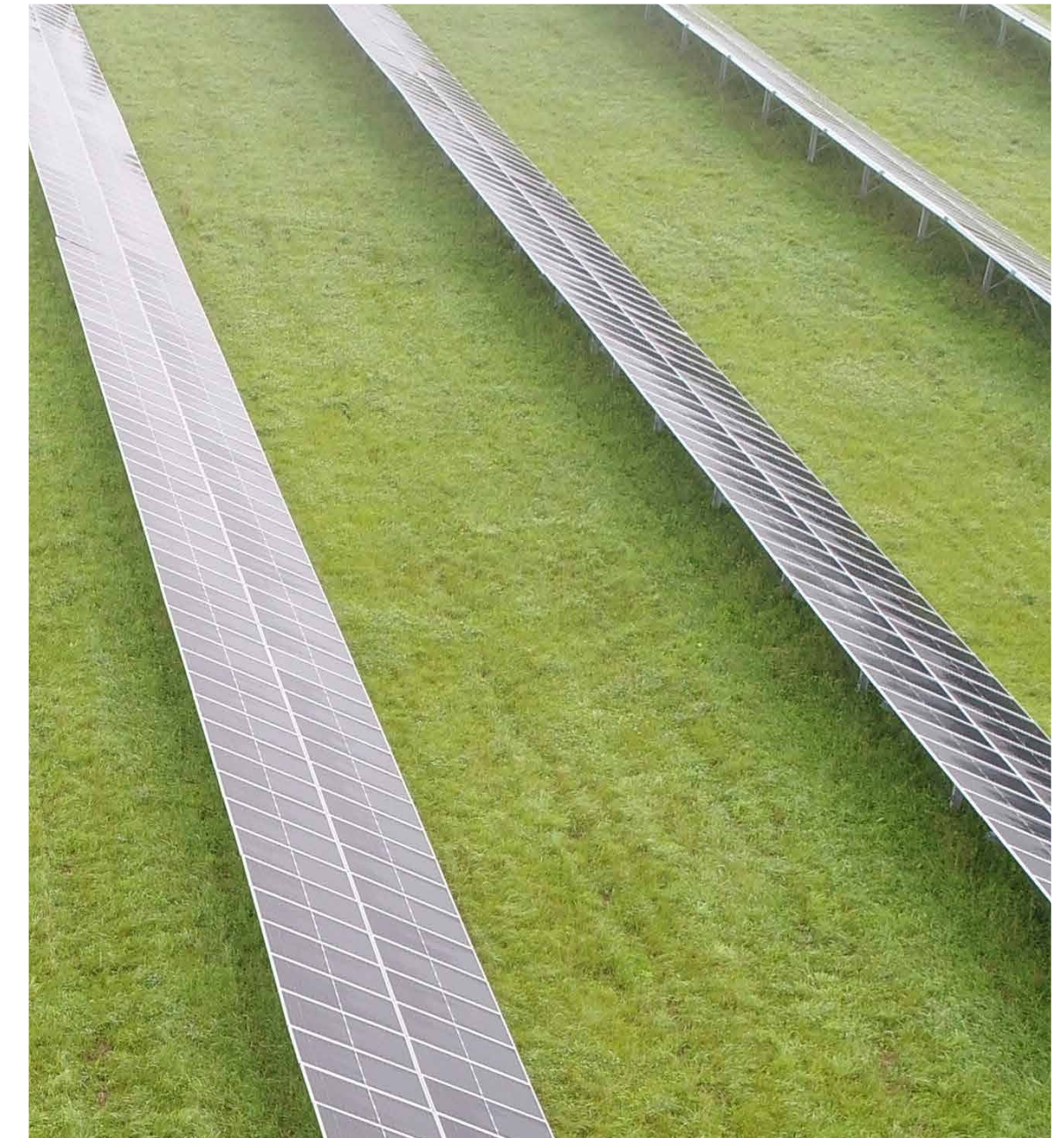
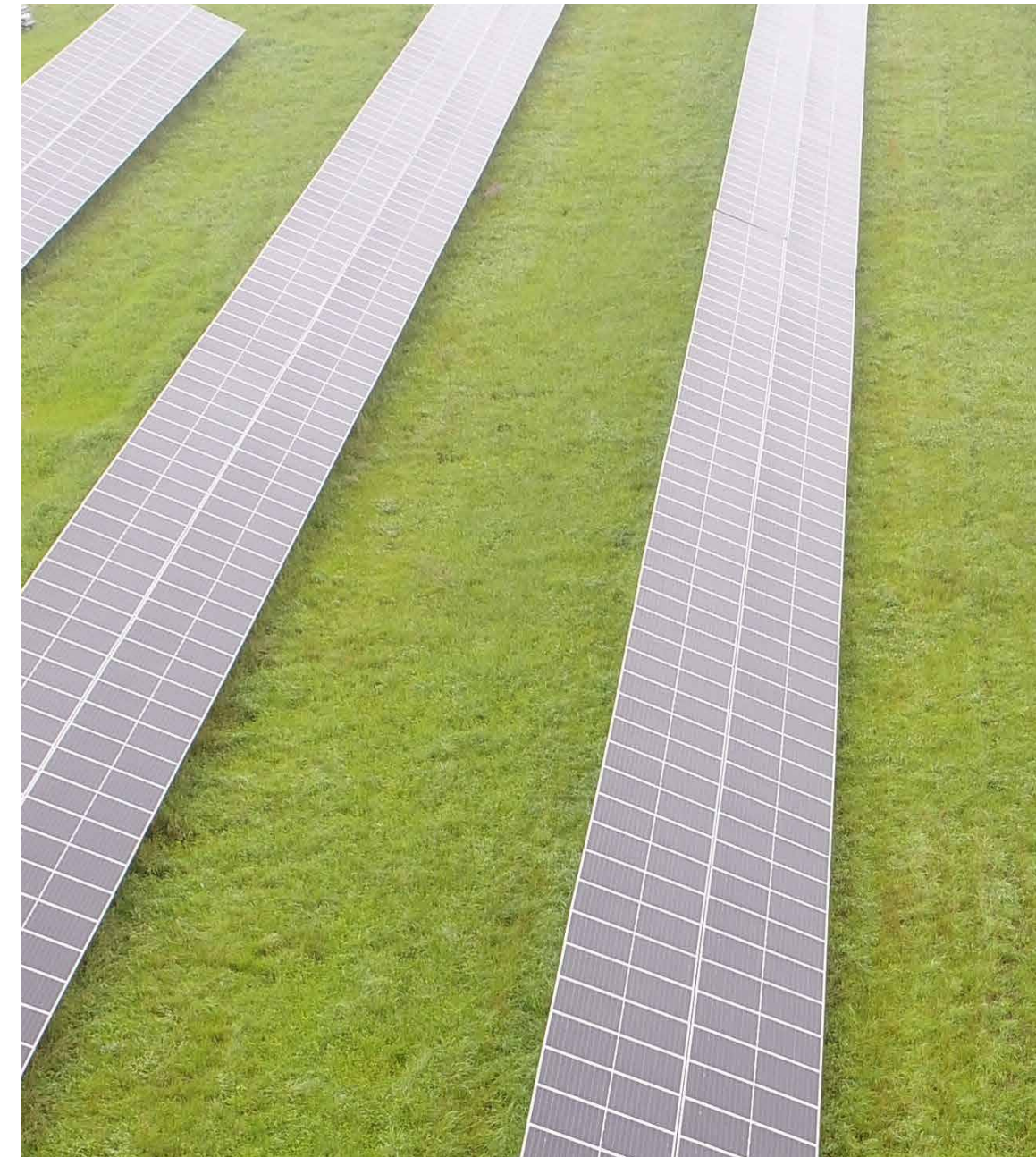
The amount of change likely to be experienced as a society is exponential — a huge amount of transformation will be required to reach the ambitious goals being set globally to meet key climate-related targets, including significant investment in new infrastructure.

¹ The race to zero: can America reach net-zero emissions by 2050?, The Guardian, 15 March 2021



2. Our 2021 Highlights

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Our 2021 Highlights



**A\$4 billion
new investments**

A\$4 billion in investments originated by QIC Infrastructure which can be leveraged to support the transition to a low-carbon economy, including:

- The acquisition of Tilt Renewables together with our investment in PowAR (Powering Australian Renewables), further strengthened its position as Australia's largest renewable energy generation platform²
- Follow-on investment in US decentralised sustainable infrastructure platform Generate
- The acquisition of CenTrio, the largest pure-play district energy platform in the US.

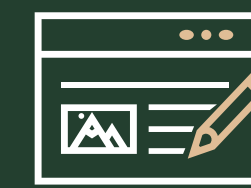


**Net zero
commitment**

Formalisation of a net zero emissions commitment for the two pooled infrastructure funds QIC manages on behalf of its clients, incorporating three dimensions³:

- At least a 50 per cent reduction in Scope 1 and 2 carbon emissions by 2030
- Net Zero Emissions (NZE) for Scope 1 and 2 across both portfolios by 2040
- Active contribution to our assets' broader industry net zero ambitions (e.g. Scope 3).

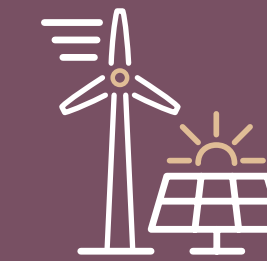
For more information on our net zero commitment, please see page 29 and page 44.



**Sustainability
thought leadership**

Publication of two sustainability-focused QIC Red Papers:

- [Gathering Pace: Infrastructure Opportunities in the Hydrogen Economy](#)
- [Navigating Climate Transition: A Guide for Infrastructure Investors.](#)



**Increased renewable
generation**

Significant increase in renewable energy generation with a 31.6 per cent increase up from 2,467GWh to 3,420GWh.

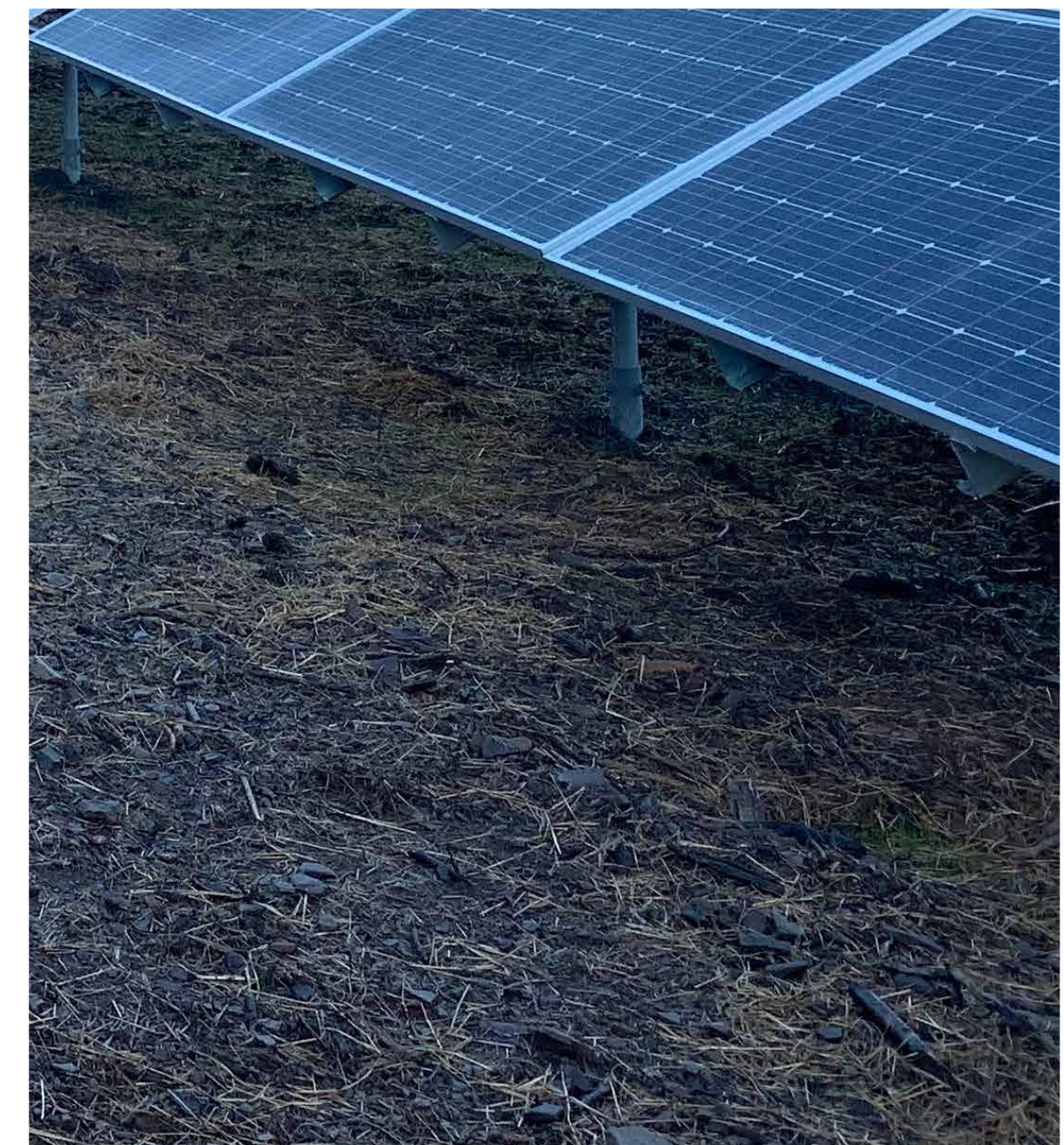
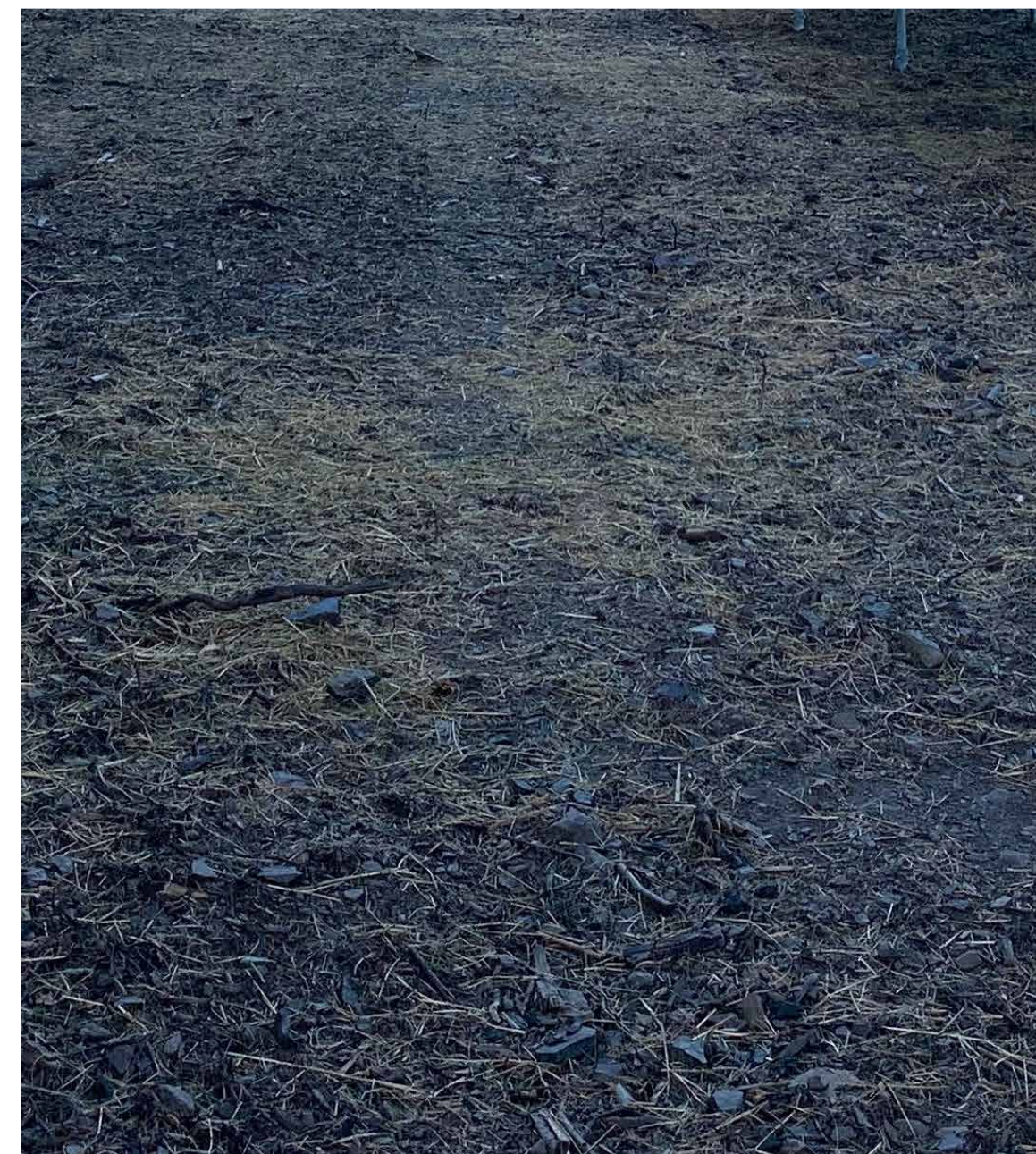
² Source: Australian Energy Infrastructure Commissioner 2021 Ecogeneration maps for wind and solar

³ Net zero emission (NZE) target includes a 50% reduction in Scope 1 & 2 emissions by 2030 from a 2020 baseline, applied to the equity share of emissions for assets in our pooled infrastructure funds. The NZE target model relies on and may change depending on the adoption of new technology, operational improvements, growth or reduction in business activity, availability of equity and the potential new investment/divestment of businesses in the portfolio. Our progress will be quantified using independent verification and regular Scope 1 & 2 emissions tracking metrics.



3. About Us

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About Us

3.1 About QIC

QIC is a long-term specialist manager in alternatives offering infrastructure, real estate, private capital, liquid strategies and multi-asset investments. It is one of the largest institutional investment managers in Australia, with A\$101bn (US\$73bn) in funds under management.

QIC has over 800 employees and serves more than 115 clients. Headquartered in Brisbane, Australia, QIC also has offices in Sydney, Melbourne, New York, San Francisco and London.

3.2 About QIC Infrastructure

QIC is a long-term infrastructure investor with an established global platform, an active management approach and a proven, 15-year track record. With a global team of more than 67 professionals across five offices, QIC Infrastructure manages in excess of A\$27bn across 21 global direct investments and has realised in excess of A\$13bn back to its clients. Its thematic, sector-centric investment strategy deconstructs risk across sector value chains identifying relative value for investment across market cycles. This drives a targeted origination approach, enabling the firm to build diversified portfolios for our clients.

3.3 Our sustainability principles

At QIC we view sustainability as operating responsibly and creating value for all of QIC's stakeholders, through the range of complex opportunities and risks we face today and into the future.

Our approach recognises that Environment, Sustainability and Governance (ESG) factors have a long-term, material impact on the companies in which we invest. This is particularly relevant in infrastructure given the typical long duration of the assets in which investments are made.

We understand that companies need to be agile to rapid changes in this area and demonstrate the benefits and impacts their operations have to their employees, customers, community, the planet, and the economy.

We believe that embedding sustainability considerations leads to more informed investment decisions, positive and enduring returns to shareholders, and better outcomes for our society and the environment. In order to maximise outcomes for our clients, these factors are considered across our investment process.

The UN's Sustainable Development Goals (SDGs) are a key reference point in our approach to sustainability.

Ensuring our portfolio companies are positively contributing to the global goals will create growth opportunities, as well as ensuring their business models are 'future aligned' and more likely to have the support of their employees, customers, and broader community.

Our guiding sustainability principles for infrastructure are:

1.

We develop pragmatic, 'fit for purpose' solutions that balance delivering stable returns with the interest of key stakeholders on environmental, social and governance issues.

2.

We have a forward-looking, long-term perspective that identifies short-term sustainability factors as well as emerging risks and opportunities.

3.

Infrastructure assets are privileged assets, and good stewardship of essential service assets is critical to building credible social licence.

4.

Sustainability performance is an evolution of continuous improvement, driven through our active asset management approach.

5.

We believe sustainable and resilient businesses can make a positive difference to the lives of the people who work, utilise the services and live in the community in which the business is located.

3.4 Our global footprint

We understand the critical role our infrastructure portfolio plays in the prosperity of society today and into the future.



A\$26.7b
FUM
↑ from A\$14.5b in 2020



21
investments globally
↑ from 19 in 2020



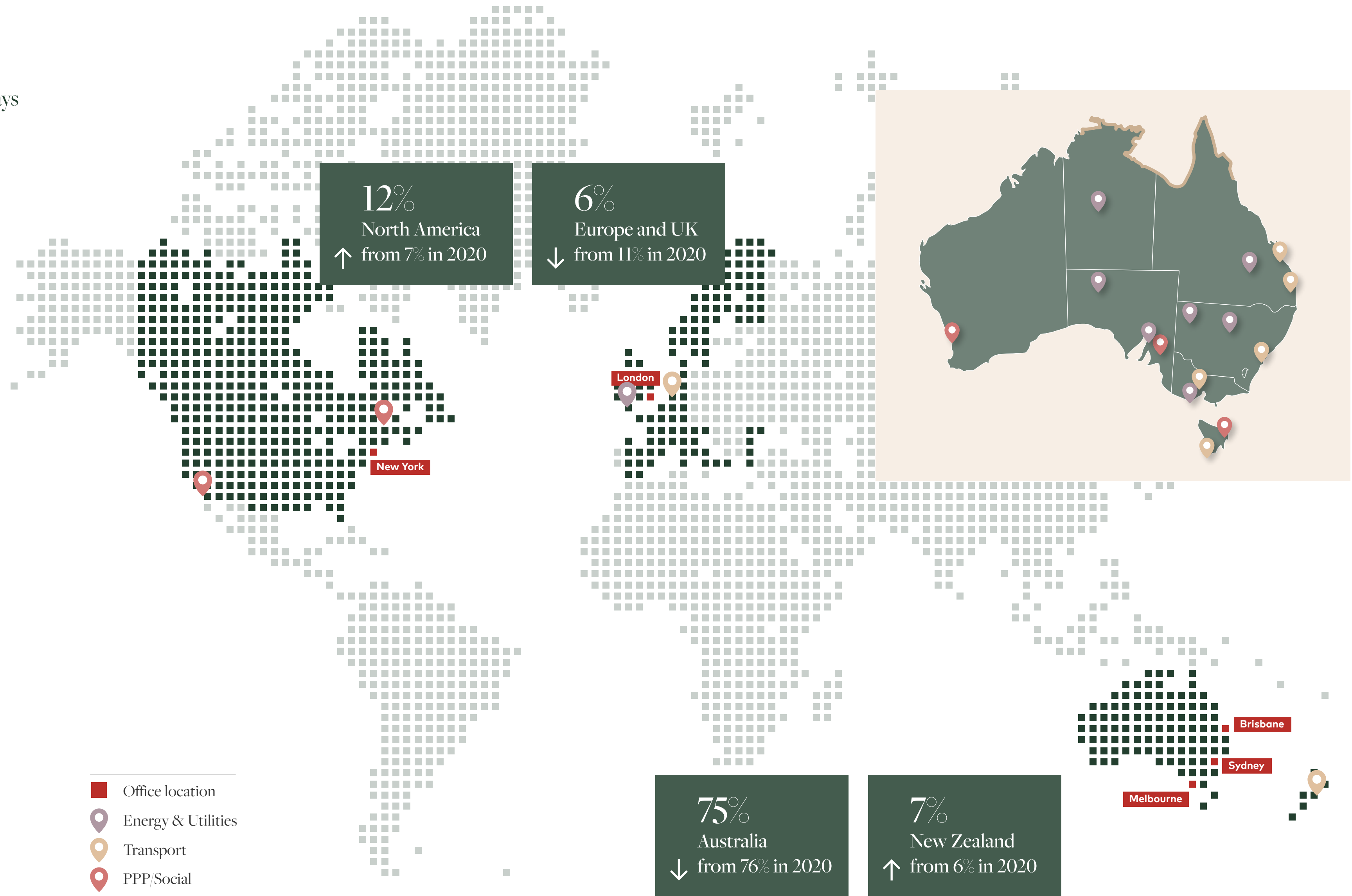
14.4%
Annualised net IRR
↑ from 14% in 2020



A\$12.9b
Realised for clients
↑ from A\$12.1b in 2020

Quick Facts

5.0TWh electricity generated	↑ from 3.9TWh in 2020
620,000 homes renewably powered	↑ from 450,000 in 2020
10m customers supplied with water	= to 2020
19m passengers through our airports	↑ from 15m in 2020
4.8m TEU through our ports	↑ from 4.3m in 2020
2.4m road users through our toll roads	↑ from 2.2m in 2020
70,000+ car parks	= to 2020
Up to 300 procedures per day	= to 2020
480 researchers & investigators	In our medical facilities



⁴ Excludes Evolution Healthcare, which was under binding agreement for acquisition at 31 December 2021, and reached financial close on 30 June 2022

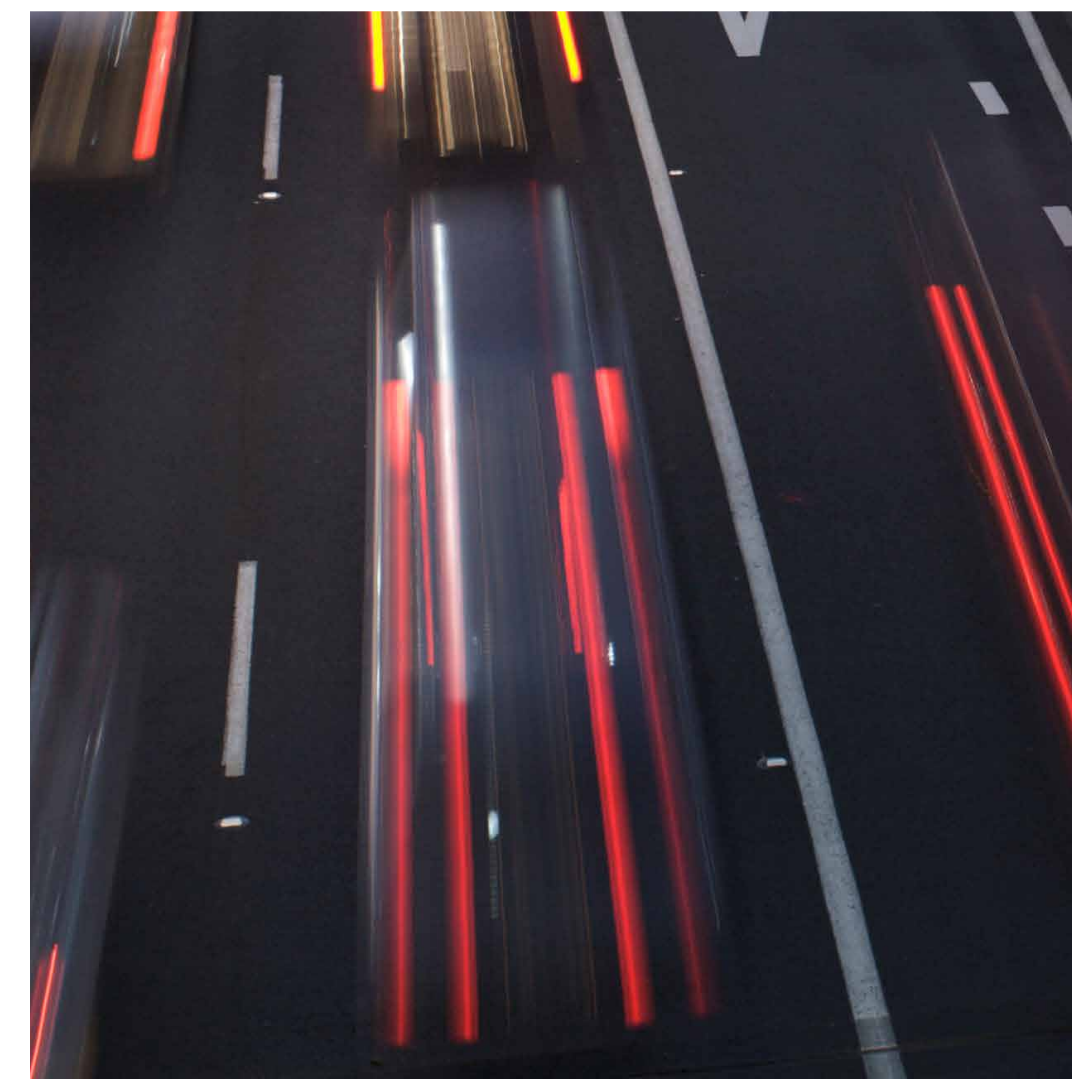
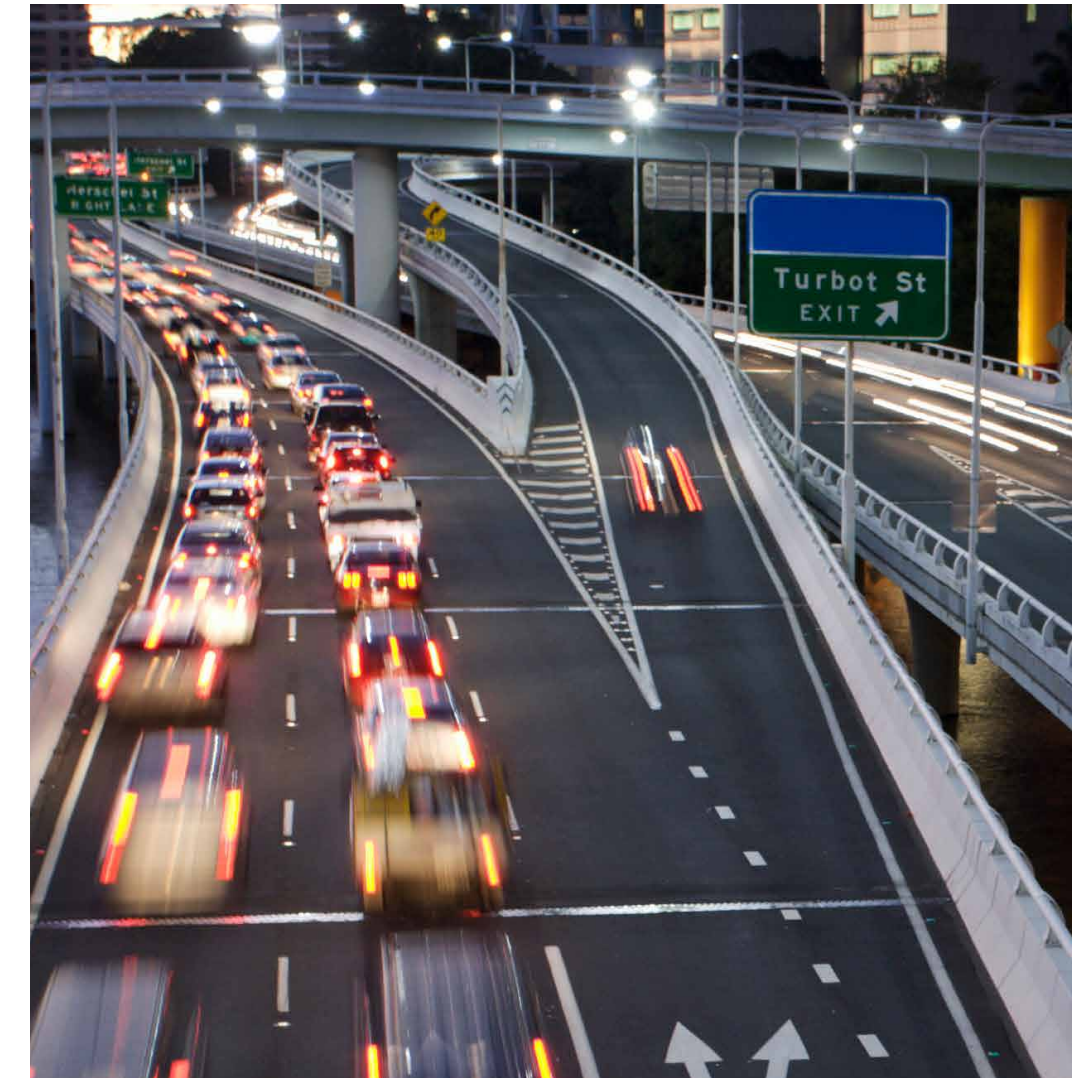
3.5 Business update

In 2021 we continued our focus on growing our team and ensuring diversity and inclusion.

The QIC Infrastructure team grew by 13 investment professionals over the year, and we also welcomed three new non-executive directors in 2021. The team is continuing to expand in light of growth in the infrastructure portfolio and additional asset management responsibilities flowing from new investments. Key appointments included Peggy Smyth in the new role of Senior Advisor for our US team. Peggy is working across QIC's North American infrastructure investment team on investment strategy and asset management.

At QIC our respect for diversity, inclusion and strong governance is embedded in the way we operate. We champion equality in gender, culture and linguistics, accessibility, reconciliation action, LGBT+ and wellness to ensure QIC is a workplace where people feel valued, happy, healthy, and encouraged.

Within the Infrastructure team we continue to measure and actively promote diversity of our people and the independent directors we work with. Our current team speaks 19 languages and has a gender split of 36 per cent female and 64 per cent male.



At QIC our respect for diversity, inclusion and strong governance is embedded in the way we operate.

3.6 Clients and performance

Despite the continued instability in the global economy due to the ongoing COVID-19 pandemic, as well as rising inflation primarily driven by supply chain issues, QIC's infrastructure capability delivered robust growth and performance in 2021.

The QIC Infrastructure portfolio funds under management grew significantly to A\$27bn (as at 31 December 2021) from A\$14bn (as at 31 December 2020) – driven primarily by a combination of improving asset values and a number of significant acquisitions and investments over the year.

We completed several significant acquisitions and investments, with key business highlights for 2021 including:

- A\$2 billion in investment deployed in the US, with:
 - a follow-on investment in our sustainable decentralised infrastructure platform, Generate, with QIC acting as Lead Investor for their US\$2 billion capital raise
 - financial close on the acquisition of CenTrio (formally Enwave Energy US), the largest pure-play district energy platform in the US, alongside investment partner Ullico.

- In Australia, QIC portfolio company PowAR (Powering Australian Renewables) reached financial close of the acquisition of the Australian assets of Tilt Renewables, significantly strengthening its position as Australia's leading renewable generation platform. In parallel, Final Investment Decision was successfully reached on the Rye Park Wind Farm, a high-quality 396MW development located north of Yass in New South Wales which, once completed, will be the largest wind farm in NSW. PowAR has subsequently rebranded to be Tilt Renewables, and now has more than 1,300MW of operational renewable energy capacity across nine geographically diverse wind and solar generation assets, in addition to a high-quality development pipeline of over 3,500MW in capacity.
- Financial close was reached on the transfer of the A\$7.8 billion Queensland Titles Registry (now Titles Queensland) into the Queensland Future Fund.
- In New Zealand, QIC Infrastructure on behalf of the QIC Global Infrastructure Fund (QGIF) and Sunsuper, entered into a binding agreement to acquire a majority interest in Evolution Healthcare ("Evolution"), an established diversified healthcare platform in New Zealand which consists of 10 day and short stay hospitals, and ancillary healthcare facilities.

During the year we announced the final close of the extension of the QIC Global Infrastructure Fund (QGIF), successfully hitting its hard cap of A\$1 billion within a seven-month period. The majority of commitments were received from existing QGIF investors, reinforcing their support for the Fund's investment strategy and team. QIC was also pleased to welcome two new investors into the Fund as part of the extension fund.

We continued to actively keep our clients informed throughout the year about their investments via virtual meetings and webinars. We successfully held our second annual client conference virtually in 2021. It went across three days with 44 speakers and 29 video presentations, catering for virtual attendees across six countries.

3.7 Our assets

TRANSPORT ASSETS

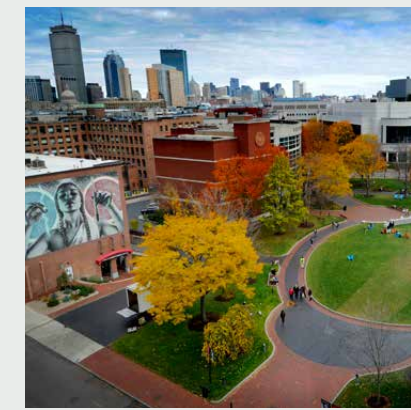


Brussels Airport

QIC Interest: 15.8%

2019

Belgium

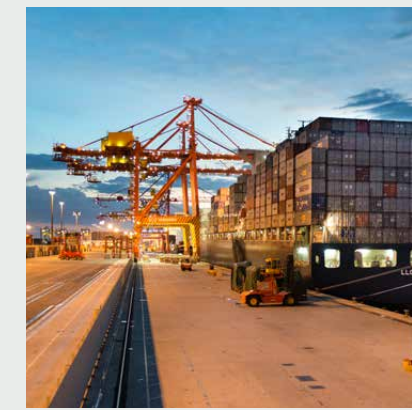


MasParc & Mobility

QIC Interest: 100.0%

2018

United States



Port of Brisbane

QIC Interest: 26.7%

2010

Australia



Hobart Airport

QIC Interest: 35.0%

2019

Australia

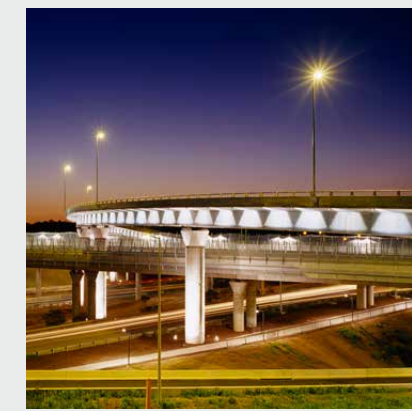


Port of Melbourne

QIC Interest: 40.01%

2016

Australia



Northwestern Roads Group

QIC Interest: 25.0%⁶

2009

Australia



Sea Swift

QIC Interest: 100.0%

2019

Australia



CampusParc

QIC Interest: 100.0%

2012

United States



Brisbane Airport

QIC Interest: 25.0%

2007

Australia



QIC Infrastructure manages in excess of A\$27bn across 21 global direct investments⁵.

⁵ Excludes Evolution Healthcare, which was under binding agreement for acquisition at 31 December 2021, and reached financial close on 30 June 2022.

⁶ Includes Westlink M7 and NorthConnex. Does not include indirect investments.

ENERGY & UTILITIES ASSETS



CenTrio

QIC Interest: 75.0%

2021

United States

NEW ASSET
IN 2021



Generate

QIC Interest: 21.3%

2019

United States

FOLLOW-ON
INVESTMENT
IN 2021



Pacific Energy

QIC Interest: 100.0%

2019

Australia



Tilt Renewables

QIC Interest: 80.0%

2016

Australia

BOLT-ON
ACQUISITION
IN 2021



Lochard Energy

QIC Interest: 50.0%

2015

Australia



Epic Energy
South Australia

QIC Interest: 100.0%

2013

Australia



Powerco

QIC Interest: 58.0%

2009

New Zealand



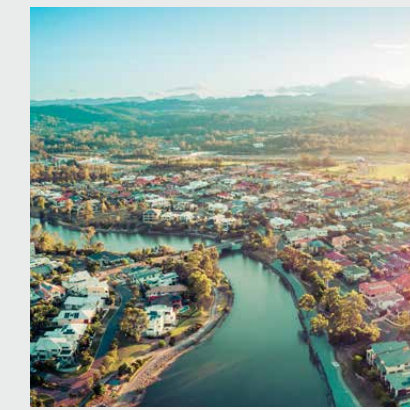
Thames Water

QIC Interest: 5.4%

2006

United Kingdom

PPP/SOCIAL/GOVERNMENT ASSETS



Titles Queensland

QIC Interest: 100.0%

2021

Australia

NEW ASSET
IN 2021

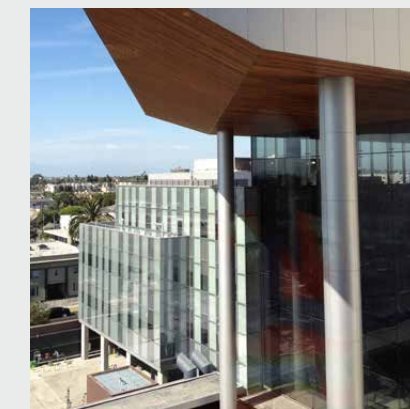


Nexus Hospitals

QIC Interest: 74.6%

2019

Australia

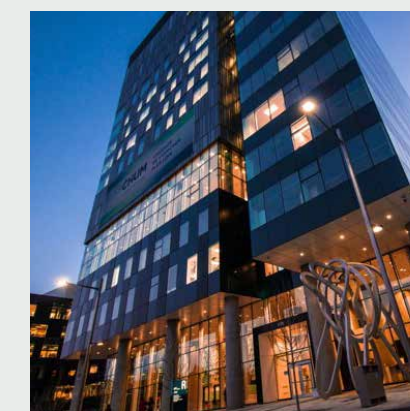


Long Beach
Court House

QIC Interest: 40.0%

2012

United States

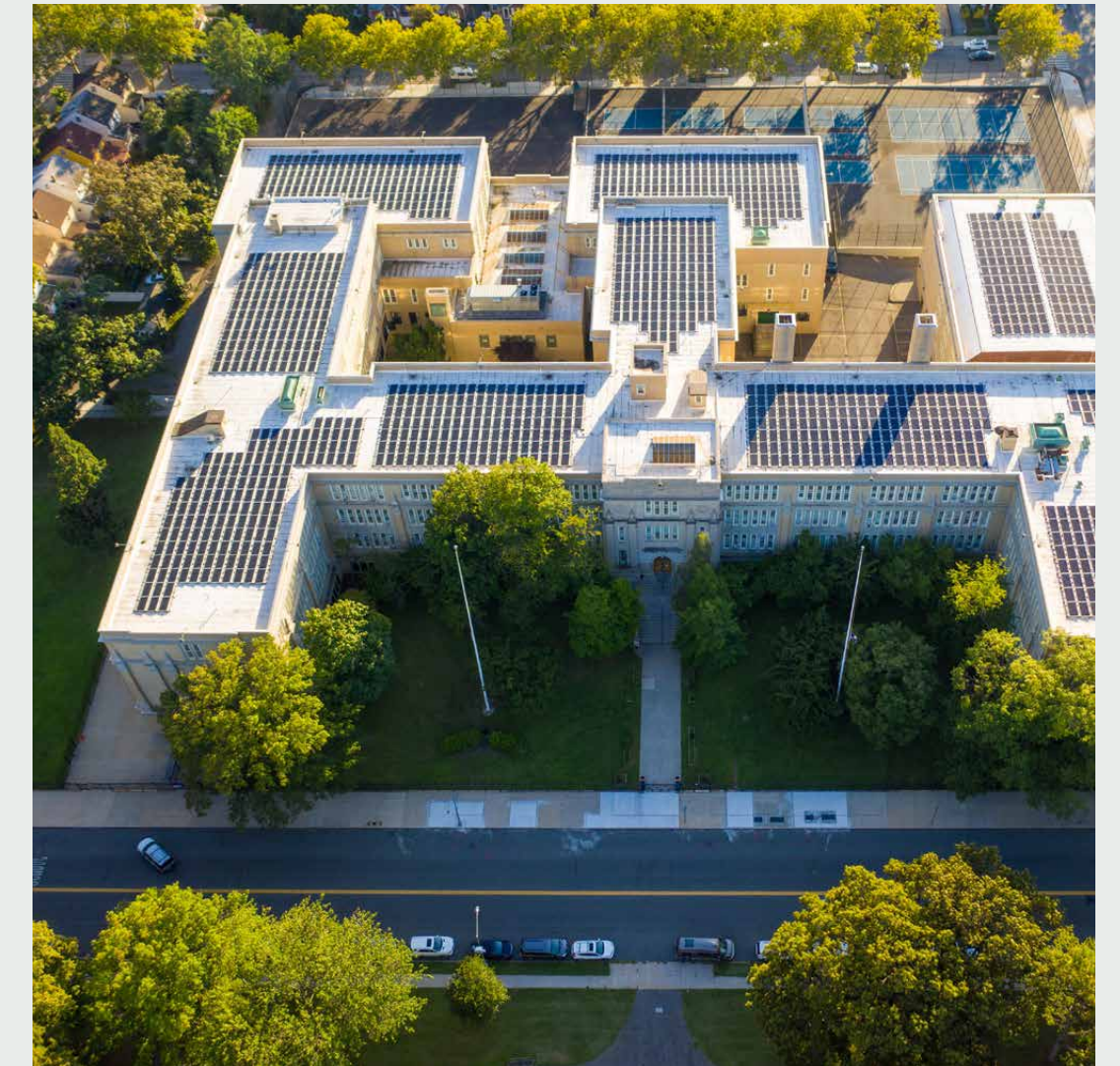


Canadian Medical
Research Facility

QIC Interest: 19.6%

2012

Canada



2021 saw the QIC Infrastructure portfolio grow significantly — driven primarily by a combination of improving asset values and a number of significant acquisitions and investments over the year.

⁷ Excludes Evolution Healthcare, which was under binding agreement for acquisition at 31 December 2021, and reached financial close on 30 June 2022.



4. Data Summary

INFRASTRUCTURE
SUSTAINABILITY REPORT 2022

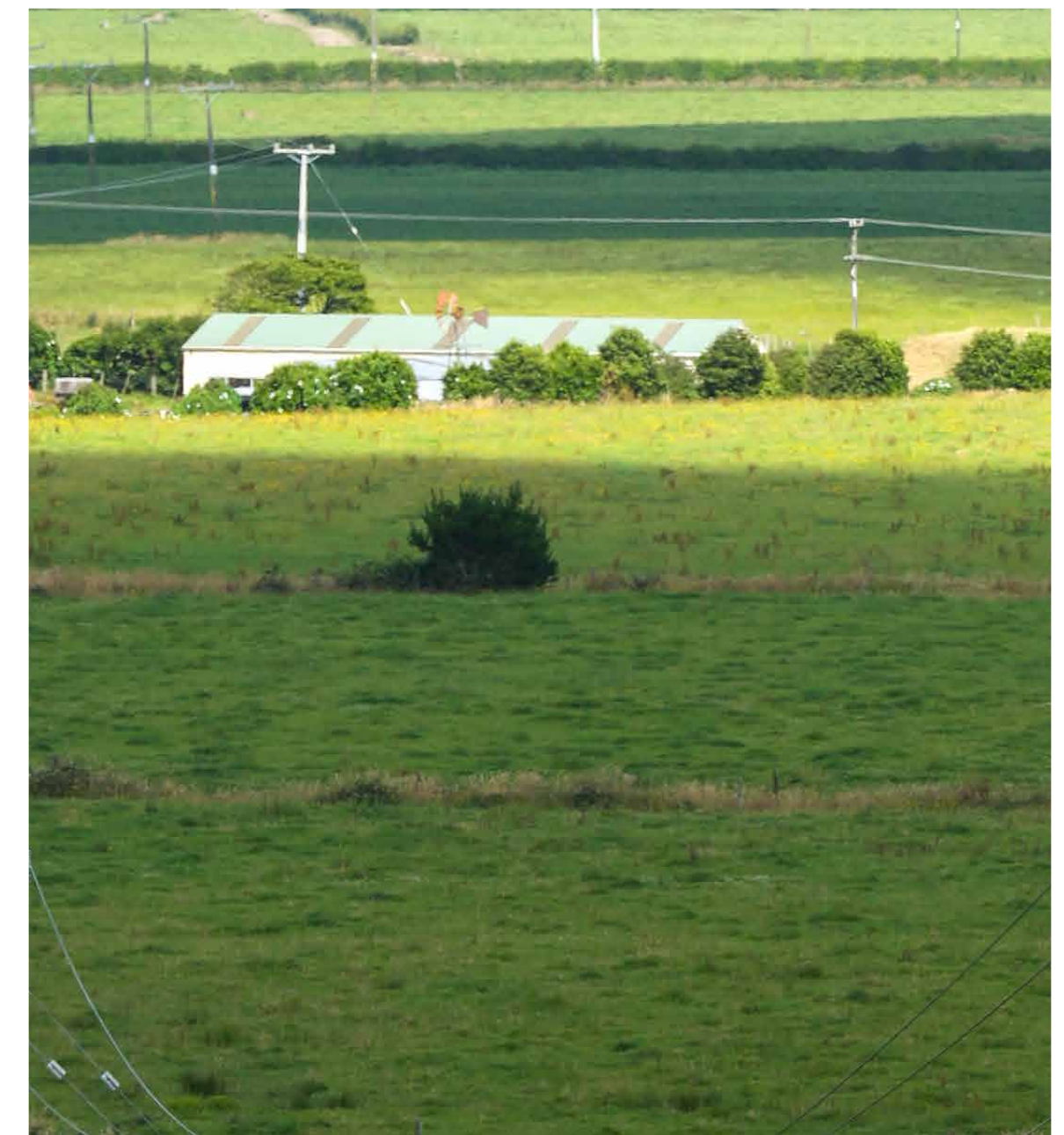
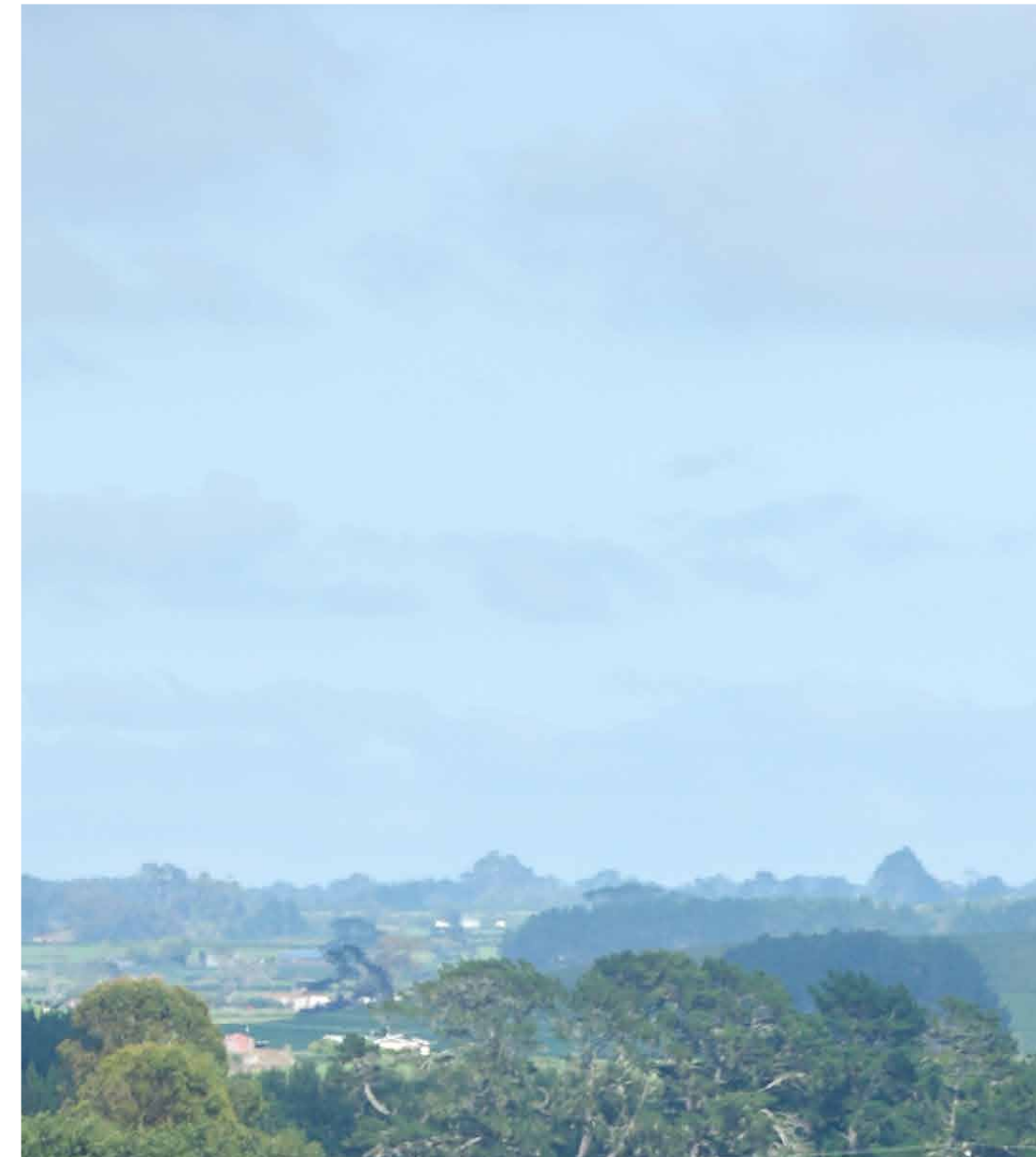
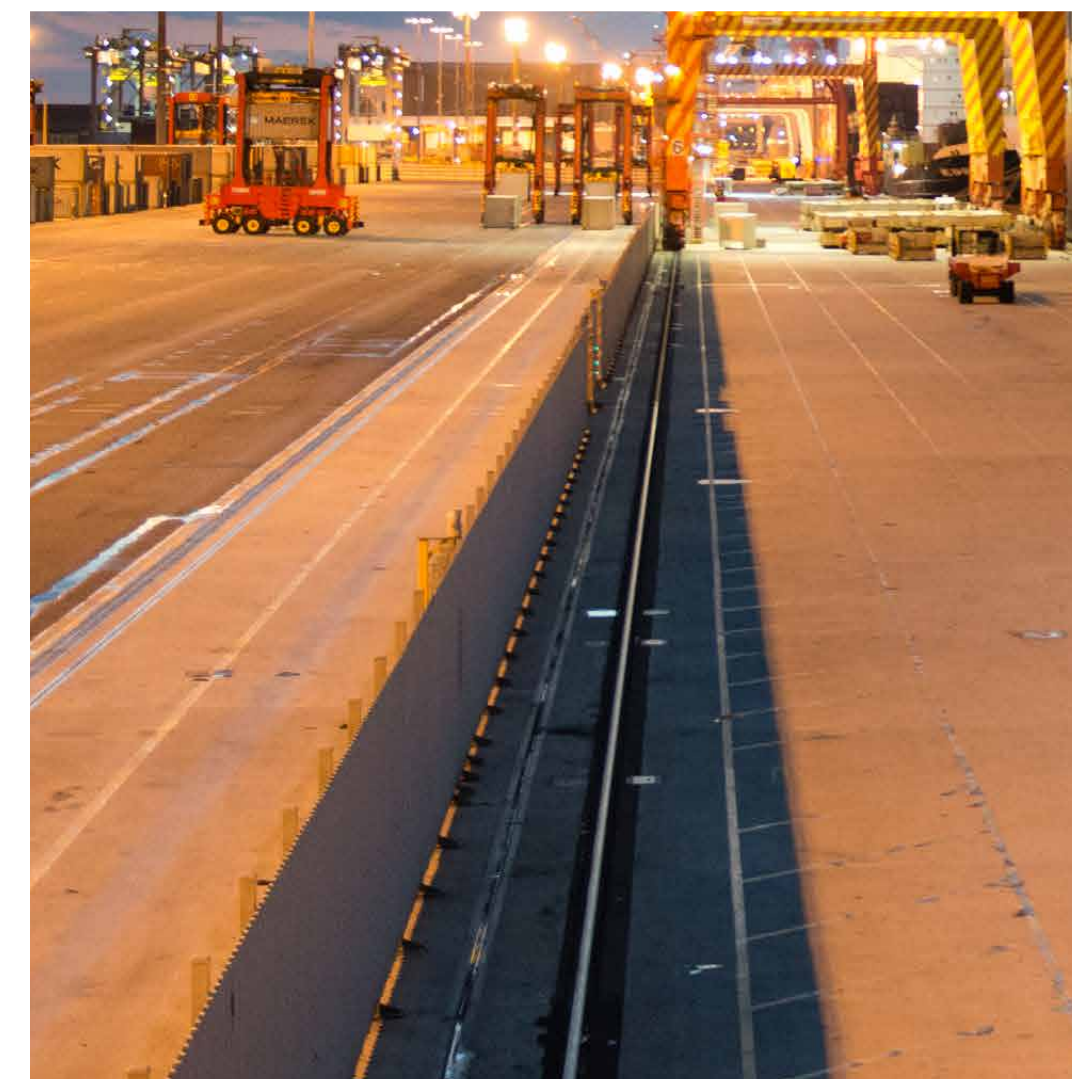
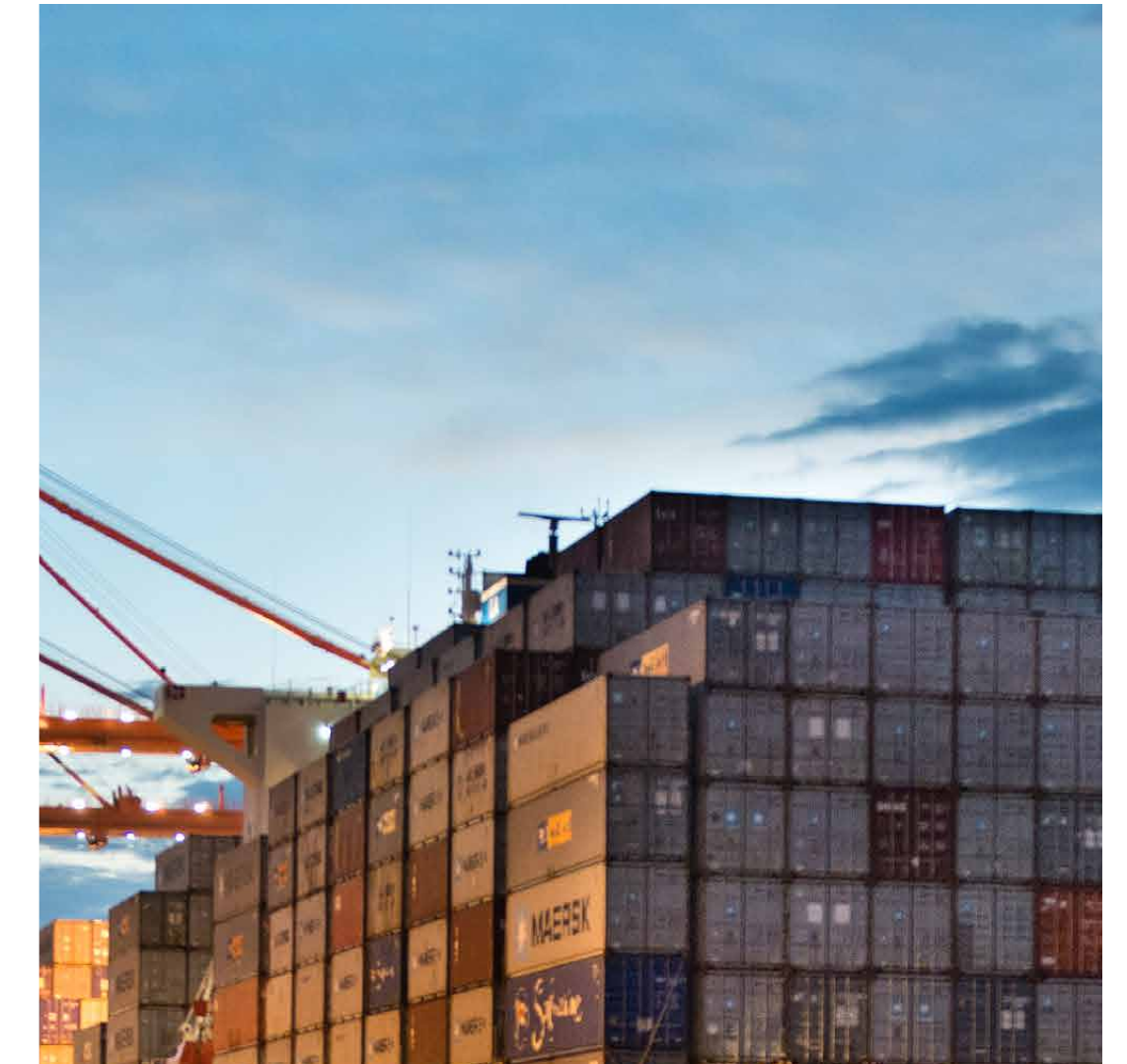


Table 1: QIC Infrastructure — FY

Metrics	Jun-19	Jun-20	Jun-21
Total Employees (number)	8,216	10,558	11,766
Proportion of female employees (%)	30.7	32.7	31.6
Total recordable injury frequency rate (TRIFR) ⁴	5.26	6.42	5.81
Environment — Scope 1 emissions CO2-e ⁵	426,647	472,456	491,045
Environment — Scope 2 emissions CO2-e ⁵	60,129	73,402	112,734
Environment — Total Scope 1 and 2 CO2-e ⁵	486,776	545,858	603,779
Environment — Scope 1 emissions CO2-e (equity share) ⁵	162,461	184,310	164,283
Environment — Scope 2 emissions CO2-e (equity share) ⁵	22,179	27,967	25,270
Environment — Total Scope 1 and 2 CO2-e (equity share) ⁵	184,640	212,277	189,553
Energy — Total Energy Generated (GJ) (FY) ³	3,365,008	9,108,753	15,394,606
Energy — % of renewable energy (FY) ³	100.0%	68.7%	66.4%
Airports — Total number of Passengers (FY) ¹	23,750,975	23,016,042	12,887,207
Toll Roads — Total number of users (FY)	2,306,533	2,142,237	2,590,574
Ports — Total TEU equivalent (FY)	4,357,918	4,159,291	4,793,660
Hospitals — Separations (FY) ²	–	31,289	73,978
Water — Total Customers	10,000,000	10,100,000	10,300,000
Waste Water — Total Customers	15,300,000	15,800,000	15,600,000
No. of assets publishing a sustainability report	4	4	5
No. of assets with a NZE target	–	5	7
No. of assets with a public modern slavery statement	–	8	10
Total number of direct assets (FY)	13	19	20
Assets under management (\$bn) (FY)	12.3	13.7	21.4

- 1 Total number of passengers for FY19 does not include Brussels Airport or Hobart International Airport figures, given they were acquired in late 2019. Subsequently June 2020 only includes half year passenger data for Hobart and Brussels.
- 2 Due to the timing of transaction finalisation, separations only include half year results, (i.e. from Jan 20 to Jun 20)
- 3 Excludes small scale renewable energy initiatives based on materiality (i.e. solar panel system less than 50kw capacity).
- 4 Calculation excludes three assets as this metric was not actively tracked in these periods. We note the value would be negligible given the low employee count at these assets (QIC Infrastructure: 3 Assets; QGIF: 2 Assets; QIP: 1 Asset)
- 5 Emission reporting includes a 12-month period for portfolio assets. Some portfolio companies report their emissions on a calendar not financial year, and this was accounted for. For two portfolio companies, a conservative estimate of the emission profile was used due to data being unavailable.

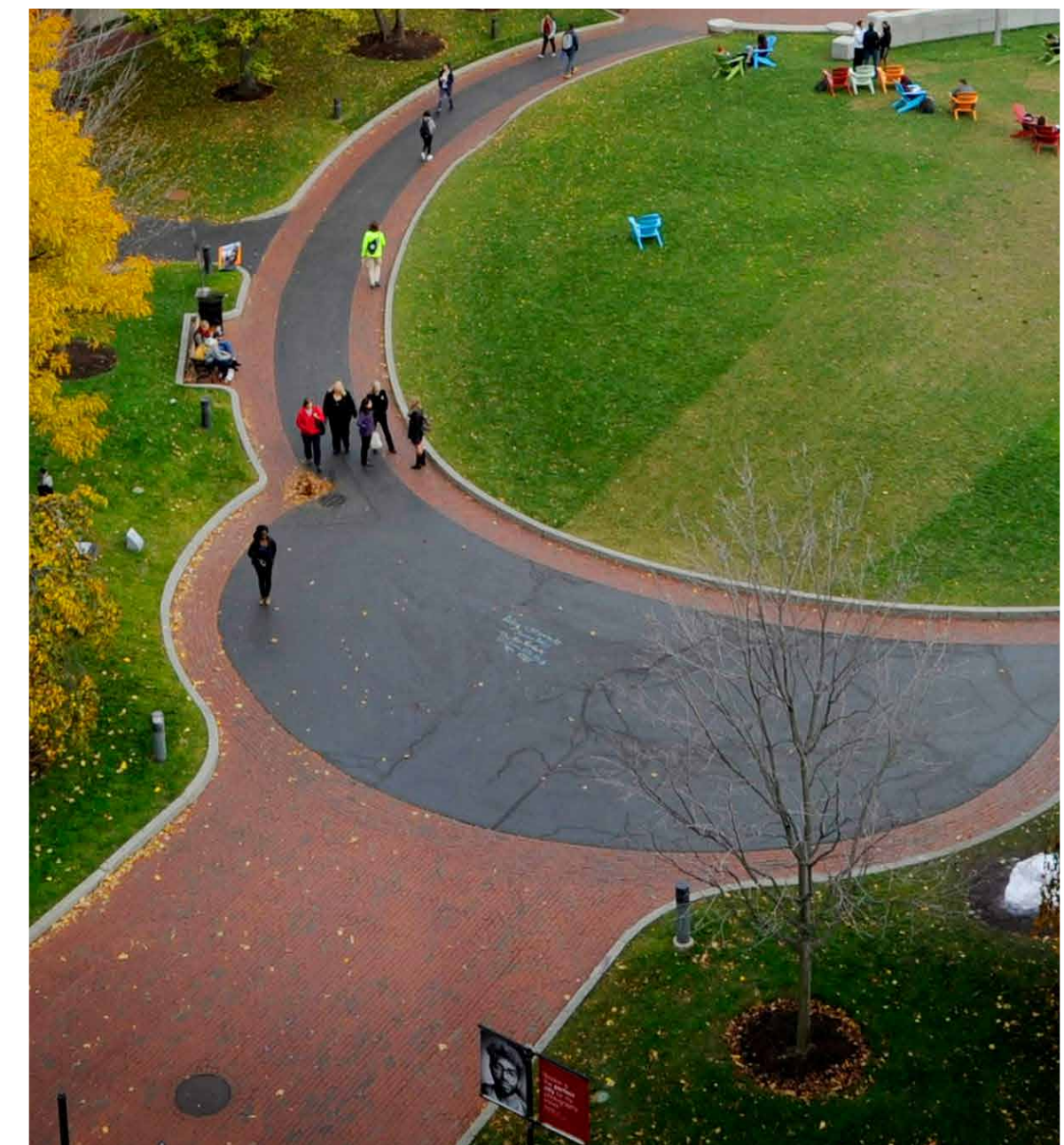
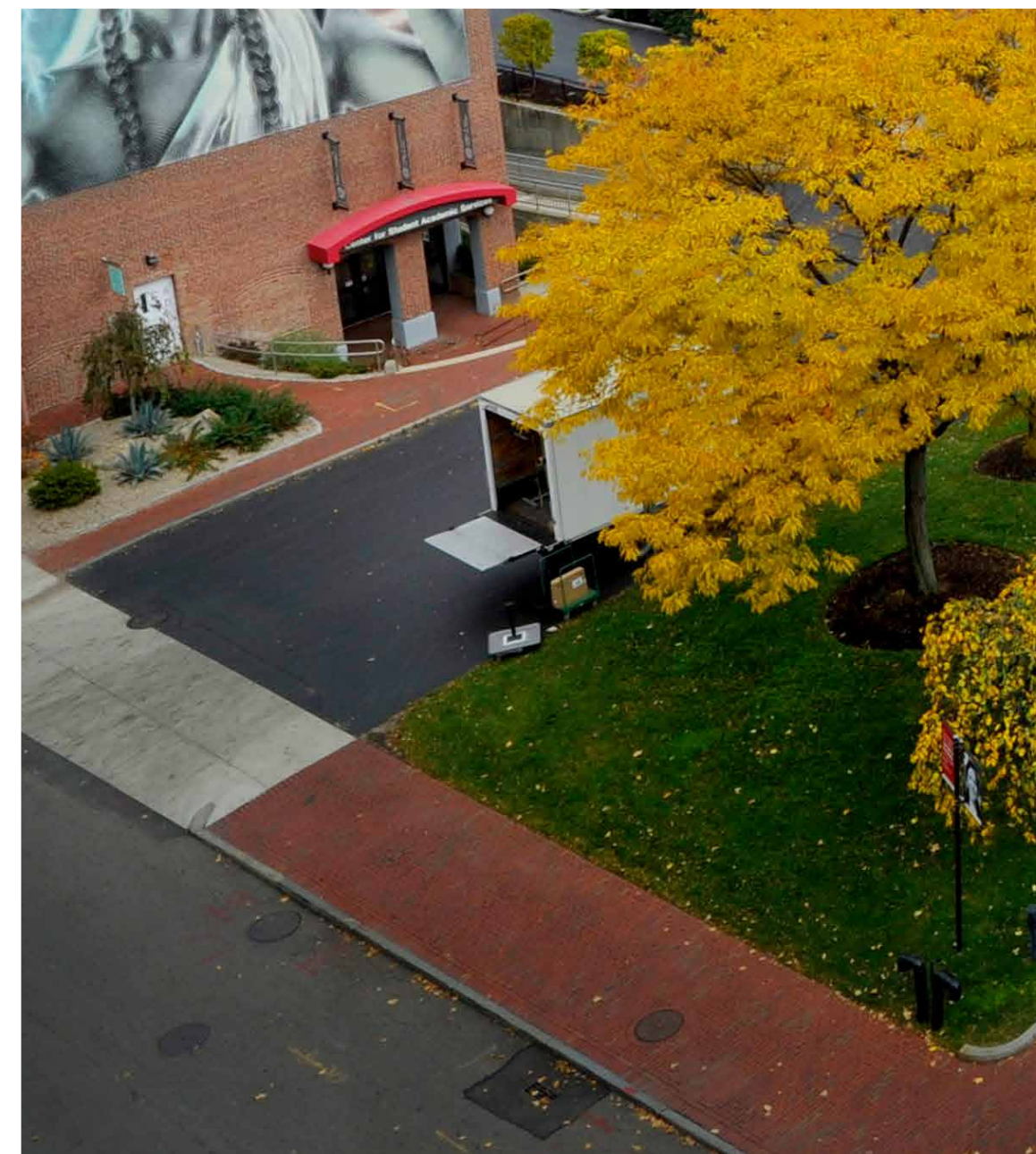
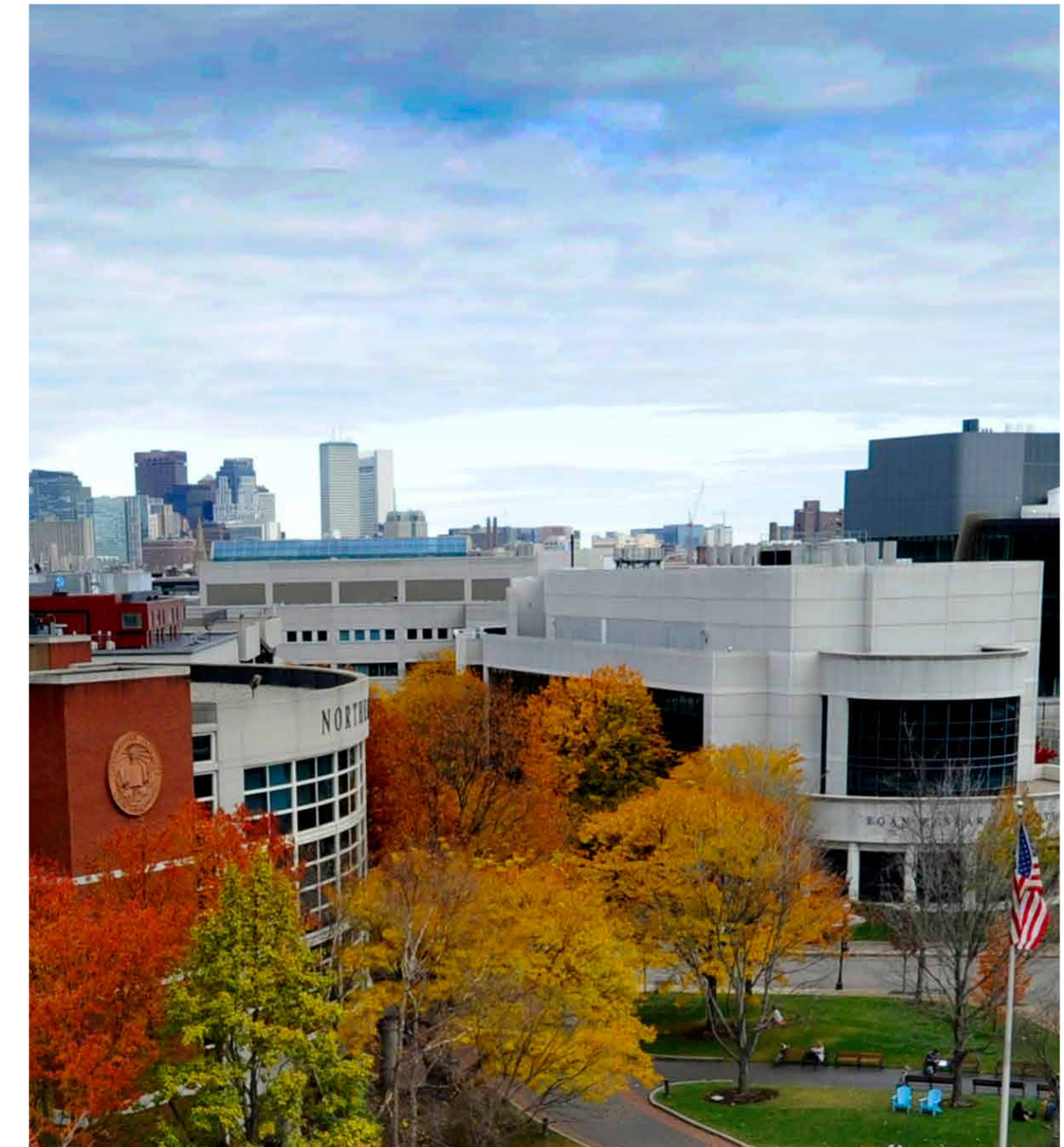


Energy transition and decarbonisation are key areas of focus for infrastructure investments and portfolios to ensure that they are resilient to risks and well positioned for opportunities associated with climate change.



5. Our Approach to Sustainability

INFRASTRUCTURE
SUSTAINABILITY REPORT 2022



5.1 Our sustainability pillars

Our sustainability pillars underpin our approach to sustainability by acknowledging the significant areas of impact we focus on in managing our infrastructure portfolio.

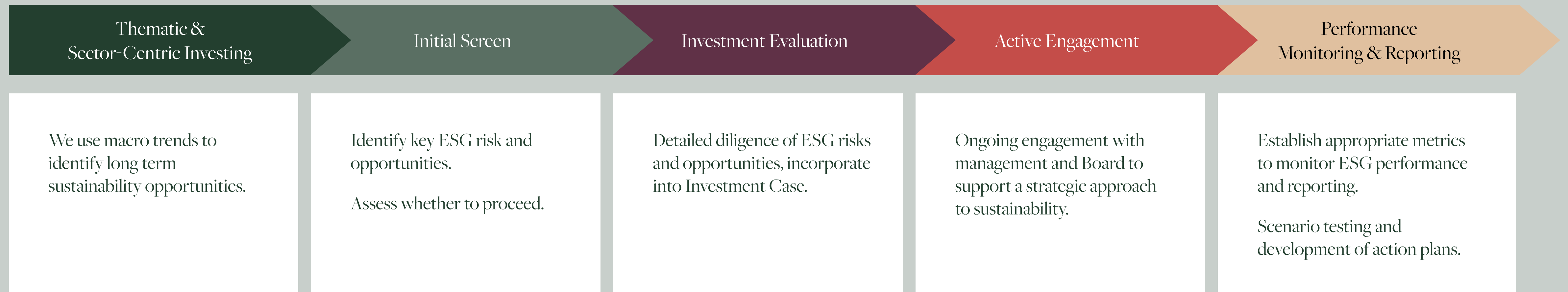
Supporting our investment companies to embrace sustainability efforts across these pillars helps ensure companies are well positioned to deliver sustainable investment outcomes over the long term.

Our key pillars of focus

 Climate Resilience	 People & Culture	 Risk & Governance	 Community & Stakeholders
Position the business to manage risks and capture emerging opportunities from climate change.	Build a resilient workforce today for the future; one that has a diverse, inclusive and innovative culture.	Build and maintain robust, best-practice risk governance frameworks which empower management.	Build trusted and valuable relationships with customers and the community.

5.2 Embedding sustainability in our investment approach

QIC integrates the evaluation of opportunities against our sustainability pillars into our infrastructure investment approach. Environmental, Social and Governance (ESG) risks and opportunities are assessed at each stage from initial screening to performance monitoring and reporting, evaluated based on relevant factors such as the industry, business type, and geography, and then incorporated into the investment recommendation.



In 2021, we introduced a range of enhancements to our investment process including:

- A refreshed ESG investment screening checklist that expands our assessment of climate transition and physical risks and potential decarbonisation pathways into our decision making.
- Expansion of the data used to evaluate our portfolio company performance including:
 - climate risk assessments
 - capability and governance maturity
 - expanded performance metrics covering people, stakeholder and environmental areas
 - continued buildout of our tools, precedents and guidance material including Scope 3 reporting guidance, materiality assessments and setting management KPIs.

As well as process changes, we have increased our approach to sustainability resourcing across the team.

We have provided dedicated responsibility for sustainability across our sector teams, portfolio management group, operations and administration to support the acceleration of progress across our team and portfolio.

Further information on the changes throughout the year are included in the Report Card section.

5.3 Megatrends underpin our investment pipeline

QIC adopts a thematic and sector-centric investment strategy which focuses on identified megatrends.

This strategy underpins our investment pipeline and helps to deconstruct risk across sector value chains by identifying relative value for investment across market cycles.

Each megatrend has a unique set of consequences for infrastructure assets, but all have strong positive sustainability alignment.

Megatrends touching infrastructure



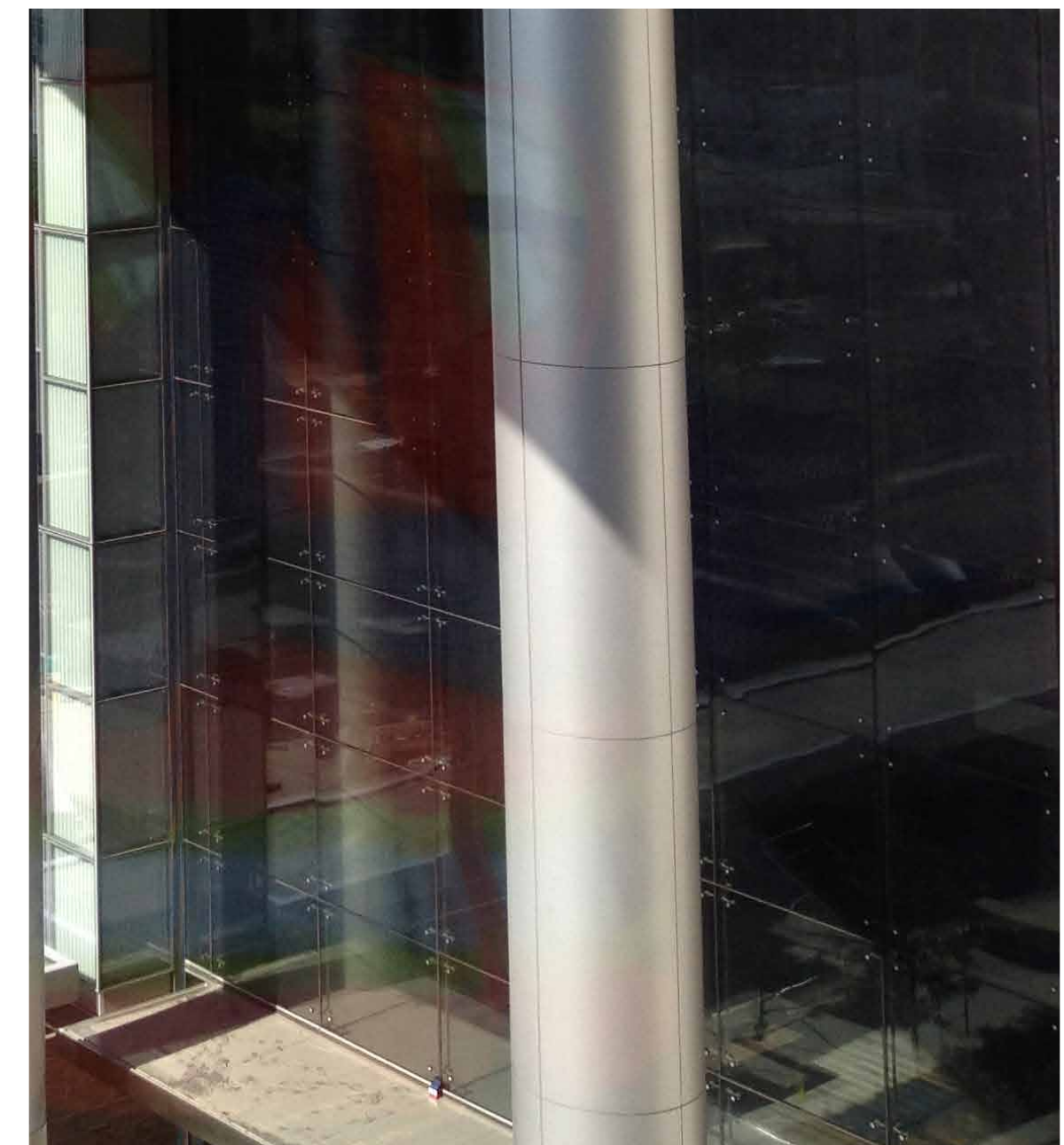
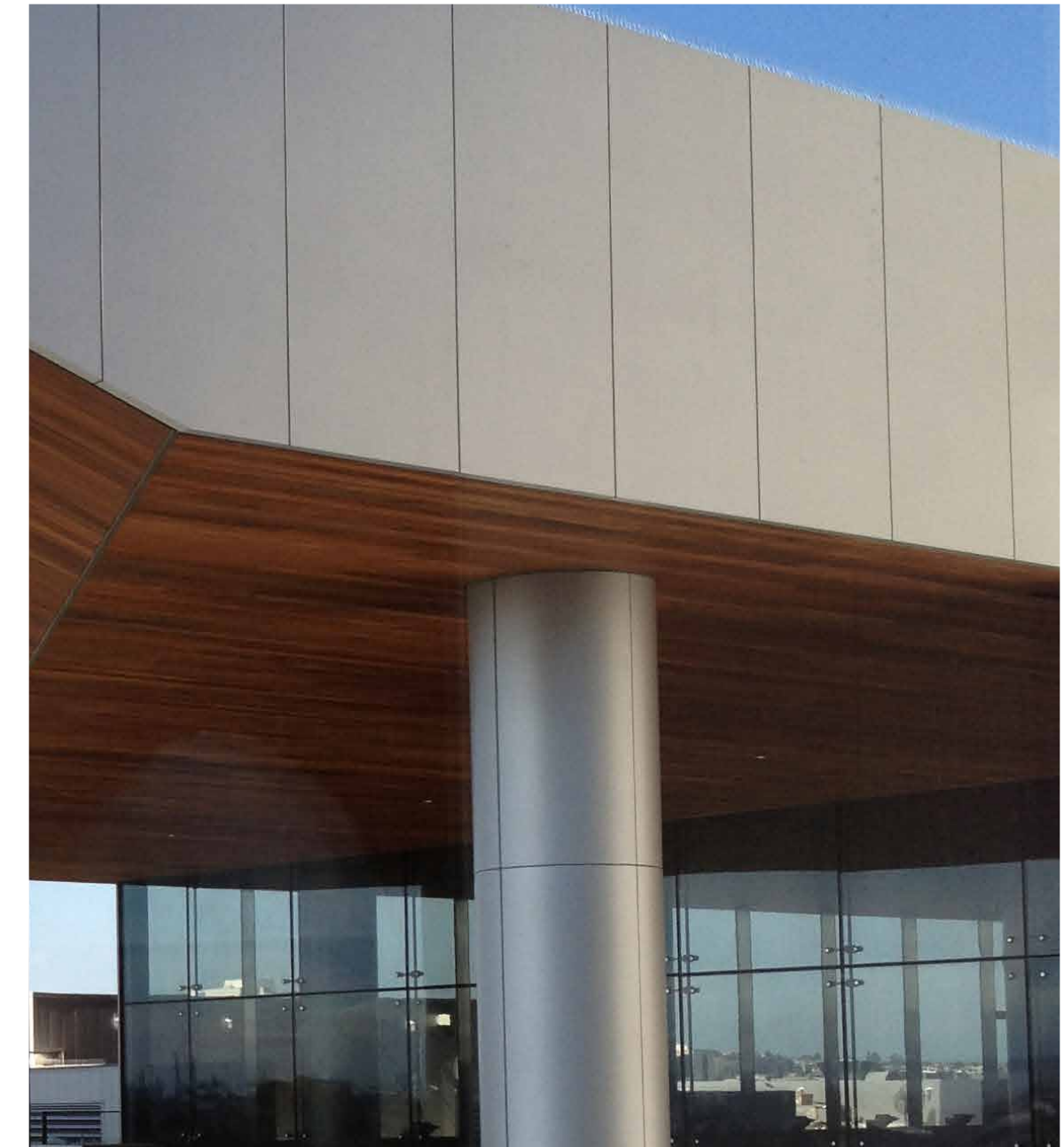
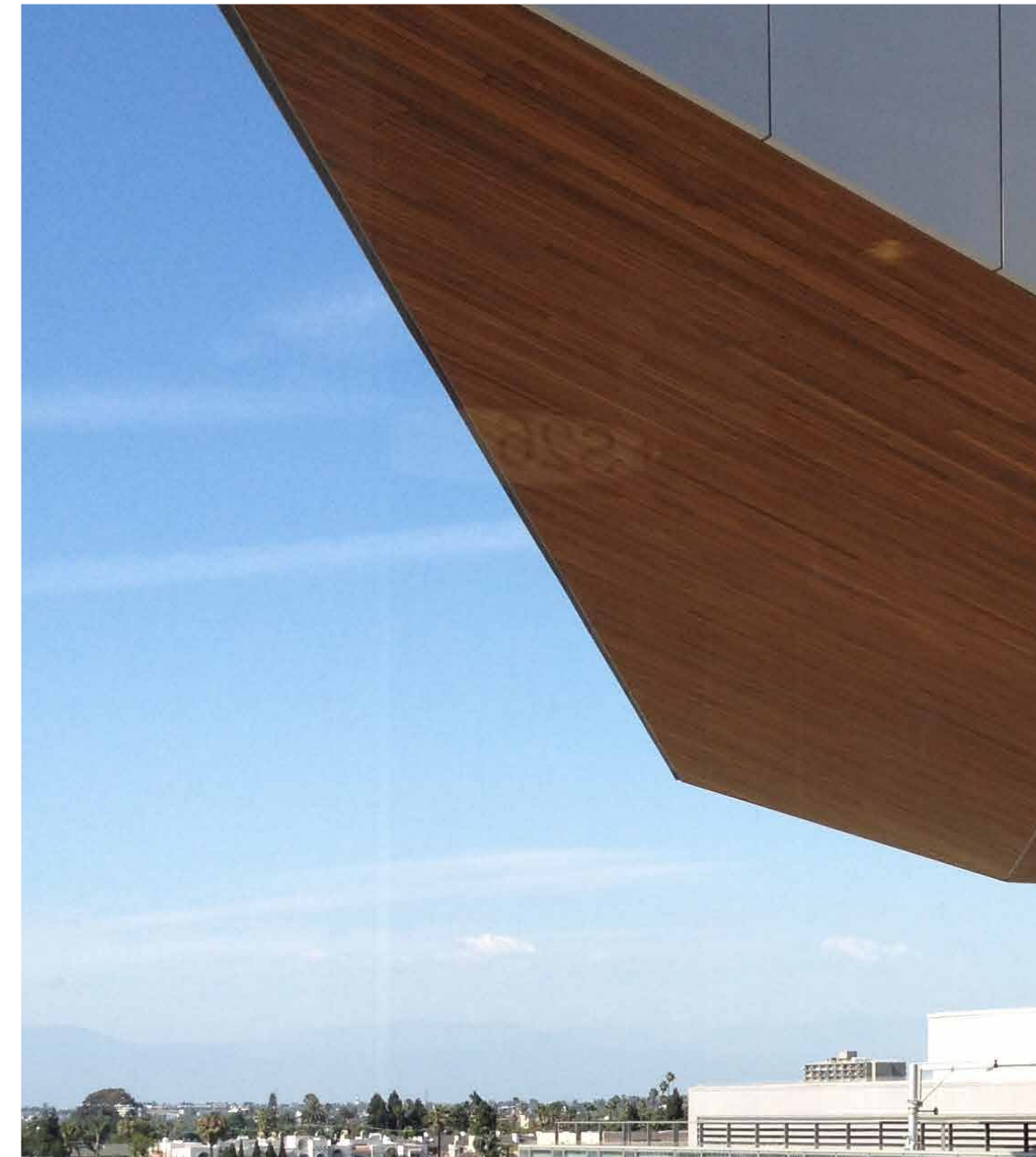
Key Consequences for Infrastructure

Low Carbon Mobility (AVs, EVs, Ride Sharing)	AI	Social Licence/ Stewardship	Climate Resilience (decarbonisation, decentralisation)	Public Debt
Supply Chain	Cyber Security	Customer Led Change	Resource Management (incl. water)	Health Care (resilience)
Infra-as-a-service	Blockchain	Regulation	Circular Economy	Deaccumulation



6. Targets and Progress

INFRASTRUCTURE
SUSTAINABILITY REPORT 2022



6.1 2021 Report card

Table 2: Marking our sustainability objectives

Objectives	Result	Completion	Sustainability Pillar
<p>NET ZERO EMISSIONS</p> <p>Progress asset level net zero emissions plans and establish a QIC Global Infrastructure NZE target.</p>	<ul style="list-style-type: none"> The QGIF and QIP NZE targets were finalised and published. Ongoing progress at a portfolio company level with the evaluation and prioritisation of NZE. Finalised the appointment of an advisor as the independent assessor for Scope 1 and Scope 2 baseline emissions profile. 		<p>Climate Resilience</p>
<p>CAPABILITY AND GOVERNANCE</p> <p>Work with our portfolio companies to ensure they have the appropriate sustainability capabilities and governance structures to manage risks and opportunities.</p>	<ul style="list-style-type: none"> We developed a tailored framework to assess the leadership, strategy and vision, Governance, Risks and Opportunity management and Reporting processes, systems, and frameworks. Supported our portfolio companies in enhancing their capability and resourcing including through the recruitment process of sustainability positions at eight portfolio companies. Additional guidance material was developed around the areas of Climate Risk, Scope 3 measurement and materiality assessments. 		<p>People & Culture</p>
<p>TRANSPARENCY OF BENEFITS AND IMPACTS</p> <p>Enhance our understanding and reporting of our portfolio companies' business model benefits and impacts across people, economy and planet.</p>	<ul style="list-style-type: none"> Improved data flow within portfolio companies on material issues. An additional three portfolio companies participated in the 2021 GRESB assessment. Two additional portfolio companies will publish their first sustainability reports. 		<p>Risk & Governance</p> <p>Community & Stakeholders</p>
<p>PHYSICAL AND TRANSITION CLIMATE RISKS</p> <p>Document and initiate mitigation options for asset physical and transition climate risks in line with the Taskforce on Climate-related Financial Disclosures (TCFD) Framework.</p>	<ul style="list-style-type: none"> Implemented a framework in line with the Cambridge Institute of Sustainability Leadership (CISL) Climate Wise framework to evaluate the risk to capex, opex and revenue under different climate scenarios. Published a Red Paper <i>Navigating Climate Transition</i> which outlined our approach to climate change risk management. Onboarded Munich Re Risk platform to support with mapping of physical climate risks across our portfolio. 		<p>Climate Resilience</p>
<p>EVOLUTION OF SUSTAINABILITY INTEGRATION</p> <p>Review internal management systems and processes to optimise sustainability integration and apply continuous improvement across our clients' portfolio assets.</p>	<ul style="list-style-type: none"> Enhanced our ESG investment screening checklist and objective data sources. Refreshed our sustainability resourcing plan, expanding resources across QIC's infrastructure sector, portfolio management, operations, and administration teams. Increased the opportunity for learning and development of the QIC Infrastructure team with dedicated events and training sessions. 		<p>People & Culture</p> <p>Risk & Governance</p>

6.2. Looking ahead

Our priority areas for 2022 are based on feedback from our clients, our assets and importantly those areas that we believe will be most impactful.

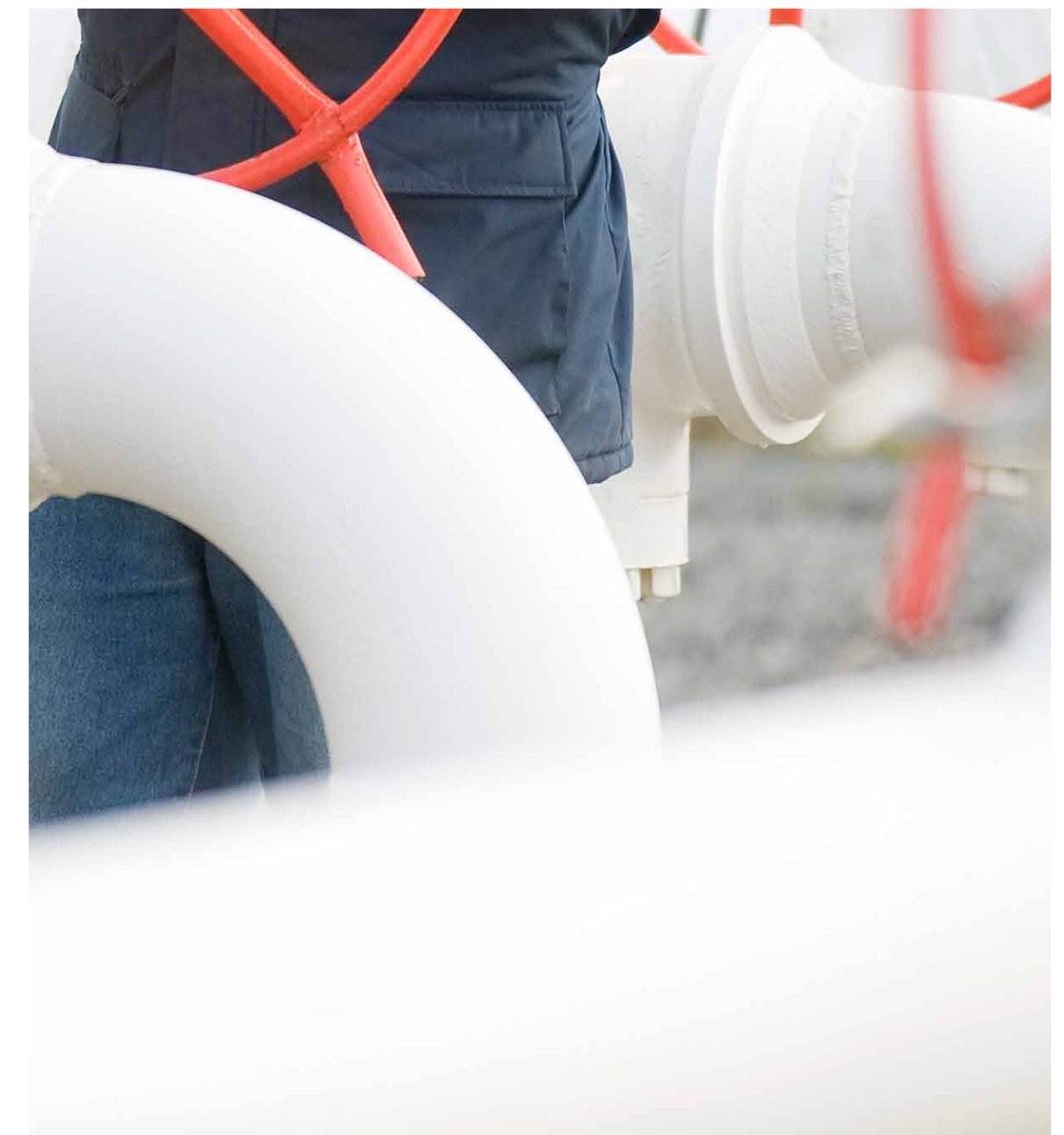
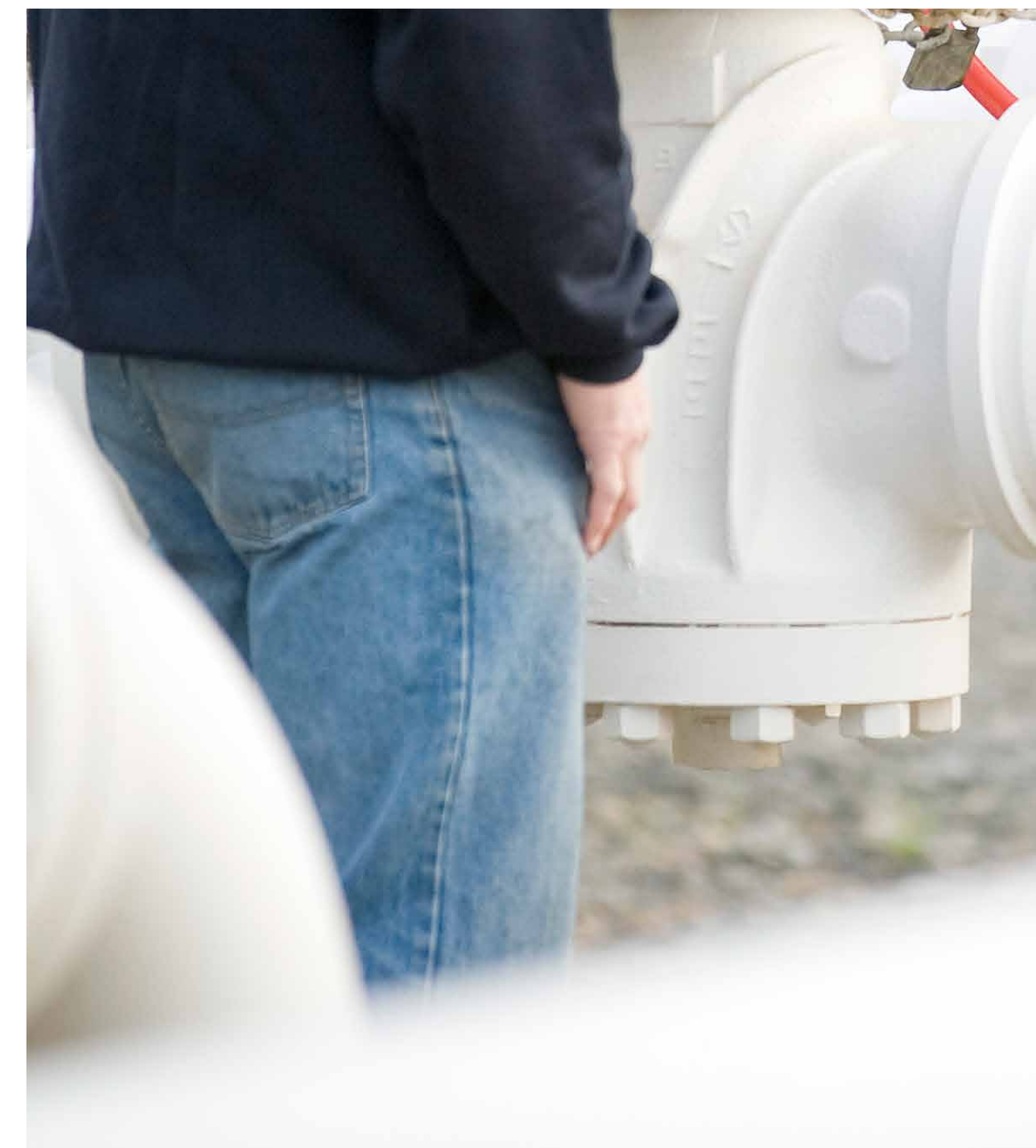
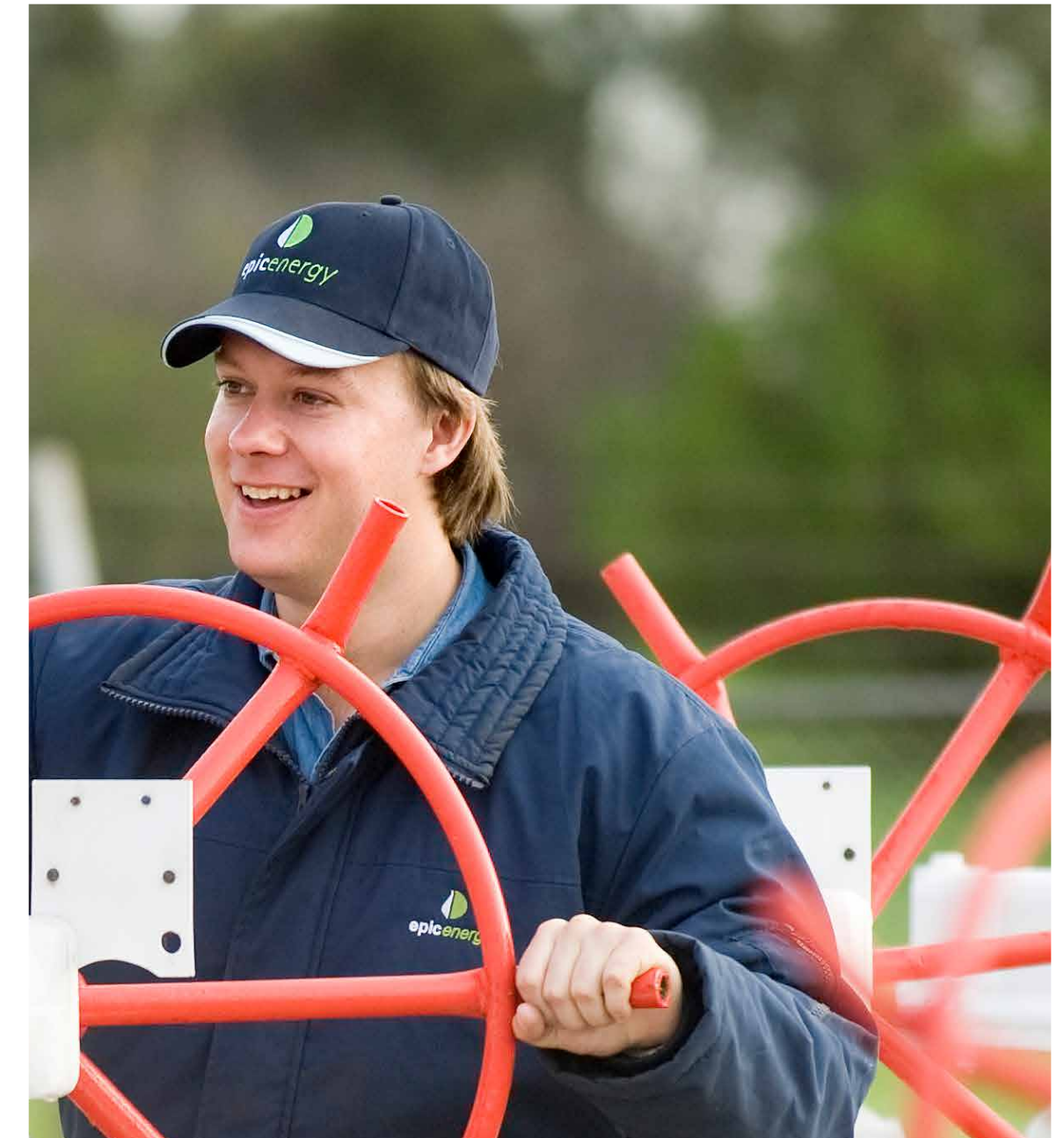
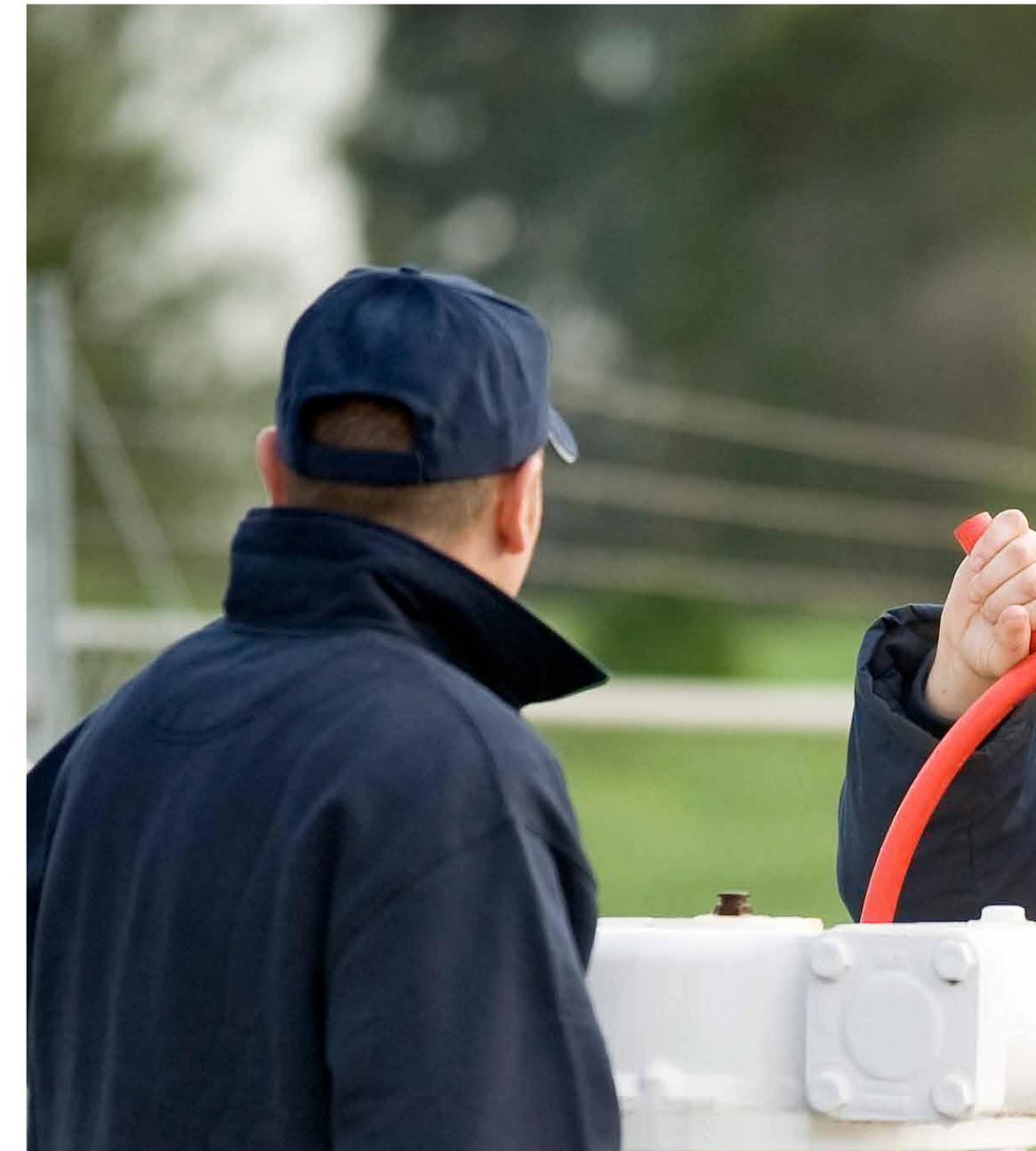
Table 3: Looking ahead

Objectives	Our approach
<p>NET ZERO EMISSIONS AND SCOPE 3</p> <p>Implement our NZE objectives and build our assets plans to manage Scope 3 exposure.</p>	<p>We have set our funds' public NZE commitments.</p> <p>Our focus will be on demonstrating continuous progress towards these goals.</p> <p>As many of our assets have a greater exposure to Scope 3, focus will be on enhancing the assets' approach to influence these emissions.</p>
<p>PURPOSE/PEOPLE AND CULTURE</p> <p>Progress our assets' ability to attract and retain talent.</p>	<p>Our assets need to have the right people for the right roles and enhance business outcomes through strong engagement and alignment of values.</p> <p>This approach will continue to emphasise areas such as:</p> <ul style="list-style-type: none"> • Being 'purpose driven' • Mental and physical health • Organisational culture. • Diversity & inclusion • Leadership development <p>This also applies to the approach we take within QIC Infrastructure.</p>
<p>TRANSPARENCY OF BENEFITS AND IMPACTS</p> <p>Enhance the data driven decision making around our assets' business models benefits and impacts across people, economy, and planet.</p>	<p>We made good progress on this area in 2021, however expectations and technology will continue to raise the bar.</p> <p>Improving the visibility of data within our assets and to our portfolio company boards will enhance asset strategies, risk management and help us fulfil our governance obligations.</p>
<p>PHYSICAL AND TRANSITION CLIMATE RISKS</p> <p>Document and initiate mitigation options for asset physical and transition climate risks in line with the Taskforce on Climate-related Financial Disclosures (TCFD) Framework.</p>	<p>The understanding and management of the implications of the transition to a low carbon economy and potential impacts from a changing climate is now considered part of our standard approach.</p> <p>We will build upon the foundations established in 2021 and further integrate into our assets and our own processes.</p>
<p>SOCIAL IMPACT</p> <p>Escalate at an asset and fund level the understanding and connection between business and social value.</p>	<p>Our assets hold privileged places in society. They deliver significant social value.</p> <p>They are also at risk of being constrained if there is perceived inequity with their customers, employees, local community, and regulators.</p> <p>An extension to our Social License to Operate framework will focus on:</p> <ul style="list-style-type: none"> • Measurement of key relationship status • Community investment programs • Supply chain management • Alignment to business resilience through an understanding and influence of key business outcomes (e.g. job/economic development).



7. Governance

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Governance

QIC's overarching philosophy in infrastructure investment is to establish a strong governance framework through the Board of the portfolio company.

Board representation is a non-negotiable minimum requirement for investments made by QIC Infrastructure. Our preference is for our clients and funds to collectively have control or significant influence in the portfolio company. This provides us with greater ability to influence management, strategy and governance.

We place a primary emphasis on establishing this governance framework as we believe it provides the means to enable the business to protect and grow value.

Below are the key principles of QIC's infrastructure corporate governance framework

- **Clarity of roles and responsibilities is important:** The primary role of the Board is governance of the organisation and strategic direction to deliver long term sustainable returns to shareholders. QIC's approach is to develop a clear strategy and then empower the right management team to deliver that strategy measured against a performance framework to ensure accountability.
- **Establish best practice, robust and flexible governance frameworks:** QIC seeks to establish best practice, robust and flexible governance frameworks that allow the Board and management team to operate effectively and efficiently in an ever-changing environment. Board policies, procedures and risk management frameworks are benchmarked against the broader QIC Infrastructure portfolio to ensure best practice.
- **QIC manages our clients' significant investment in infrastructure businesses over the long term where there are relatively limited liquidity options:** We will have regard to best practice corporate governance guidelines and principles, and apply them in the context of private infrastructure businesses.
- **There is no one-size fits all approach to corporate governance:** The governance framework needs to be tailored and fit for purpose for each company having regard to the size and complexity of the business. For example, we have Boards ranging from three to 12 members.

7.1 Board composition and experience

QIC's aim is to ensure appropriate composition and competencies of the board, including at least one QIC employee appointed to the board of the company.

Where there is a right for QIC clients to appoint more than one director, the aim is to complement the skills on the Board through appointing non-executive directors with relevant industry and sector experience.

A properly structured board should include appropriately skilled and experienced directors, drawing on a range of criteria, including gender, ethnicity and age, in addition to core skills and experience. A key principle for QIC is targeting for at least 30 per cent of board positions to be held by women.

QIC currently has 36 Non-Executive Directors on the Boards of our portfolio companies⁸. We source appropriate people for these roles through our industry relationships, NED data base or specialist recruitment firms.

QIC values the following elements/principles in a Board's composition:

- Presence of an independent chairperson who is based in the location of the portfolio company
- Independence between the Board and Chief Executive Officer
- Committee structures that serve a relevant purpose to the company
- Open and transparent reporting of financial and operating performance and other material items
- Trust between the Board and the CEO and executive management team to ensure empowerment with strong oversight
- Creating a culture with strong values of lawful and ethical behaviour led by the Board.

7.2 Active engagement

While respecting the role of CEO and management, and the model of engagement for each company, QIC asset managers adopt a multi-faceted approach to interacting with investee companies both at the Board level and with executives. We seek to establish relationships across the investee companies' entire management structure as well as in specialist areas.

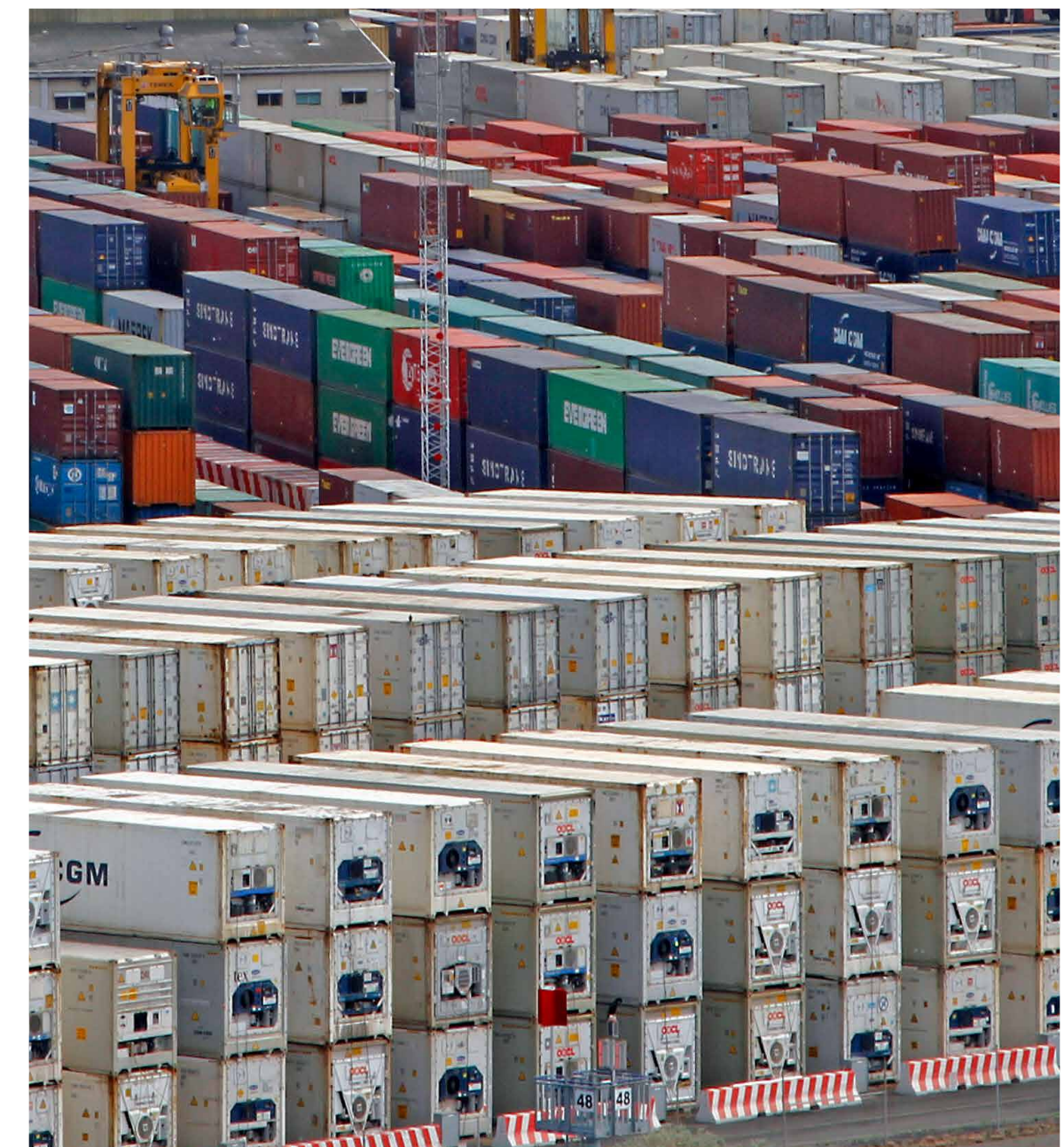
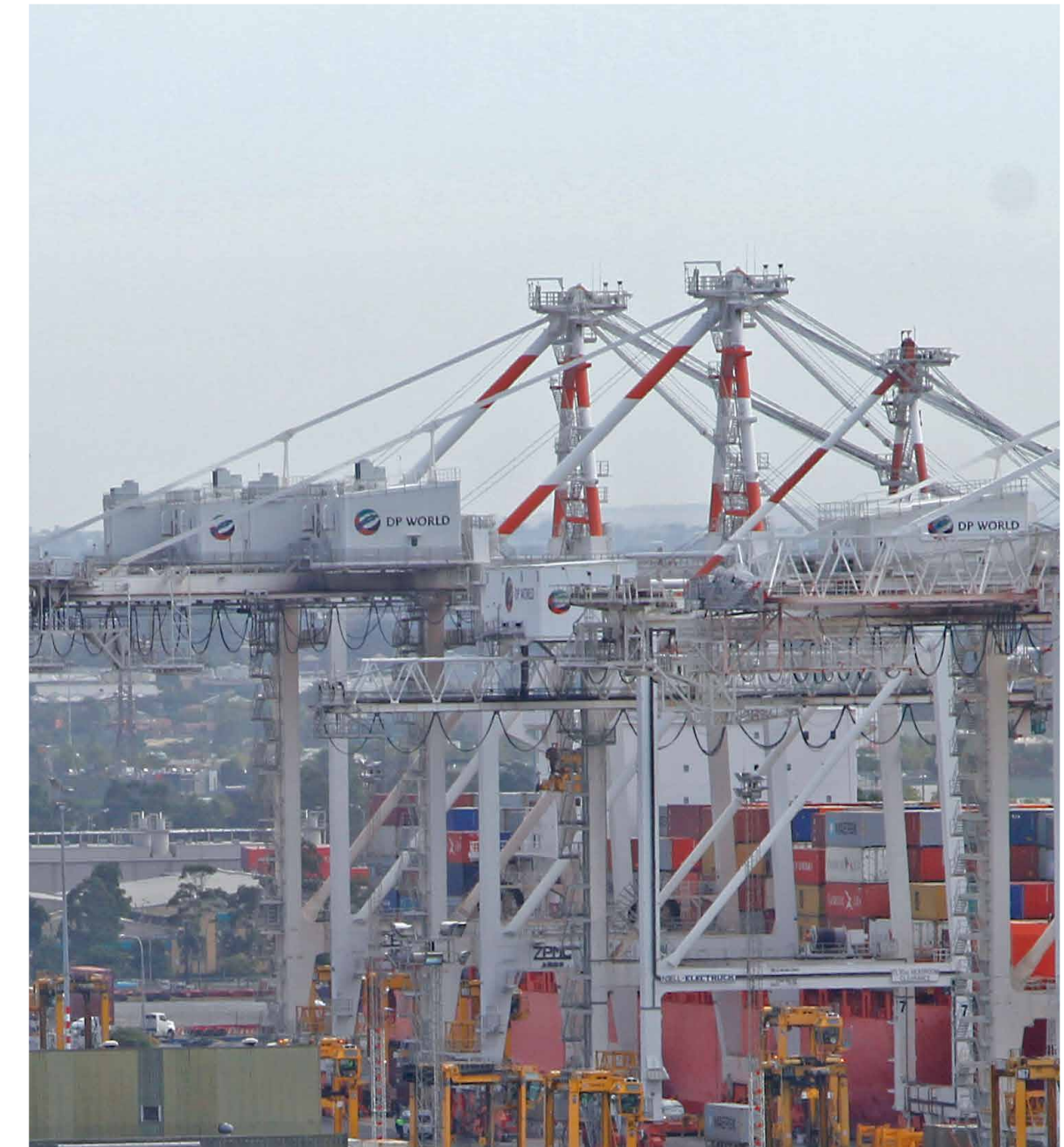
This approach allows us to develop a deep understanding and strong working relationships across the investee company and assists with exercising influence across the organisation. It also allows us to understand the investee company's internal decision-making process and the analytical rigour they apply to developing board recommendations. We believe that understanding how a company's board and management deal with risks and opportunities provides insight into the quality of the management and management systems.

⁸ As at 31 March 2022.



8. Environment

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MATINA PAPATHANASIOU, FOUNDING PARTNER, QIC INFRASTRUCTURE

Addressing the challenge of Scope 3

A significant challenge facing businesses at present is how to address Scope 3 emissions. And it's not an easy task — understanding, monitoring and ideally reducing carbon emissions across supply chains which can incorporate hundreds of suppliers and customers around the world can be a daunting undertaking.

But it's not something that can be ignored — we are seeing a rapidly increasing focus from governments, regulators, financiers and society at large on the need for greater transparency and action on Scope 3 emissions considerations. This has been particularly apparent in recent announcements from the US Securities and Exchange Commission, which flagged the intention to introduce requirements for businesses to disclose material Scope 3 emissions as part of their broader moves to enhance and standardise climate-related disclosures for investors.

As in many areas of sustainability, the concept of materiality is key to addressing this challenge. We are encouraging and supporting our portfolio companies to take a comprehensive and transparent approach to evaluating Scope 3 emissions. Understanding the full extent of their indirect emissions helps to identify which are material and able to be influenced.

For example, transport infrastructure assets such as airports and ports are key nodes within the aviation and maritime industries. While these businesses don't have direct control over emissions produced by the aircraft or ships that use their infrastructure, it is important they understand and are actively involved in the decarbonisation process of their customers

tenants and other users. This will ensure all practical action is being taken toward decarbonising these industries as a whole and working with them to provide supporting facilities.

At QIC, we are taking action on Scope 3 emissions through our net zero emissions target, which includes a commitment to actively contribute to our assets' broader industry net zero emission ambitions. In practice, this means we are directly and actively contributing to a reduction in Scope 3 emissions within the value chains of our portfolio companies, as well as helping to drive NZE outcomes for the economy as well as for our portfolio⁹.

Examples already exist across our infrastructure portfolio, including:

- Biofuel trials being carried out at Brussels Airport
- Electric vehicle (EV) charging stations installed at CampusParc in the US
- Pacific Energy's significant decarbonisation-focused development pipeline which includes delivery of their 'Standalone Power Systems' which deliver hybrid energy solutions incorporating solar, batteries, control systems and backup generators across regional and remote communities in Western Australia.

Importantly, taking action on Scope 3 emissions is essential in ensuring the long-term value of our assets, and supporting businesses to be sustainable well into the future and allow them to be enablers of a low carbon economy.



Biofuel trials at Brussels Airport (top), and Standalone Power Systems in Western Australia (bottom) are some of the ways we are tackling Scope 3 emissions.

⁹ For more information on our net zero commitment, please see page 44.



Environment

8.1 Climate transition

In 2021, QIC's Red Paper *Navigating Climate Transition: A Guide for Infrastructure Investors* shared insights on utilising scenario analysis to understand climate change transition risks and opportunities.

Climate Transition Red Paper

As the world focuses on addressing climate change in a meaningful way, we have undertaken analysis of the transition risks and opportunities and their impact on the investment process. Energy transition and decarbonisation are key areas of focus for infrastructure investments and portfolios to ensure that they are resilient to risks and well positioned for opportunities associated with climate change.

Identifying and addressing emissions is key for increased resilience to risks and capturing the emerging opportunities associated with the transition to a low-carbon economy. While directly controlled emissions (Scope 1 and 2) are an important consideration, for many infrastructure assets emissions across the entire value chain (Scope 3 emissions) can be more significant and are key indicators of climate transition risk.

Scenario analysis provides valuable insights into the range of climate transition-related risks and opportunities, and an integral data point in business strategy development. Climate considerations can be integrated at all stages of the investment process utilising a comprehensive framework from investment origination and due diligence to active asset management.

It is important to maintain investment portfolios which are 'climate-aware' and regularly monitored to ensure they continue to hold balanced climate transition risk.

Climate transition assessments

Part of our standard approach to portfolio, fund, and company reviews includes undertaking annual climate risk assessments. These assessments, leveraging the Cambridge Institute for Sustainability Leadership (CISL) 'Climate Wise' framework, examines the potential changes in a portfolio company's capital expenditure, revenue and operational expenses under a range of different climate scenarios.

This assessment enables us to identify key strategic risks and opportunities and ensure the portfolio company strategy is addressing them.

8.2 Physical climate risk¹⁰

Over the past year, as part of our continual improvement in sustainability integration, QIC has subscribed to MunichRe's Location Risk Intelligence software. This software provides high-quality natural hazard expertise to perform detailed risk exposure analysis of our individual assets as well as our entire portfolio. We are now able to cluster the main location risk hotspots and create more meaningful outputs that can ultimately be used to make better decisions across our clients' portfolios.

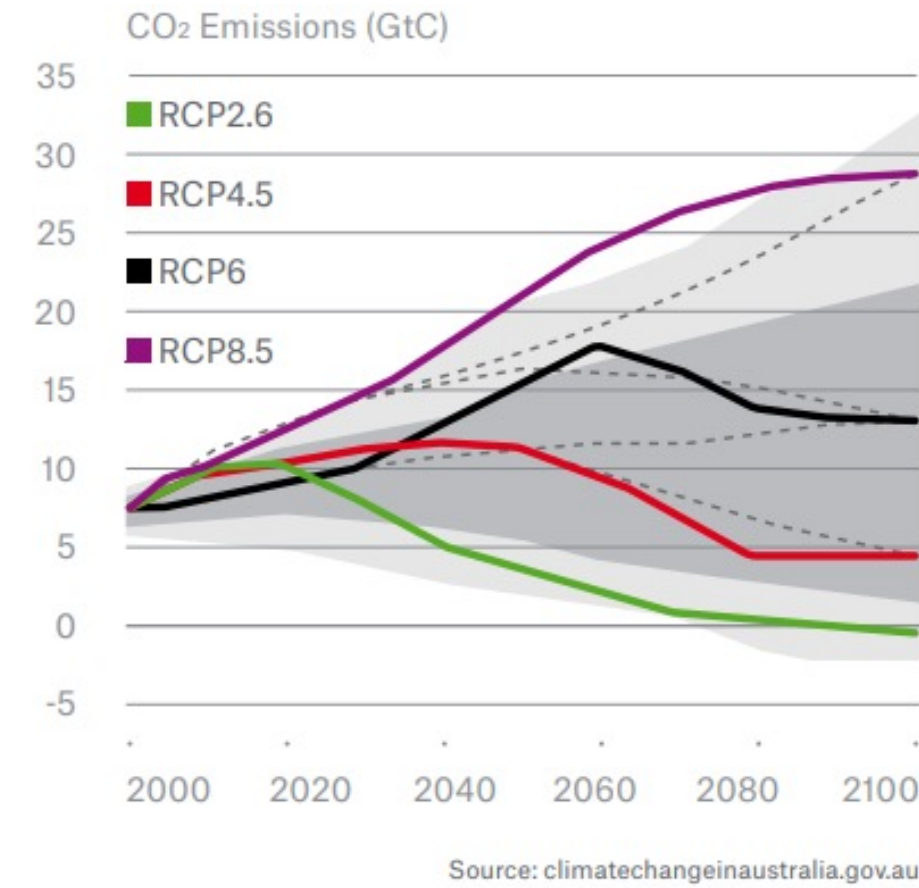
The platform is used to evaluate projected exposure to natural hazards across the portfolio as well as during our evaluation of new investments.

The platform provides projected exposure under a number of greenhouse concentration scenarios adopted by the IPCC. These scenarios are referred to as the Representative Concentration Pathways (RCP) and are further defined in Figure 1.

Figure 2 represents the effects of the most severe RCP scenario (RCP8.5) on QIC's infrastructure portfolio. As expected under this worst-case scenario, this modelling suggests that the whole portfolio would become more highly exposed to the various climate factors. However, most of the portfolio (by GAV) would remain a low-to-medium exposure across the various hazards.

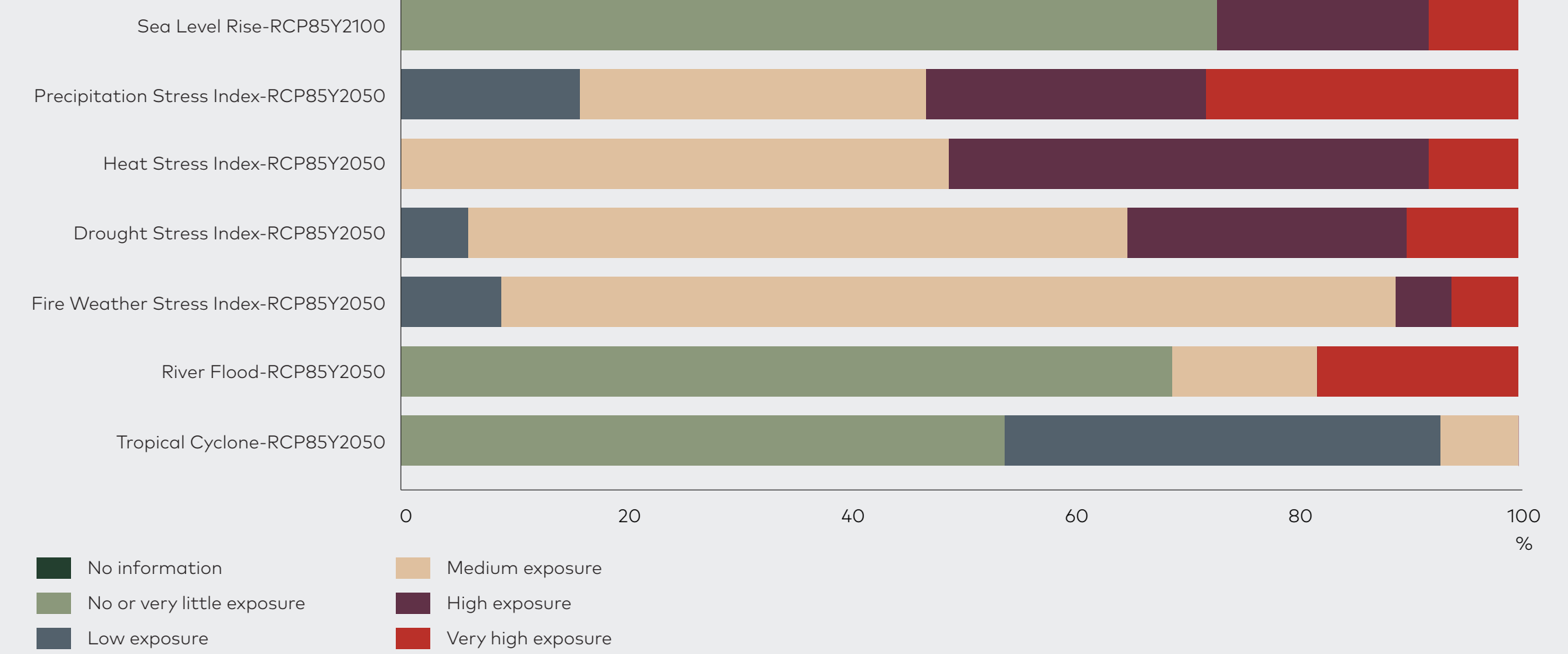
Exposure to rain, flooding and sea level rise impacts are slightly worsened under this RCP8.5 scenario. However, given 33 per cent of QIC's infrastructure assets (by GAV) are located adjacent to ocean/ rivers, this analysis still falls within QIC's risk expectations.

Figure 1: CO₂ emissions across the RCP scenarios



- RCP 2.6**
Moderate scenario leading to a warming at the end of the 21st century of probably less than 2°C relative to the pre-industrial period (1850-1900)
- RCP 4.5**
Intermediate scenario leading to a warming at the end of the 21st century of more than 2°C relative to the pre-industrial period (1850-1900)
- RCP 8.5**
Most severe scenario leading to a warming at the end of the 21st century of probably more than 4°C relative to the pre-industrial period (1850-1900)

Figure 2: Projected effects from the most severe RCP scenario (RCP8.5) on QIC's infrastructure portfolio



¹⁰ Data and analysis exclude Thames, Powerco, EESA and Generate given the difficulty in mapping these geographically spread assets.

8.3 Net zero carbon emissions

Net zero commitment

QIC Infrastructure formalised net zero emissions commitments for the QIC Global Infrastructure Fund (QGIF) and the QIC Infrastructure Portfolio (QIP) in October 2021.

Our commitment incorporates three dimensions¹¹:

1. At least a 50 per cent reduction in Scope 1 and 2 carbon emissions by 2030¹²
2. Net Zero Emissions (NZE) for Scope 1 and 2 across both portfolios by 2040
3. Active contribution to our assets' broader industry net zero ambitions (e.g. Scope 3).

This commitment furthers our objective to proactively prepare for the escalating risks of climate change and to capture the emerging opportunities from decarbonisation. We believe it reflects the scale and urgency of action required to actively manage and deliver strong risk-adjusted returns from the infrastructure asset class.

We have been working with each of our portfolio companies for some time on addressing climate vulnerabilities and reducing emissions. Committing to these targets represents a distillation of the significant work undertaken to understand the specific NZE pathway for each asset within our funds' portfolios.

These pathways incorporate four pillars — Reduction, Transition, Advancement, Offset — and are aligned with our long-held view of being active stewards for our investors' assets.

For more information on our net zero target, please see page 44.

Emissions and emission intensity

Figure 3: QIC Global Infrastructure Fund (QGIF)

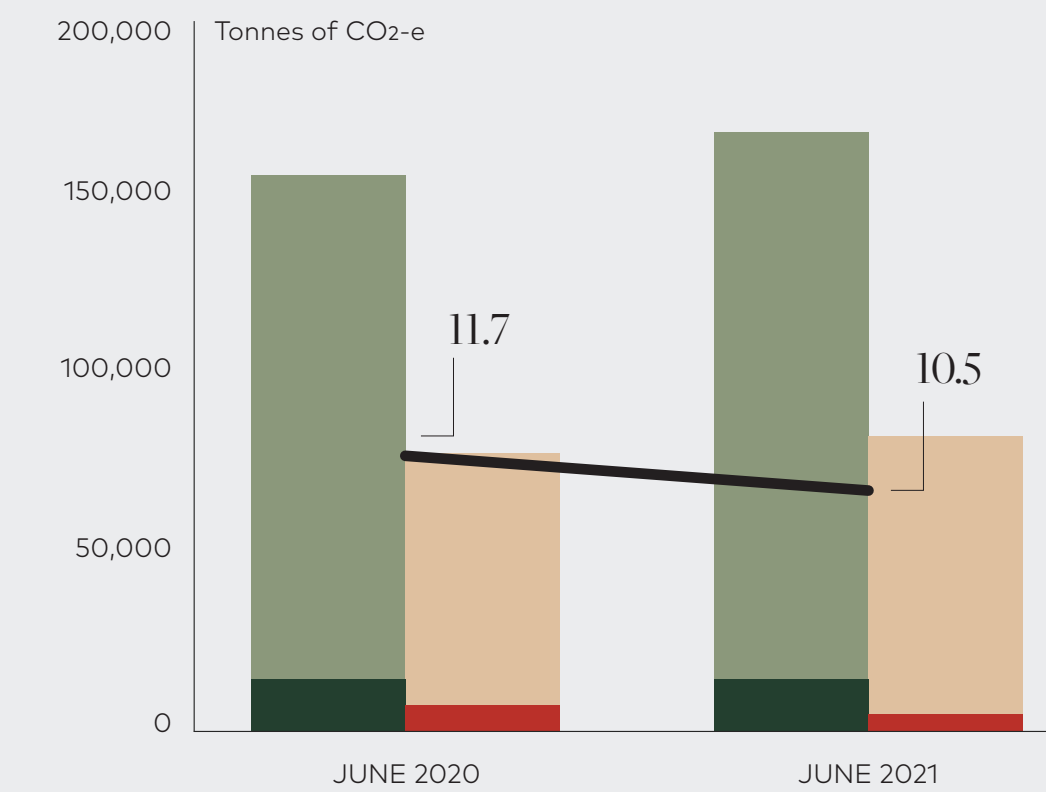


Figure 4: QIC Infrastructure Portfolio (QIP)

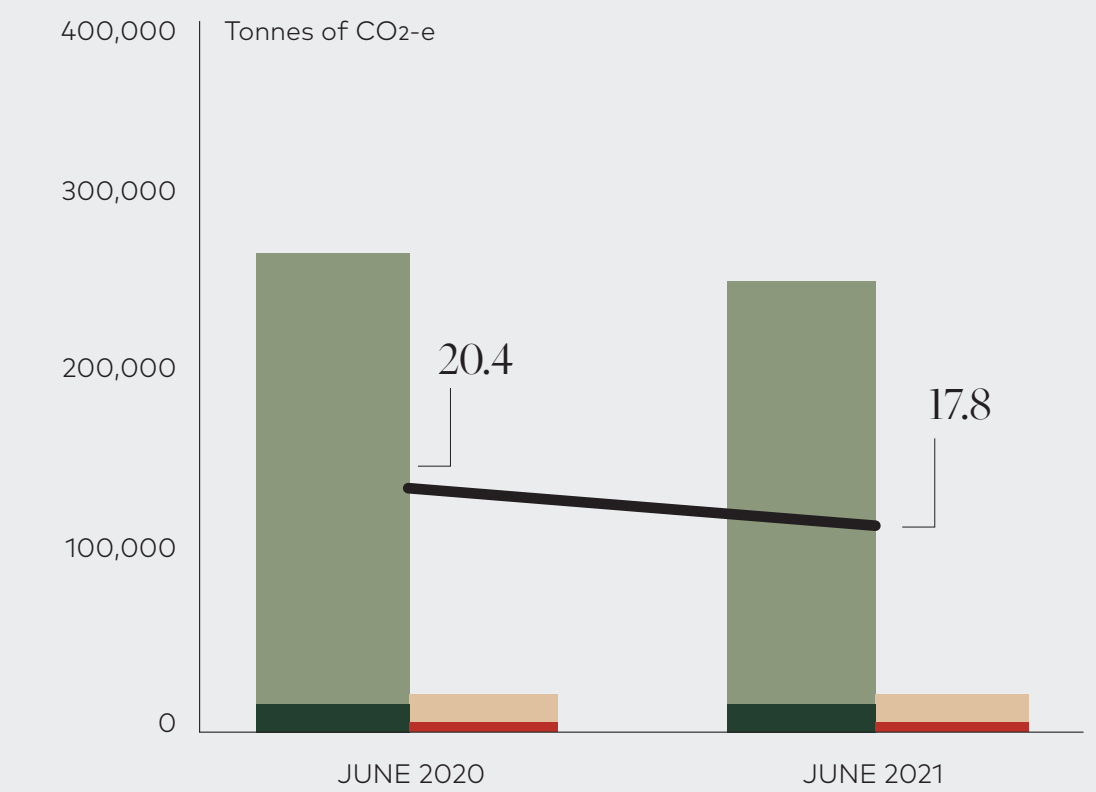
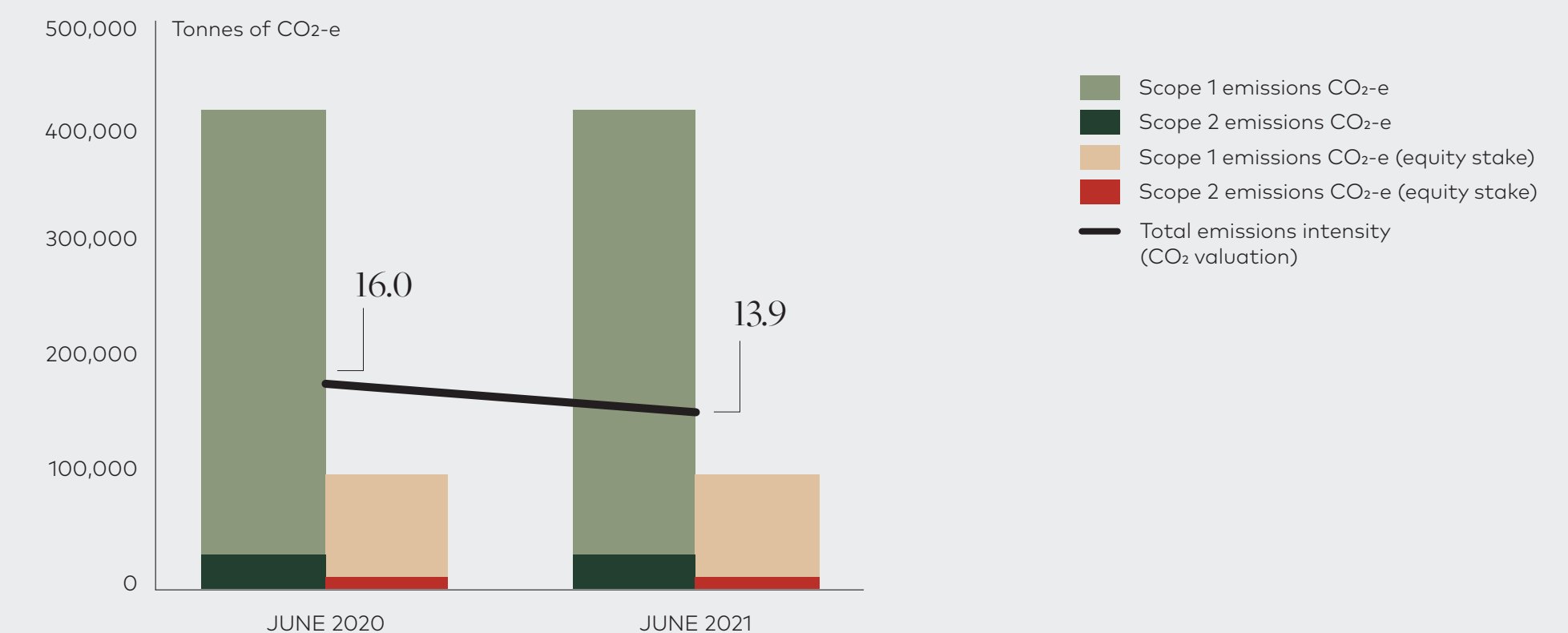


Figure 5: QGIF & QIP



¹¹ Net zero emission (NZE) target includes a 50% reduction in Scope 1 & 2 emissions by 2030 from a 2020 baseline, applied to the equity share of emissions for assets in our pooled infrastructure funds. The NZE target model relies on and may change depending on the adoption of new technology, operational improvements, growth or reduction in business activity, availability of equity and the potential new investment/divestment of businesses in the portfolio. Our progress will be quantified using independent verification and regular Scope 1 & 2 emissions tracking metrics.

¹² From a 2020 baseline

In addition to establishing decarbonisation strategies that address Scope 1, 2 and 3 emissions, climate-related considerations are embedded across the origination and execution of new investments and our active portfolio and asset management processes.

Table 4: Asset-level decarbonisation activities within the QIC Infrastructure portfolio — Scope 1 & 2

Company	Activities	Details
MasParc	LED lighting replacements	Upgraded the facility lighting from older induction lights to primarily new LEDs (over 360 lights were upgraded/replaced). Monthly power consumption was cut by approximately 60-65%.
Nexus	Renewable Power Purchase Agreement	Nexus entered into a Renewable Power Purchase Agreement that will see it reduce Scope 2 emission by between 80-85%.
NorthWestern Roads Group	Renewable Power Purchase Agreement	The emissions from the maintenance vehicles are offset through Green Fleet.
	Carbon offsetting	NWRG established renewable energy purchasing for both WestLink and North Connex.
Port of Brisbane	Solar deployment	Port of Brisbane has installed a total of 1,100 kW in rooftop solar and assisted customers to install 300 kW of solar on new property developments, resulting in an increase in solar energy production of around 180% in FY21.
Thames Water	Biogas from sewerage treatment	In the sludge treatment process steam is produced which is used to heat and help break down sludge, creating sewage gas during the digestion process, which is then used to produce heat and electricity. This reduced fossil fuel use by 49% and saved over 3.6 kTCO _{2e} carbon emissions.
	Combined Heat and Power	The installation of a Variable Speed Drive electrical pump system drove increased efficiency resulting in savings of 320 MWh per year.
	Solar Deployment	A 97% reduction in our emissions from using fossil fuels in combined heat and power (CHP) engines, saving 1.8 kTCO _{2e} where we are not able to produce our own renewable electricity.
	Renewable Energy purchasing	Continue to source Renewable Energy Guarantees of Origin (REGO) accredited renewable electricity through contracts with suppliers.

Table 5: Asset-level decarbonisation activities within the QIC Infrastructure portfolio — Scope 3

Company	Details
MasParc	Installed 10 EV charging stations to serve 20 parking spots.
Generate	2021 saw an increase of almost 15% in renewable energy generated and renewable natural gas for customers.
Pacific Energy	2021 saw an increase in renewable energy generation for Pacific Energy Customers of over 40%.
Tilt	Through the acquisition of Tilt, the PowAR business expanded to own more than 1,300MW of operational renewable energy capacity across nine geographically diverse wind and solar generation assets.
Port of Brisbane	Port of Brisbane partnering with a key shipping customer to trial biofuel as a replacement for marine diesel.
Brussels Airport	The Stargate program at Brussels airport will support the decarbonisation of users of the airport including through: <ul style="list-style-type: none"> • Adoption of sustainable aviation fuel • Electrification and use of hydrogen in ground vehicles • Increase modality options • Shared solar park.
LBCH	LBCH is working with Southern California Edison (SoCalEd) and JCC to install 150 EV charging stations in the parking structure. LBCH was the first to apply for SoCalEd's 'Charge Ready' program. The charging stations are expected to be purchased and installed in 2022.
Thames Water	Export of renewable energy to the grid from CHP engines.

Power Purchase Agreement

QIC and IFM Investors jointly led an innovative new renewable energy program, which will help reduce electricity costs and greenhouse gas emissions at key Australian airports, ports, energy utilities, roads, and hospitals. The Power Purchase Agreement (PPA) program is the largest of its kind in Australia and reinforces our commitment to directly and actively contribute to decarbonisation across infrastructure sectors with like-minded partners and in our portfolio companies.

The program will be delivered in three stages, with QIC managed assets, Nexus Hospitals and NorthWest Road Group's Westlink M7, signed up to the first stage. We also continue to actively work with a number of our other portfolio companies to join the program in stages 2 and 3, including Port of Brisbane and Brisbane Airport.

This program is another demonstration of our active-core asset management approach, through which ESG and sustainability are key pillars supporting the delivery of long-term value for our clients.

Renewable energy generation profile

QIC's infrastructure portfolio has seen a significant increase in overall energy generation capacity in 2021, primarily through the acquisition of companies such as Tilt Renewables.

The non-renewable energy generation is from Pacific Energy, acquired in 2019. It provides power to remote mines and communities through diesel and gas generation with a growing fleet of renewable and hybrid systems.

Profile of renewable vs non-renewable energy generation

■ Non-renewable energy generated (GJ)
■ Renewable energy generated (GJ)

Figure 6: QIC Global Infrastructure Fund (QGIF)

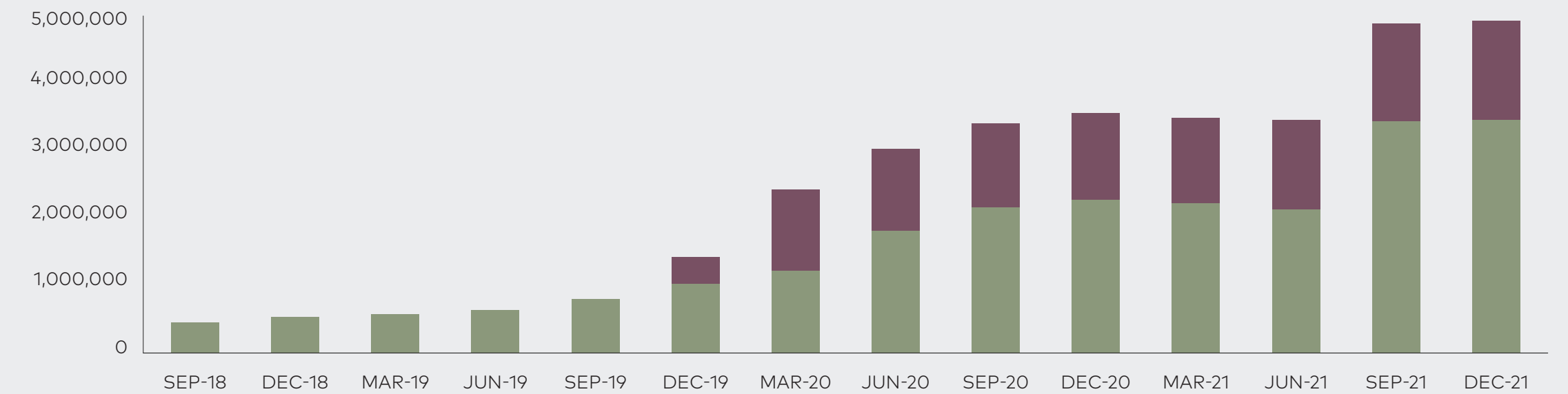


Figure 7: QIC Infrastructure Portfolio (QIP)

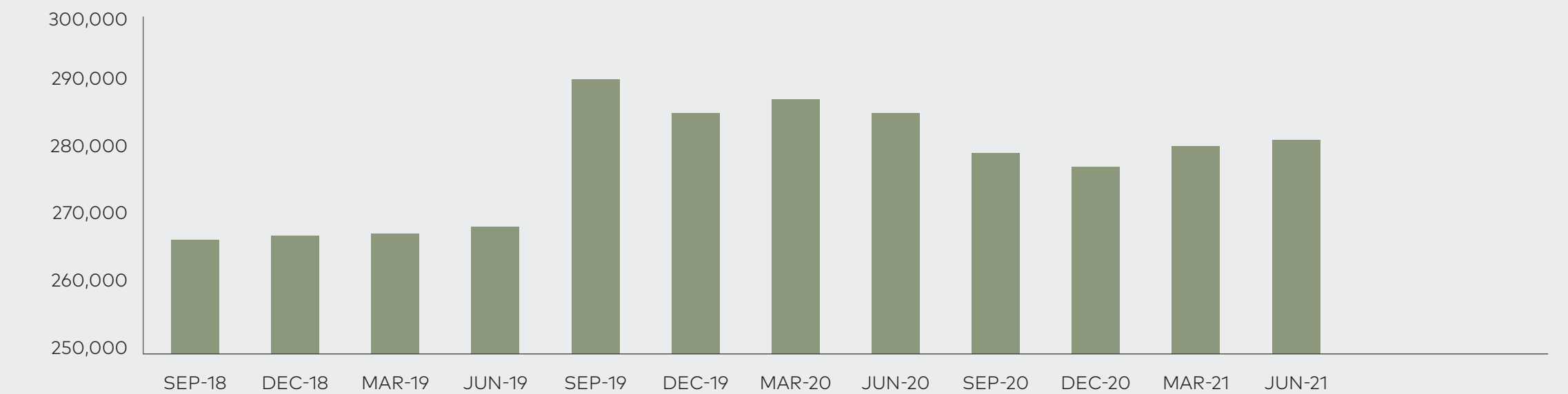
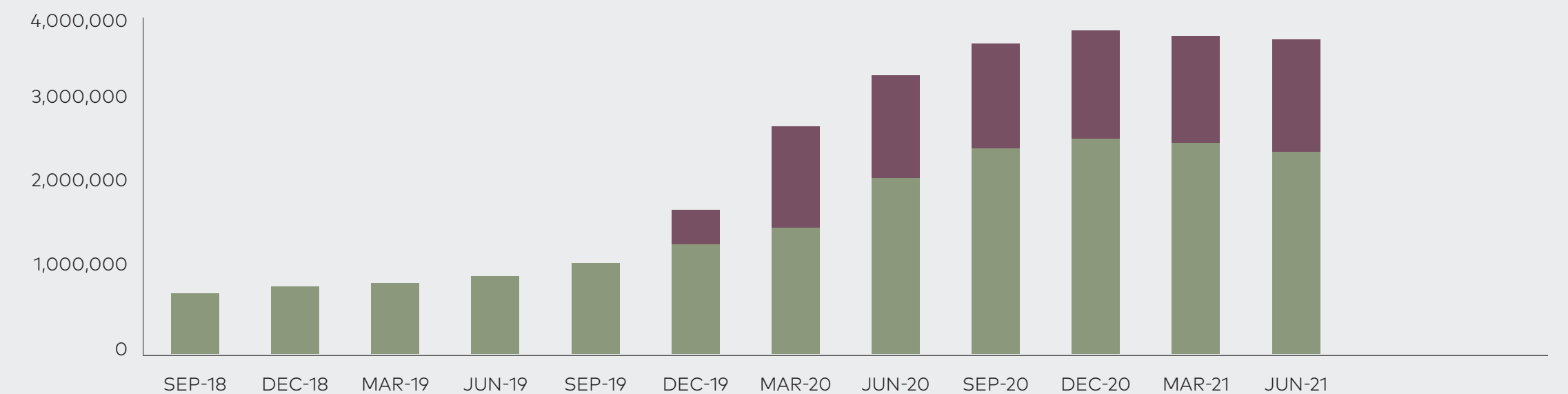


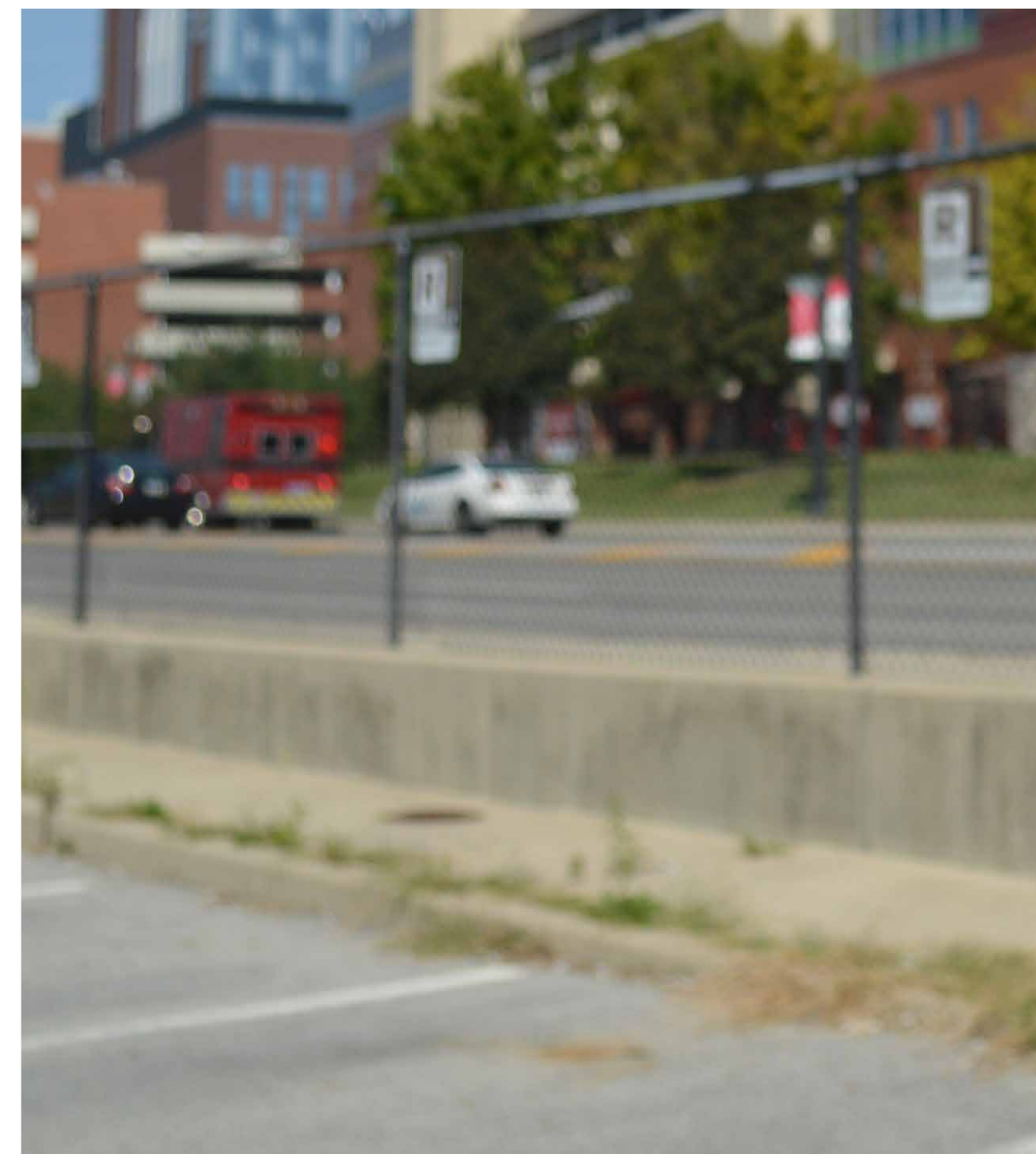
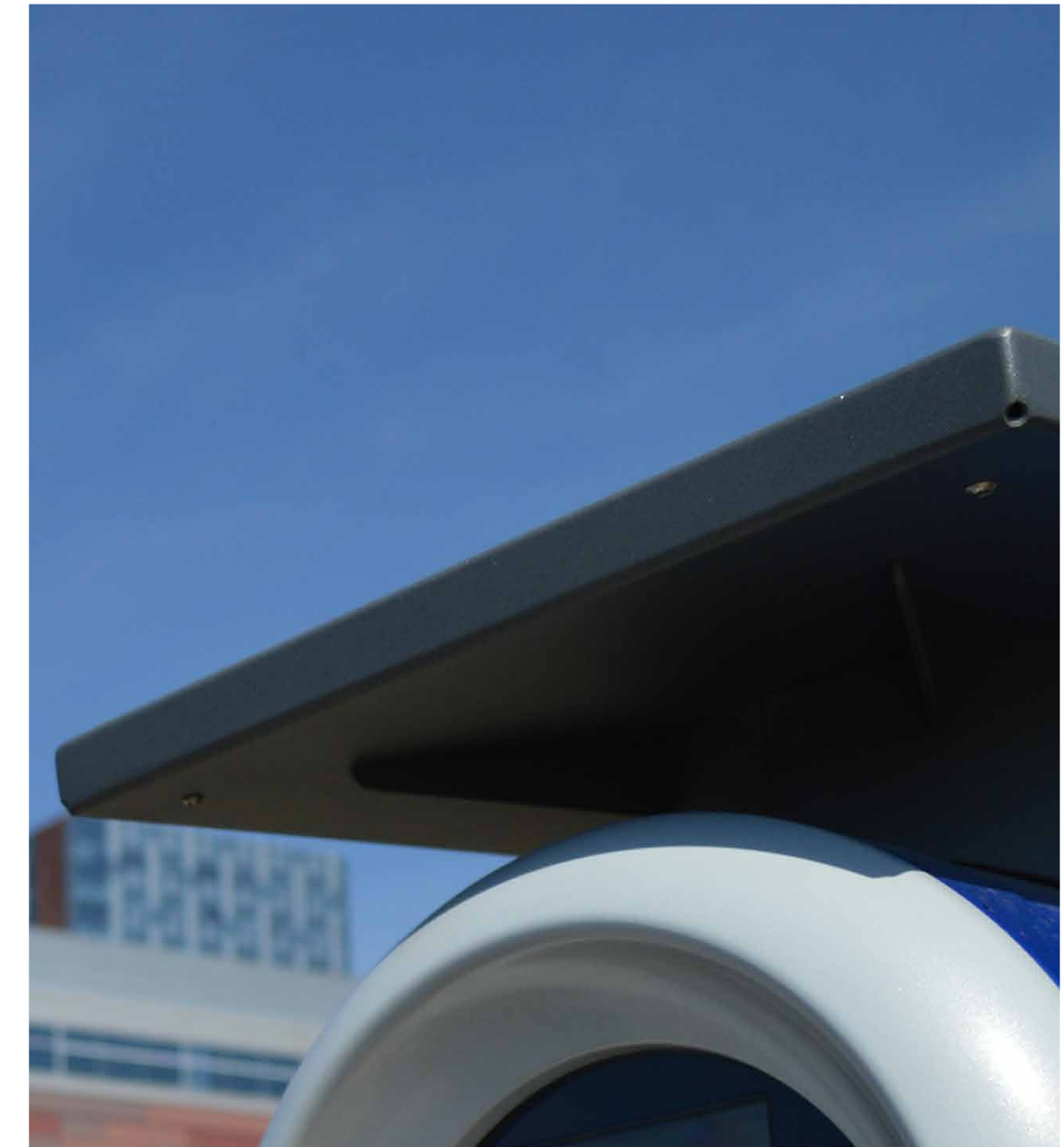
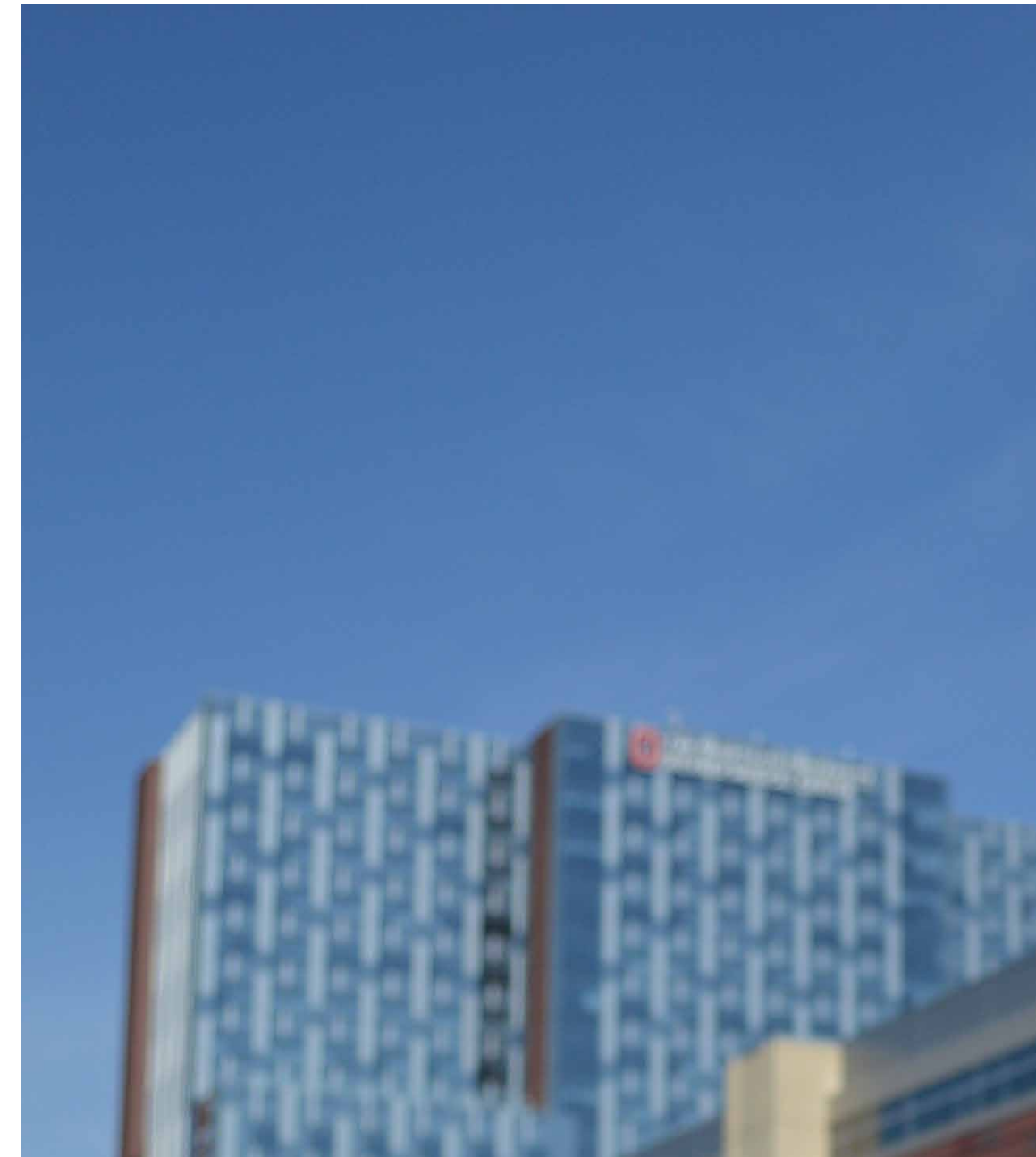
Figure 8: QGIF & QIP





9. Social Impact and Value

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Social Impact and Value

We recognise the criticality of people to the success and long-term value of our portfolio companies.

Whether that is the employees, customers, community, and suppliers of our businesses, understanding and building strong relationships with these groups is fundamental.

9.1 Diversity at QIC

Within our QIC team we respect diversity, inclusion, and strong governance. We champion equality in gender, culture and linguistics, accessibility, reconciliation action, LGBT+ and wellness to ensure QIC is a workplace where people feel valued, happy, healthy, and encouraged.

Within the Infrastructure team we measure and actively promote diversity of our people and the independent directors we work with.

9.2 Our infrastructure portfolio

Progress continues to be made within our portfolio companies as it relates to people and stakeholder relationships.

We have continued to support significant progress across the portfolio including the addition of 'Chief, People and Culture' roles at two of our assets (Pacific Energy and Nexus Hospitals), the continued development of plans and strategies around Diversity and Inclusion (e.g. Port of Melbourne), Reconciliation Action Plan (e.g. Hobart Airport) and a Māori response strategy (e.g. Powerco).

The progress of this area will be reported on an annual basis at a portfolio company level as well as at a fund level through this report.

Figure 9: Gender Split — QIC and Independent Directors

As at 31 December 2021

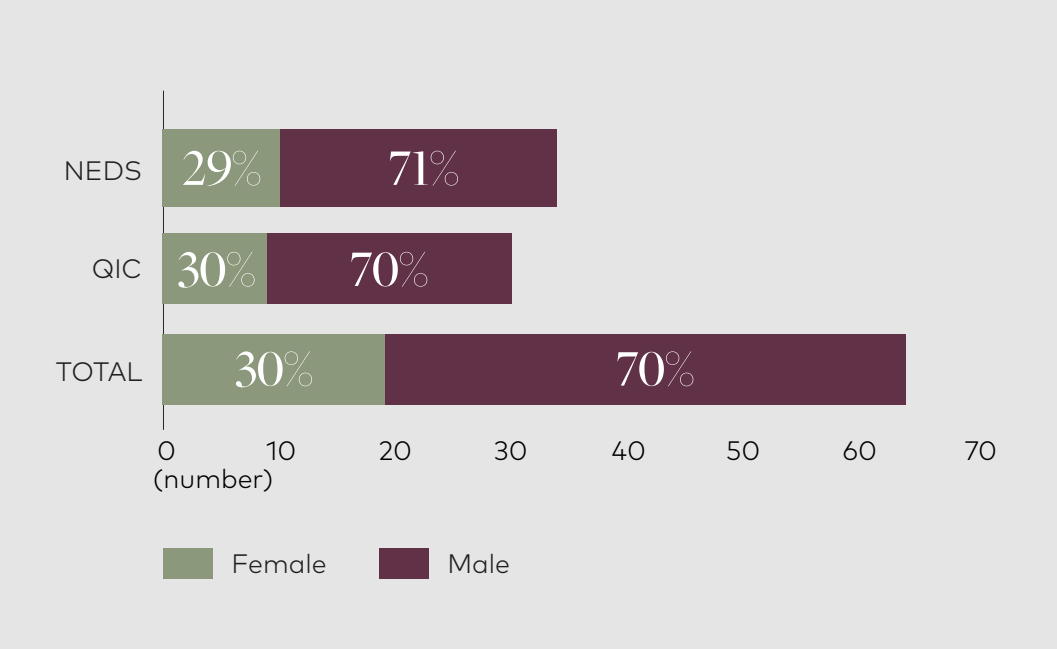
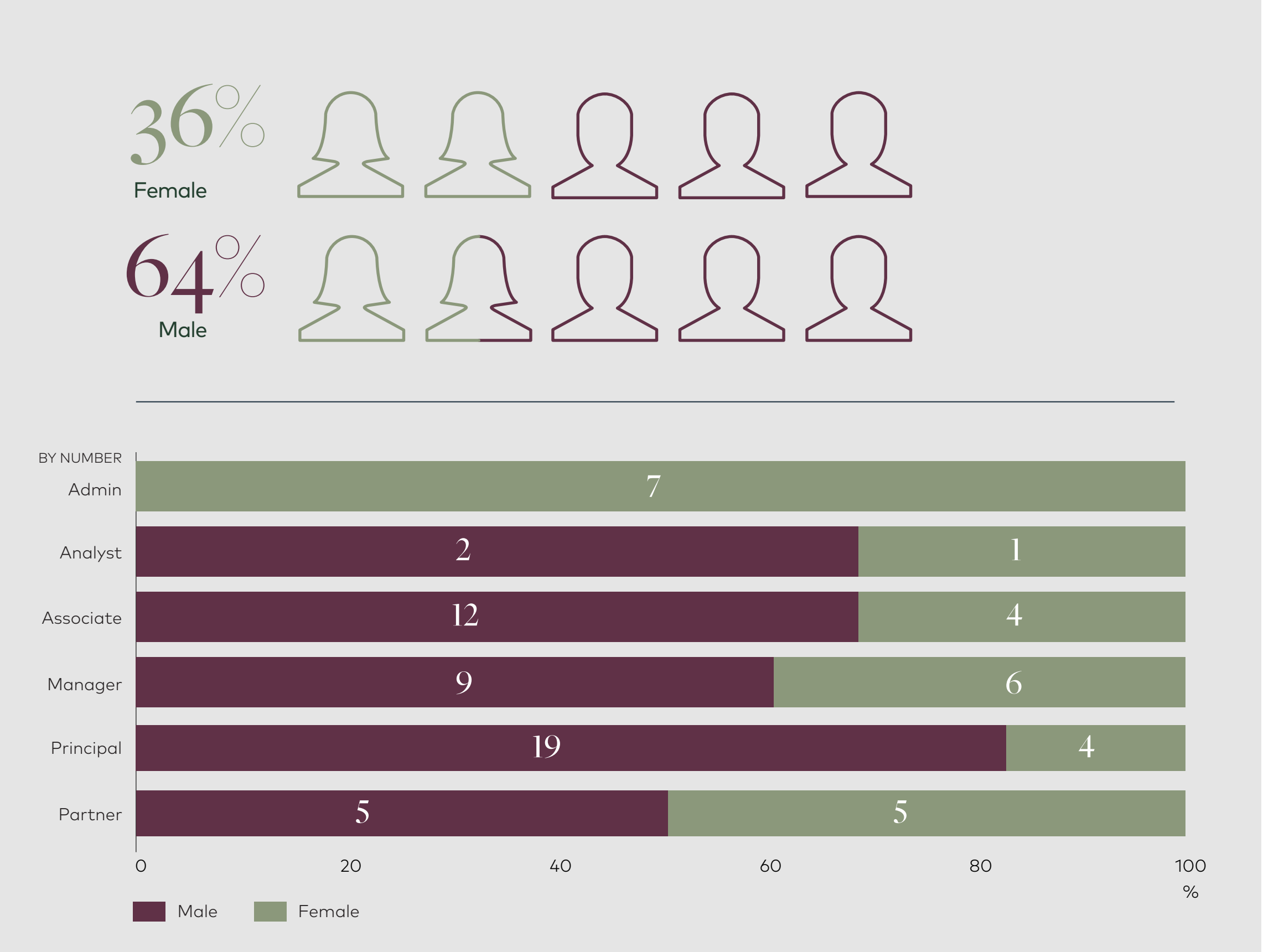


Figure 10: Gender Split — QIC Infrastructure team

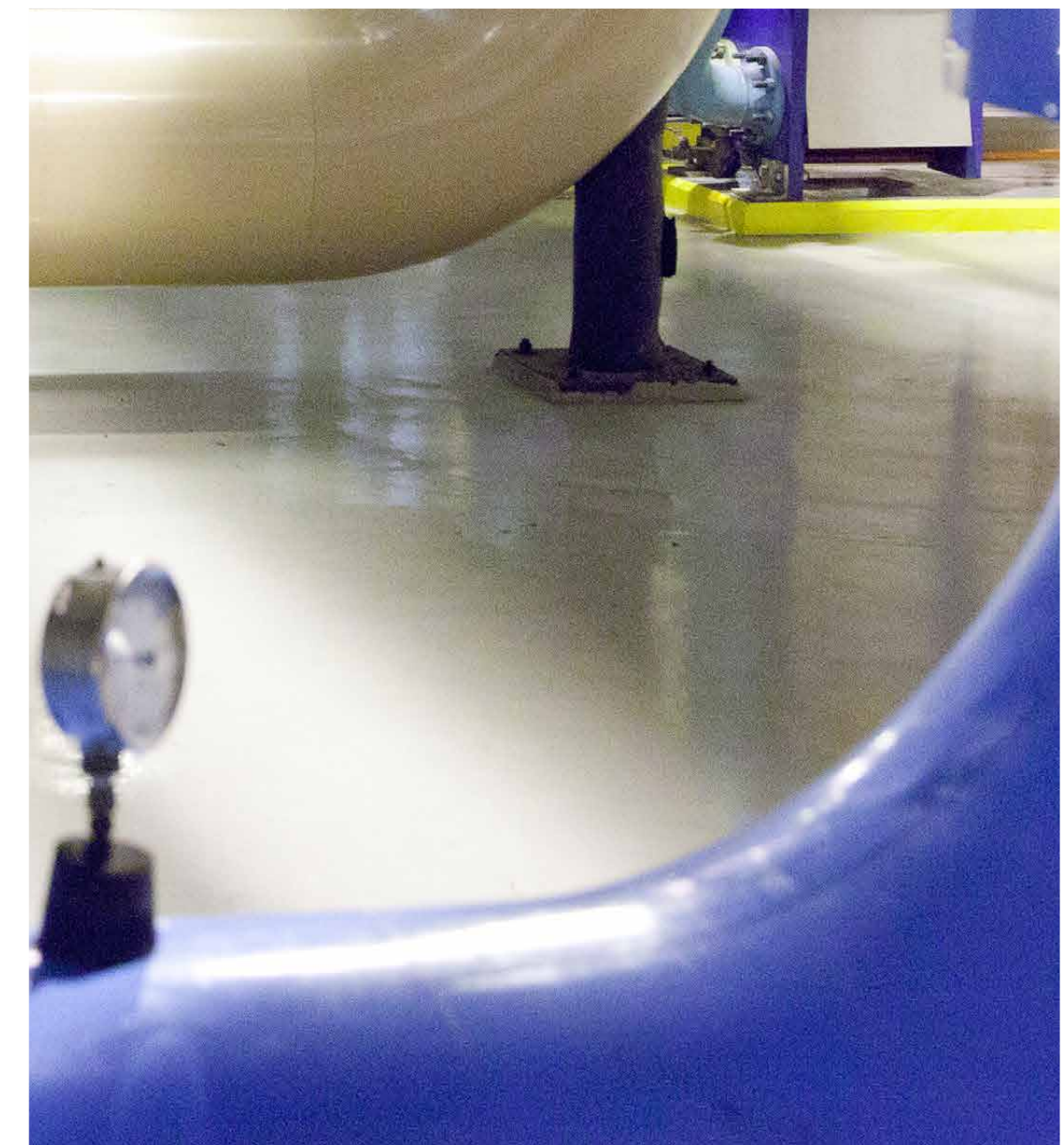
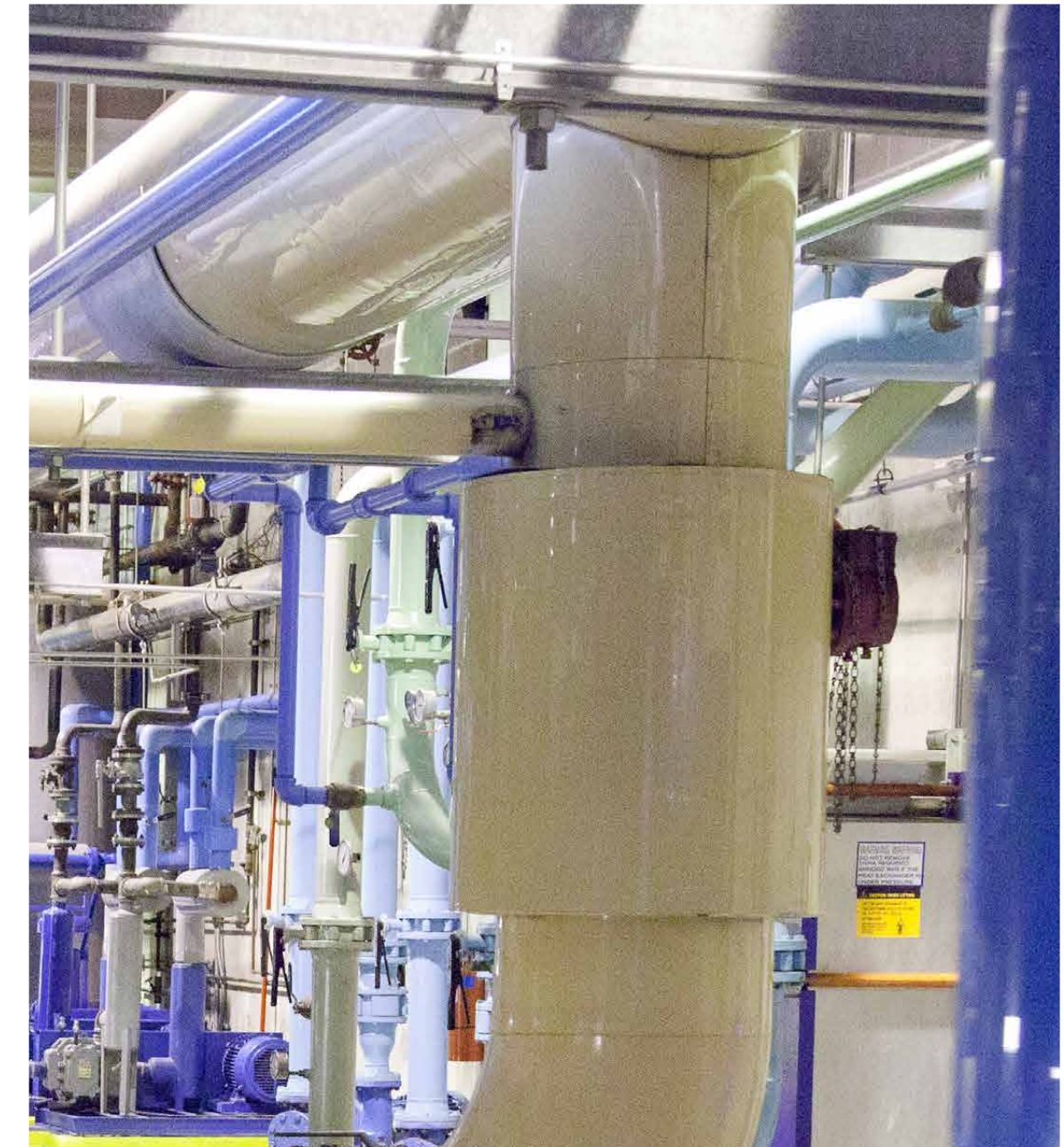
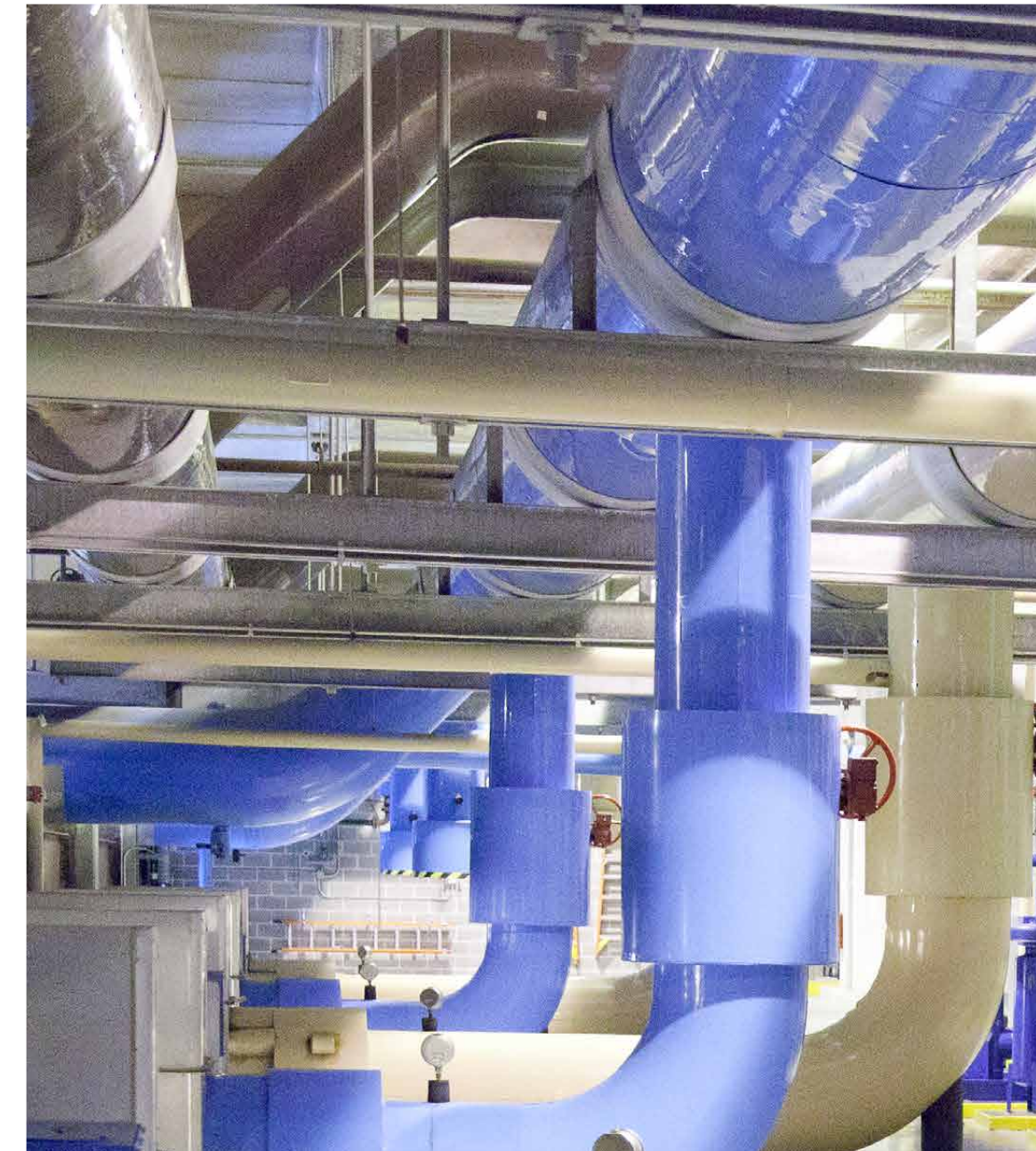
As at 31 December 2021





10. Industry Benchmarks

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Industry Benchmarks

QIC elected not to participate in the GRESB assessment in 2020 for its infrastructure portfolio due to COVID-19's impact across the portfolio. While many portfolio assets were still heavily impacted by the ongoing pandemic, the team recommenced GRESB assessment participation in 2021 for the QIC Global Infrastructure Fund (QGIF).

QGIF performed very strongly in the GRESB 'Management' component score, achieving 29 out of 30 possible points. The management component score measures the fund-level strategy and leadership management, policies and processes, risk management and stakeholder engagement approaches. The management component score makes up 30 per cent of the overall rating for a fund.

The 'Performance' component makes up the remaining 70 per cent of the GRESB score and reflects the weighted average of scores for assets in the fund. It is important to note that non-participating assets are scored a zero which impacts the fund score.

For the 2021 report, QGIF had:

- Three assets reporting who had previous experience with the benchmark
- Three assets reporting for the first time under the Grace Period
- Four assets unable to report due to resourcing and ongoing COVID-related issues.

This significant percentage of assets who did not participate, or had no previous experience with the benchmark, is the reason for the performance score of 20/70 and difference compared to the 2019 result when three out of three assets responded. It is on this basis that we don't believe the score is reflective of the actual management and performance of sustainability within our portfolio companies.



Supported three new portfolio companies to participate in the GRESB Assessment.

The QIP Fund did not participate in GRESB for 2021, however we still encourage portfolio companies to respond and three of our QIP assets received very strong scores.

This reflects the maturity of these businesses, their resourcing and approach to sustainability, as well as their familiarity with the GRESB Survey after several years of participation.

QIP will participate in GRESB for 2022.

Table 6: GRESB assessment results — QIC Global Infrastructure Fund (QGIF)

Fund	2019 score	*	2020 score	2021 score	Overall score vs GRESB average
QIC Global Infrastructure Fund	65/100		N/A	49/100	49 vs 77
	Fund Score: 86/100			Management: 29/30	Management: 29 vs 27
	Weighted Average Asset Score: 56/100			Performance: 20/70	Performance: 20 vs 50

* Note: due to a change in methodology in 2020, GRESB has advised that objective comparison to GRESB scores allocated prior to 2020 is not meaningful.

Table 7: GRESB assessment results — QIC Infrastructure Portfolio (QIP)

QIP Asset	2018 score	2019 score	*	2020 score	2021 score
Port of Brisbane	Grace period	87/100		–	89/100
Thames Water	86/100	86/100		89/100	87/100
Powerco	88/100	75/100		–	97/100

* Note: due to a change in methodology in 2020, GRESB has advised that objective comparison to GRESB scores allocated prior to 2020 is not meaningful.

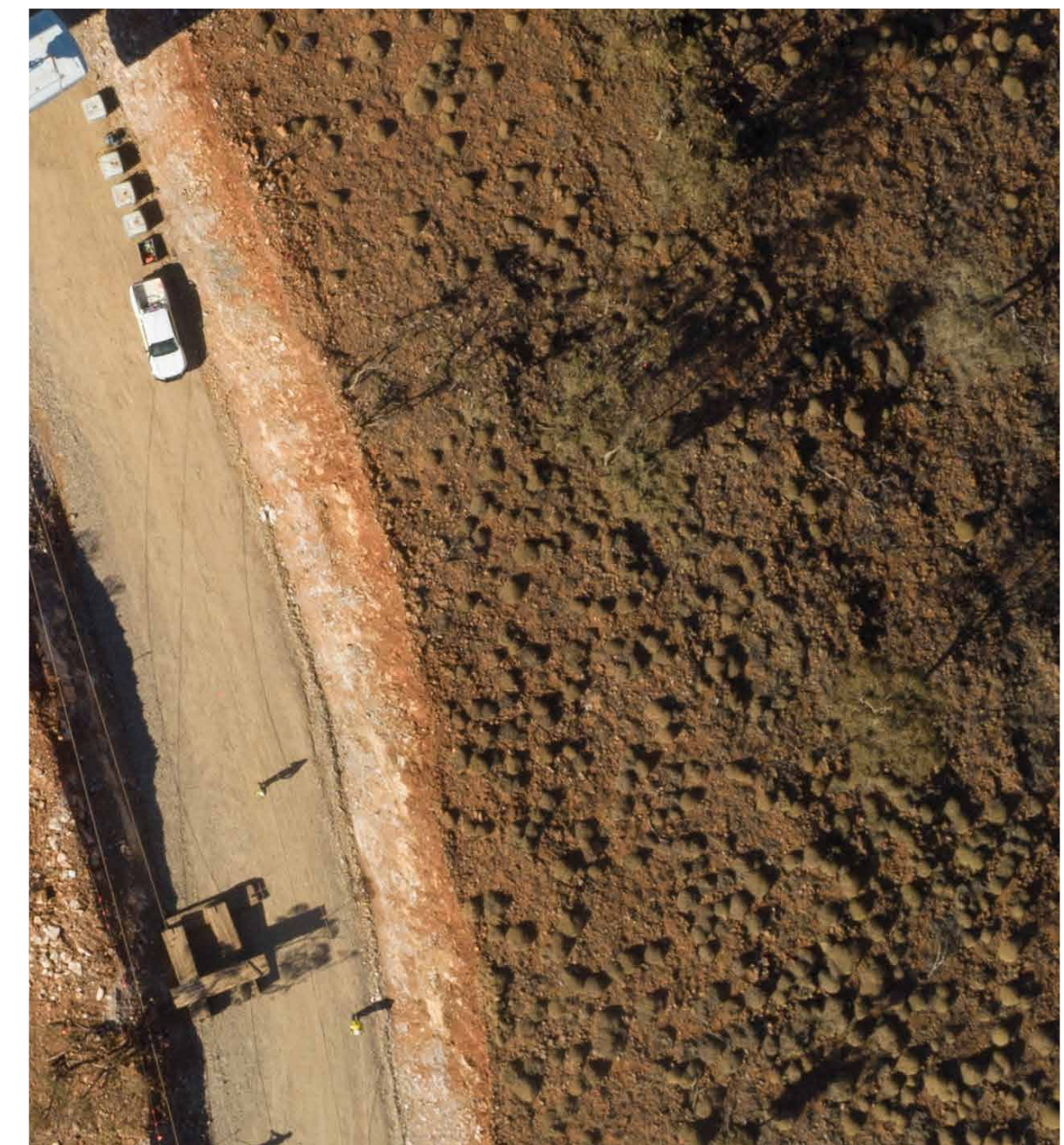
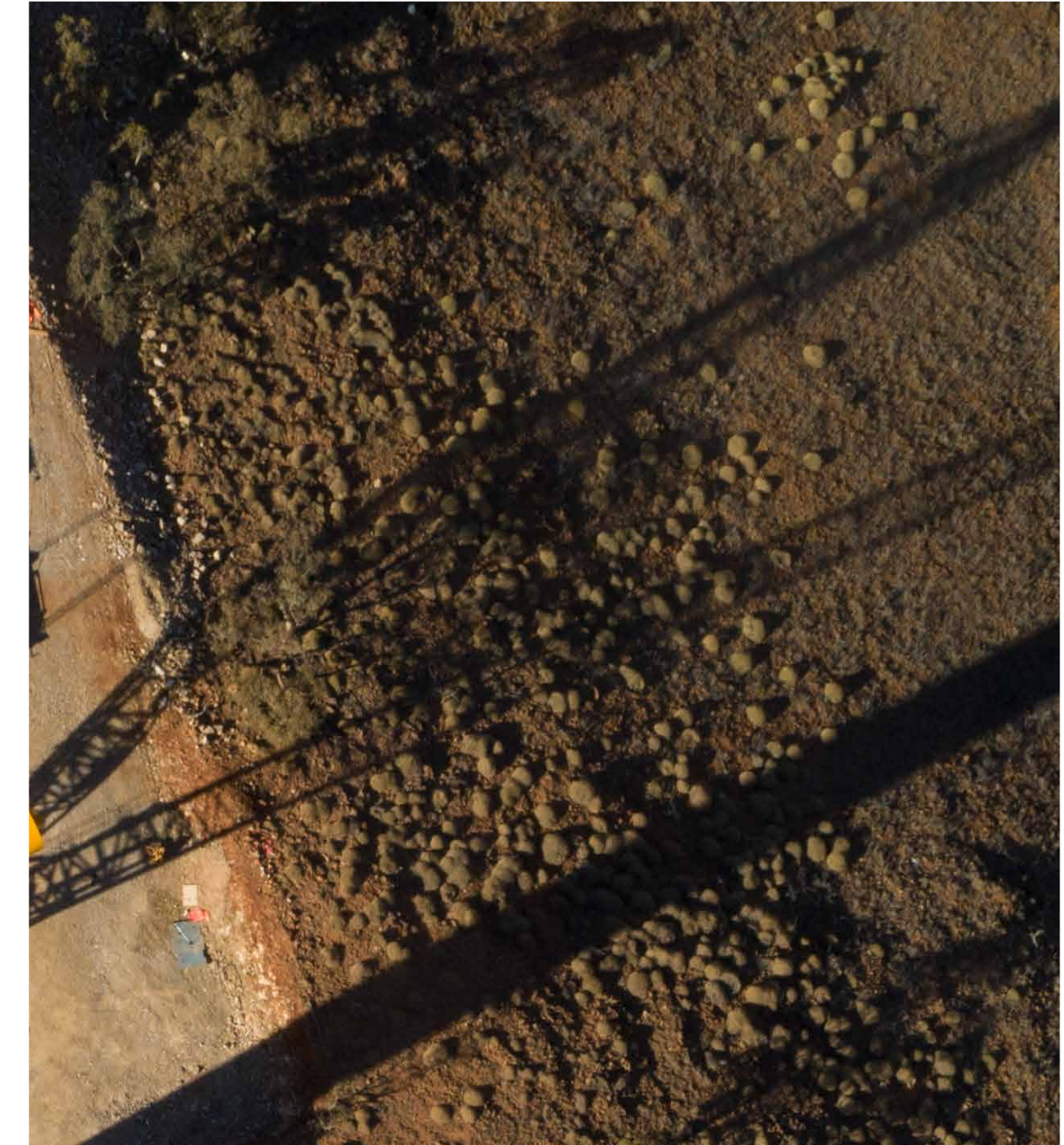
Next steps:

- Our priority will be to continue to work closely with all our assets on their sustainability approach and performance as part of our overarching active management for our investments. With respect to GRESB this will include:
 - Utilising the 2021 GRESB results to inform and reinforce our focus areas under our existing asset management plan. The GRESB benchmark is an input into our assets’ strategy development process.
 - Providing greater guidance and support for our portfolio companies in responding to the GRESB survey to ensure the work they are doing is accurately reflected in their response and benchmarking. This will include using the expertise gained in our high performing portfolio companies. We will develop toolkits and run training sessions for our management teams.
 - Expanding the number of our portfolio companies participating in the GRESB survey.
- We will also actively work with GRESB to ensure it continues to evolve as an effective benchmarking platform for infrastructure investors.
 - We continue to see opportunities to improve the survey and the assessment to ensure that the outcome fairly reflects relative sustainability performance.
 - This approach reflects our view that sustainability benchmarks including the GRESB survey should be used to inform and drive improved sustainability performance, rather than just representing ‘tick the box’ compliance.
 - We will use our representative role on the GRESB Advisory Board to influence the platform.



11. Technology and Innovation

INFRASTRUCTURE
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Technology and Innovation

Through the adoption of the latest in technology and innovations, QIC Infrastructure continually aims to improve internal competence in process and technology management, improve asset management practices, identify and drive opportunities linked to emerging technologies and disruption, and improve the risk management function.

QIC has adopted a framework that continuously scans the market for emerging and disruptive technologies in over 100 infratech companies, universities and research organisations.

An agile infrastructure technology management model then supports and drives our innovation management capability development. It allows QIC to rapidly pilot, adopt or park potential new technologies and innovations.

Focus Areas in 2021



Cyber Risk Management

QIC is progressively facilitating cyber security risk management maturity assessment across the portfolio. The current focus is on assets under transition and assets subject to the *Critical Security Infrastructure Act 2020*.



Structural Monitoring

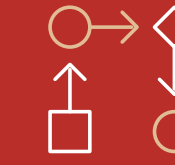
QIC identified best of breed emerging technologies for structural monitoring of assets. The technology solutions help with long-term risk management, day-to-day management of asset usage and optimisation of an asset's useful life, reducing the overall cost of ownership. It also enables a shift from periodic maintenance to a needs-driven, proactive maintenance model.



Energy Transition

QIC focused on increasing adoption of renewables across a range of deployment cases including:

- For grid-scale renewables, driving development of energy storage solutions will follow generation-only investment
- Decarbonisation of decentralised power generation (Pacific Energy)
- Green hydrogen solutions and new partnerships (Hyundai).



Digitalisation

QIC focused on assets with opportunities to improve adoption of digital technologies, including for example: pioneering a collaboration between the Port of Melbourne with the Port of Rotterdam to adopt the globally leading, supply chain neutral digital platform for improving maritime supply chain management.



Innovation and Culture

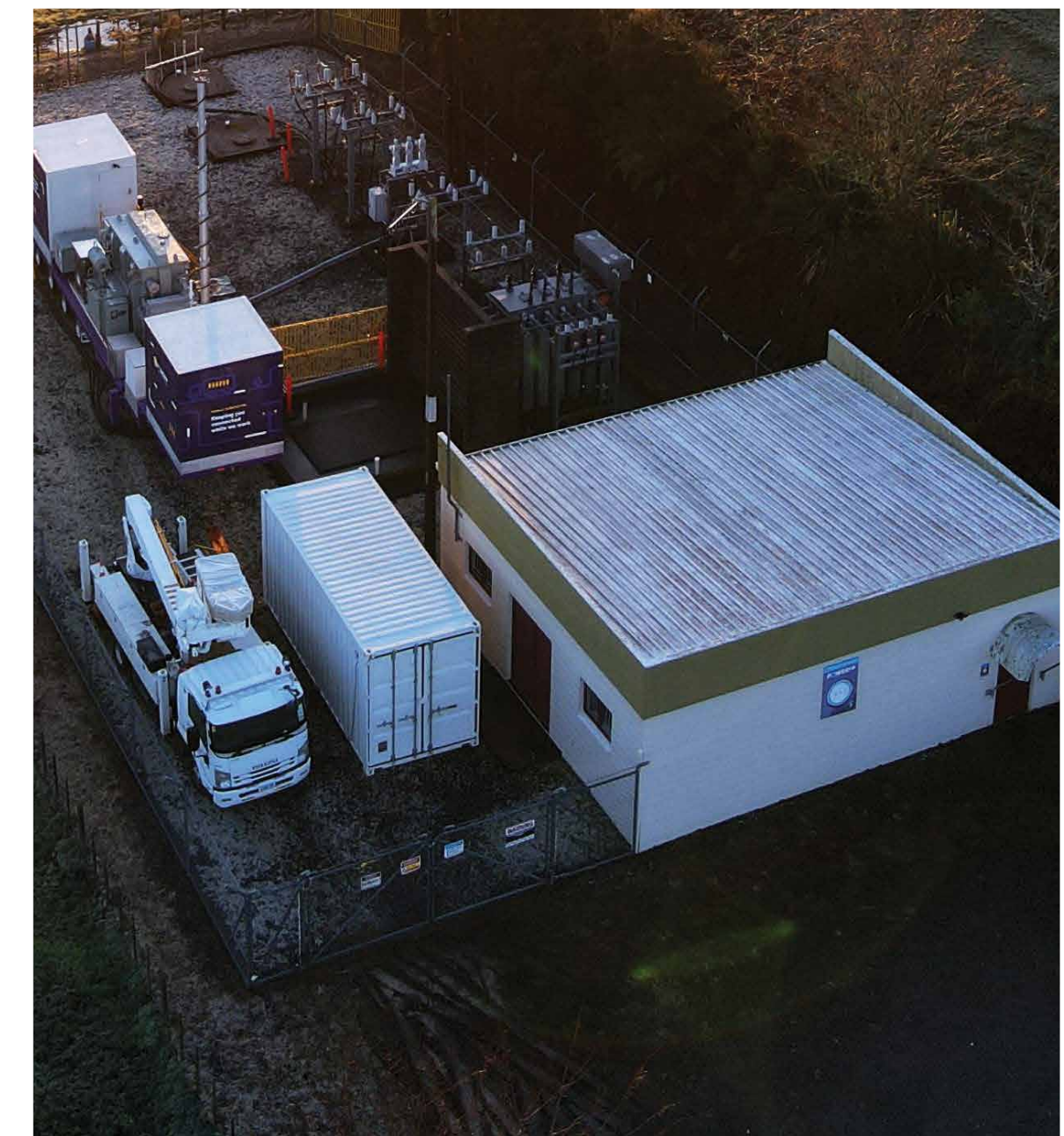
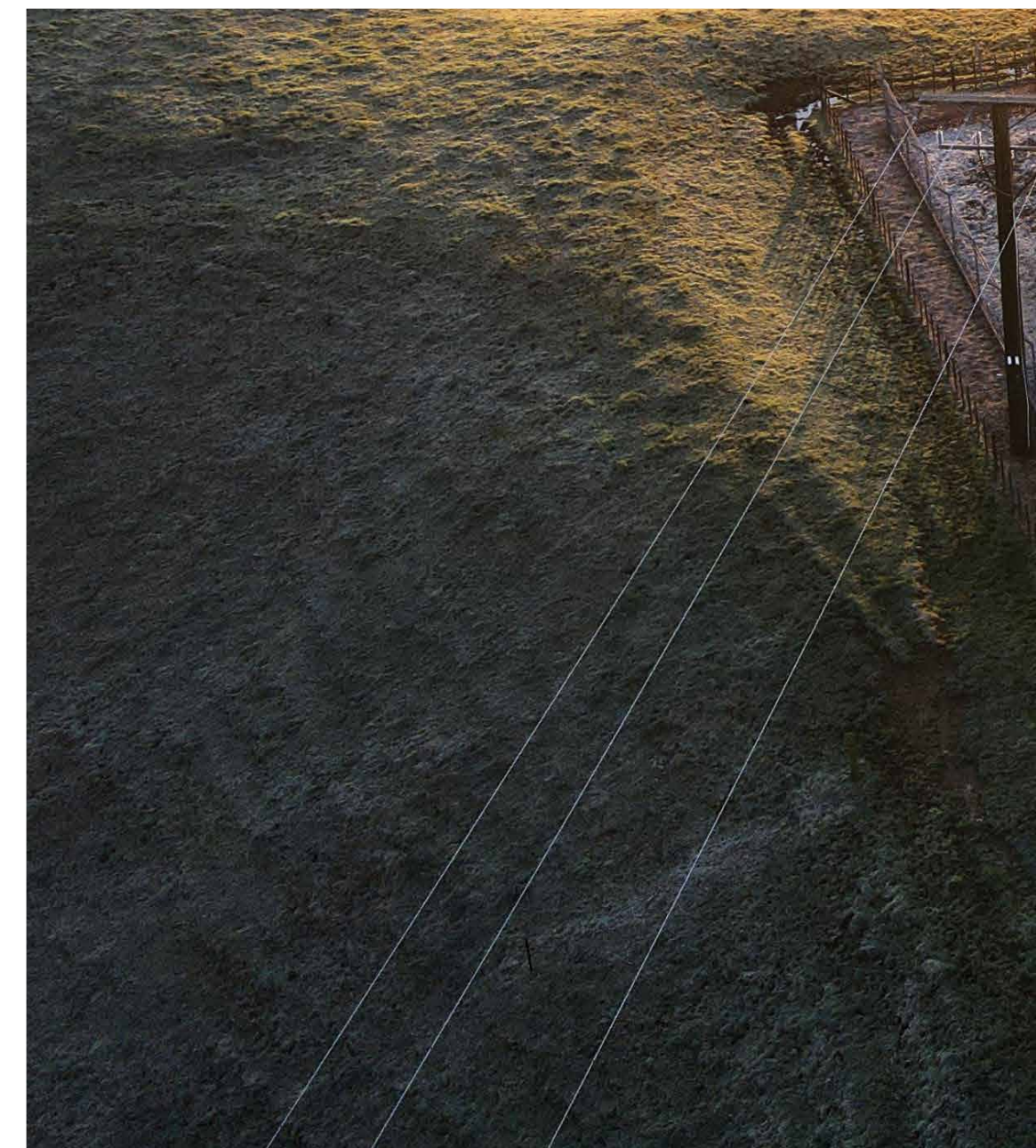
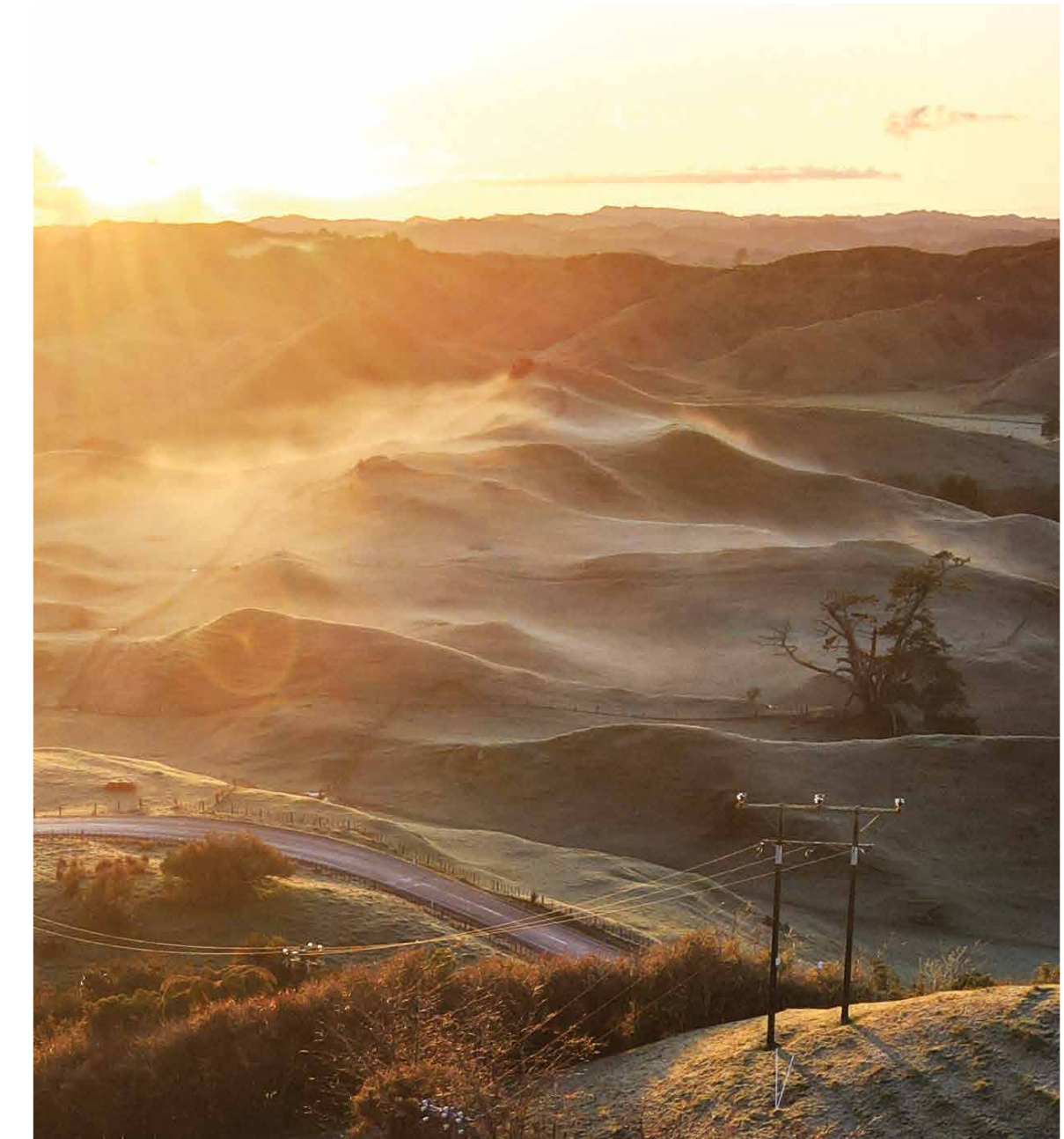
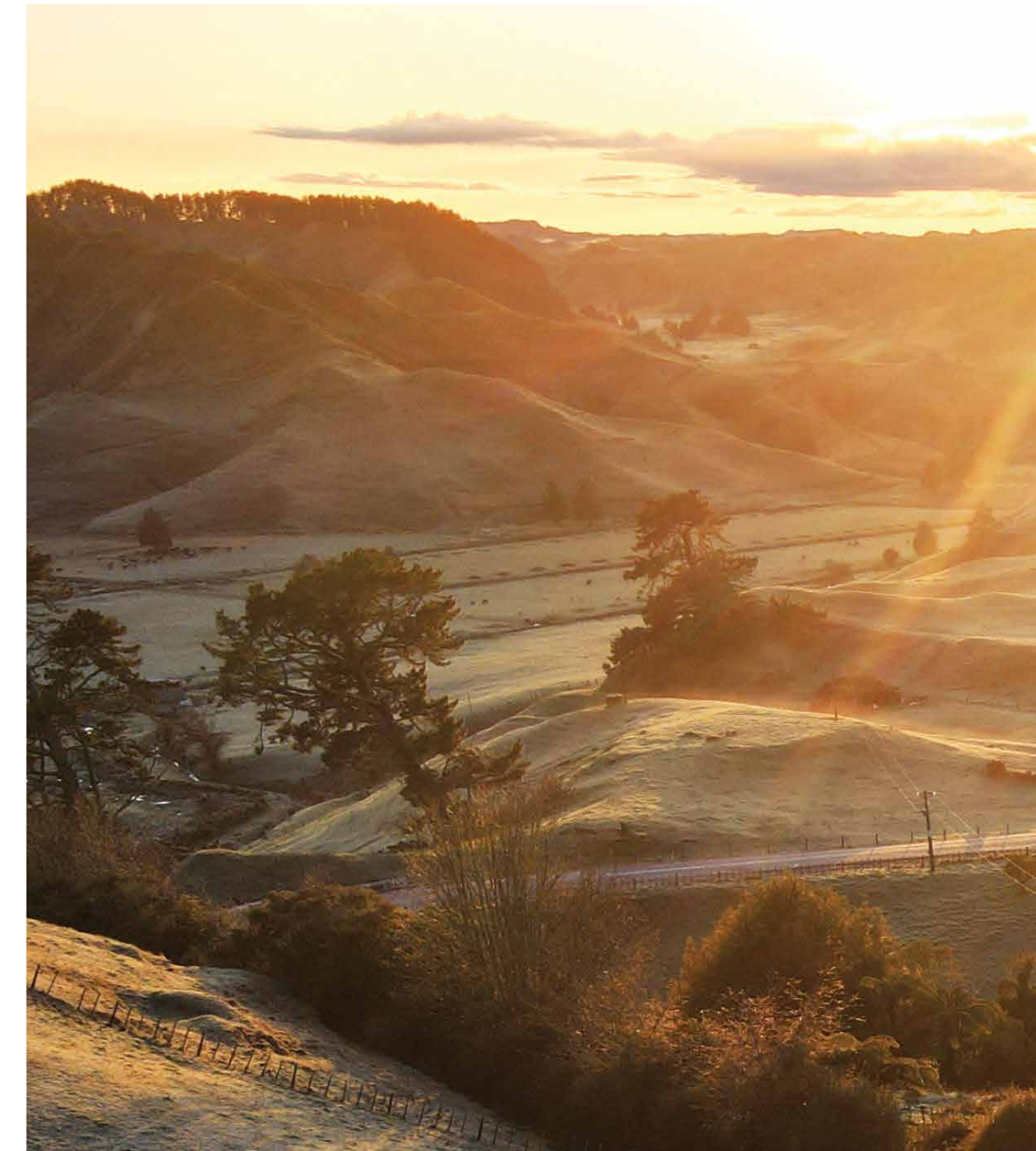
QIC aims to act as a catalyst and driver of developing competent innovation management and as part of this:

- QIC participates in the Governance of Technology and Innovation Panel of the Australian Institute of Company Directors (AICD), directly shaping the improvement of innovation also at the board level
- QIC is currently developing the *Innovation Enablement Program*, to stimulate improved capability of portfolio companies to adopt ESG-centric technologies.



12. Sustainability in Action

INFRASTRUCTURE
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CASE STUDY

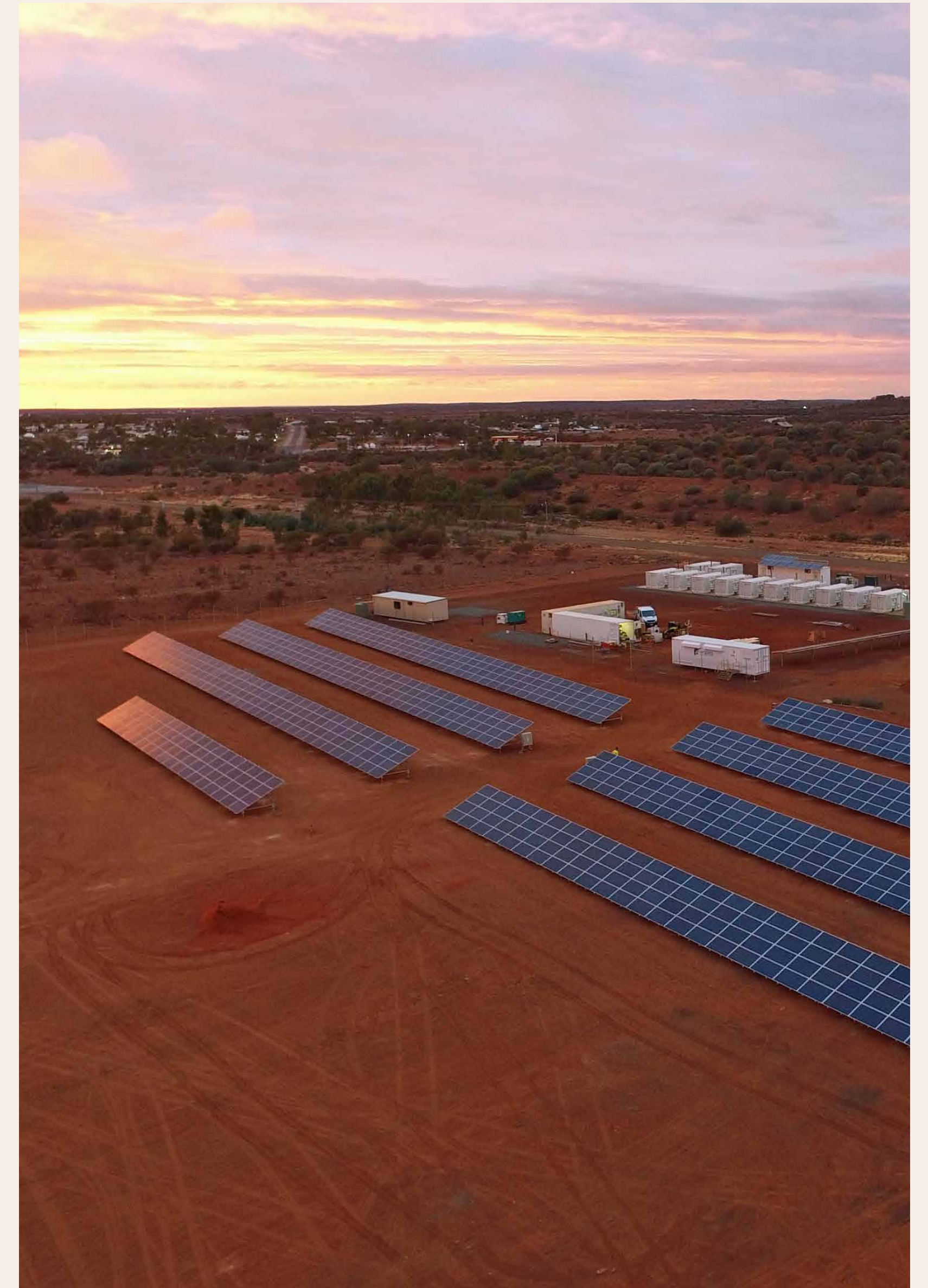
Delivering sustainable power solutions for remote Aboriginal communities

QIC Infrastructure portfolio asset Pacific Energy has announced a joint three-year Memorandum of Understanding (MOU) with one of Australia's largest Aboriginal corporations, the Gumala Aboriginal Corporation (GAC), which serves the Banjima, Yinhawangka and Niyaparli people of the Pilbara region in Western Australia.

Under the MOU, GAC will identify remote communities in the Pilbara for the introduction of sustainable, renewable energy, reducing reliance on fossil fuel generators. Pacific Energy will convert those remote communities to hybrid power by incorporating solar and battery storage with existing generators through the installation of their industry-leading, locally designed and constructed Stand-Alone Power Systems (SPS).

The program will provide these remote Aboriginal communities with reliable power supply, alongside environmental and cost benefits. Two replacement SPS units have already been successfully installed at the Bidiltha and Wirrillimarra communities, with further installations to be rolled out over the course of the joint partnership.

Pacific Energy CEO, Jamie Cullen said, "we are delighted to have entered this partnership with GAC and to be able to utilise our skills and experience in remote, hybrid energy generation to add to the incredible work and initiatives that GAC undertakes to benefit the lives and futures of the Banjima, Yinhawangka and Niyaparli Traditional Owners. This is a practical, useful and environmentally responsible way that Pacific Energy is utilising our specialist capabilities to give back to local communities".



CASE STUDY

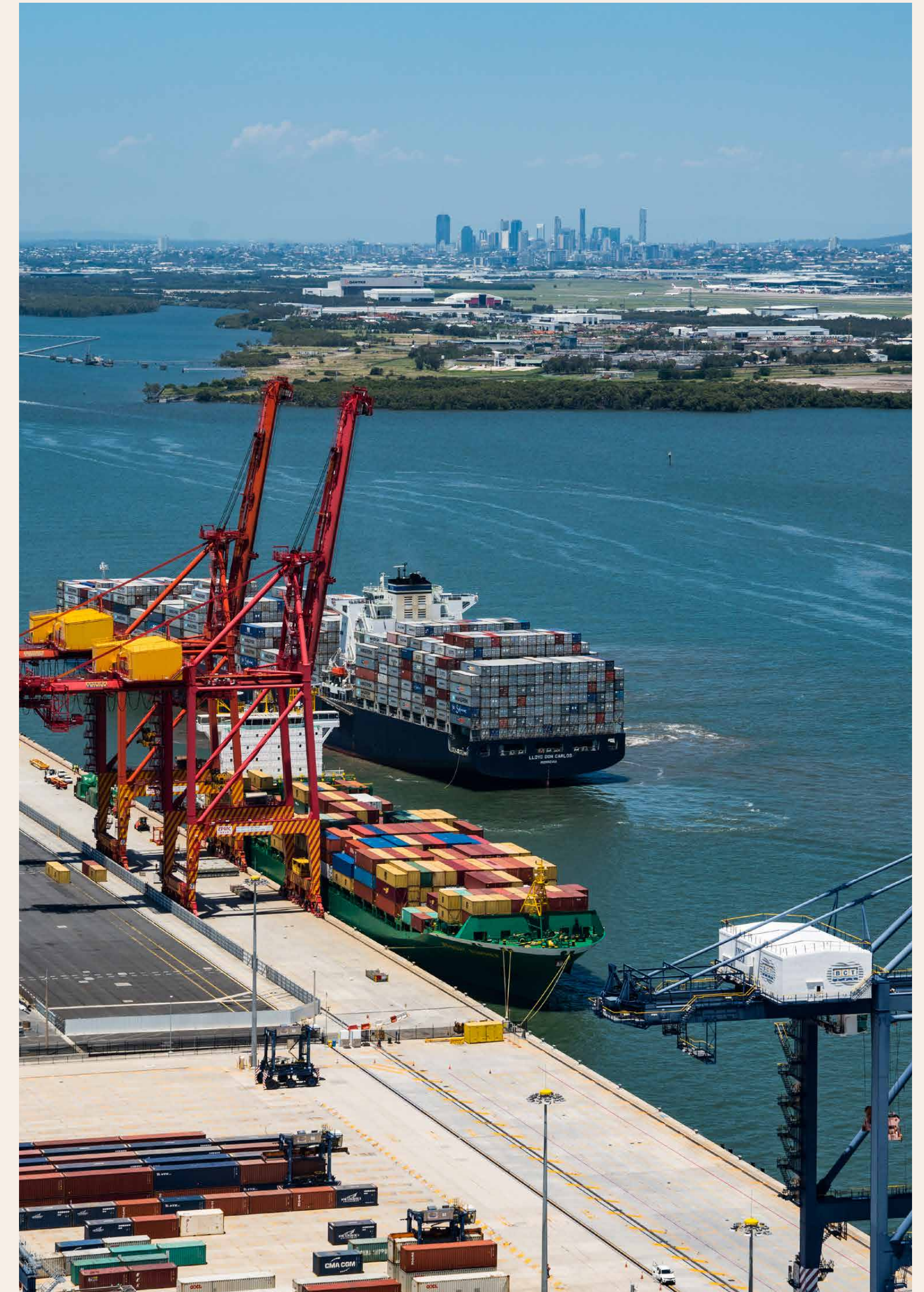
Progressing the transition to renewable energy for Port of Brisbane

Port of Brisbane has embarked on an ambitious strategy to reach net zero emissions by 2030 (Scope 1 and 2 emissions), with co-located renewables investment a key element of this strategy.

In the 2021 financial year, Port of Brisbane increased solar energy production by 180 per cent through installation of 1,100 kW of rooftop solar on managed buildings, and also assisted customers to install 300 kW of solar on new property developments.

A key element of this was the construction of the Brisbane International Cruise Terminal, which included an 800 kW rooftop solar installation, the largest renewables investment undertaken by the Port to date. Further work has also commenced to transition the Port from grid-supplied energy to locally-produced renewable energy.

Alongside their solar projects, Port of Brisbane has also partnered with one of its largest shipping customers to trial biofuel as a replacement for marine diesel. The energy transition plan includes participation in Australia's first carbon neutral petrol and diesel pilot program, which offsets the greenhouse gas emissions caused by the production, distribution and consumption of fuel.



CASE STUDY

Nexus actively assists in COVID-19 pandemic response

Nexus Hospitals actively contributed to the wider COVID-19 health response by engaging with government decision makers to develop COVID-19 driven funding models. This helped the broader health system navigate the COVID-19 crisis as well as mitigating the impact to Nexus' financial position.

Nexus was identified by the Federal Health Minister as being a valuable 'thought leader' and contributor to these discussions and private health innovation.

Following the Federal Government's 'viability for capacity guarantee' announcement at the end of March 2020, management attention was focused on implementing this guarantee, including negotiating and finalising agreements with each state and territory. These agreements outlined the terms for Nexus to make its facilities available for the pandemic effort in exchange for guaranteeing viability of the hospitals for the term of the pandemic response.

Under the individual agreements, Nexus Hospitals enabled the Commonwealth (via the States) to use its hospitals for a range of services including accommodation for quarantine and isolation cases, establishment of temporary influenza clinics, establishment of temporary COVID-19 respiratory clinics, and supply of facilities, PPE and equipment including ventilators.



CASE STUDY

Generate PBC

In November 2021, QIC endorsed the conversion of Generate, its largest US infrastructure investment, to a Delaware Public Benefit Corporation (PBC) — a new class of for-profit corporations that are legally required to balance stakeholder needs and outcomes alongside financial considerations.

As a relatively new class of for-profit corporations, PBCs are intended to produce a public benefit and to operate in a responsible and sustainable manner. For a company like Generate, this formalises that the company is truly committed to achieving its mission to make a positive social and environmental impact.

Since its founding in 2014, Generate's vision has been to rebuild the world with sustainable infrastructure, aligning the incentives of its stakeholders for the long term. The PBC structure and Generate's mission embody both their vision and belief that there need not be a trade-off between financial results and sustainability.

Generate's conversion to a PBC represents a nascent but accelerating global trend away from 'shareholder primacy' towards 'stakeholder capitalism' whereby commercial corporations elevate environmental and social objectives in their corporate purpose. It also exemplifies a major trend towards legitimised and evidence-based sustainability performance, to counter rising risks of green-washing in an increasingly environmentally conscious world.

In November 2021, with the support of its board and shareholders, including QIC, Generate elected to convert to a PBC. Generate builds, owns, operates, and finances sustainable infrastructure that delivers affordable and reliable resource solutions to companies, governments, and communities.

Since its founding in 2014, Generate's vision has been to rebuild the world with sustainable infrastructure, aligning the incentives of its stakeholders for the long term. Converting to a PBC reinforces the company's commitment to this mission and makes the company's charter consistent with its core values.

QIC considers that the PBC conversion will be beneficial for Generate's public profile with respect to its customers, development partners, employees, and capital providers. As ESG and sustainability themes are further prioritised both locally and globally, we expect being a PBC will enhance long-term value for Generate.

Find out more about PBCs as a legally binding means to achieve corporate missions to further the public good, and the benefits for other infrastructure companies and infrastructure investors exploring a similar conversion, in QIC's Insight Piece — [Public Benefit Corporations: a move towards "stakeholder capitalism" and enhanced ESG performance.](#)



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Net Zero Target

Net zero target includes a 50 per cent reduction in Scope 1 & 2 emissions by 2030 from a 2020 baseline, which applies to the equity share of emissions for assets in our pooled infrastructure funds. For infrastructure assets, the net zero pathway incorporates four pillars: operational and design efficiencies; transition to low-carbon fuels and renewable electricity; leveraging emerging technologies; and if required, management of residual emissions through purchase of verified, efficient, measurable carbon offsets.

Target modelling shows the most material drivers of decarbonisation during the time period to likely include: 2021-2030: renewable energy and electrification, bio-based fuels and electric vehicles as well as some emerging hydrogen fuels; 2031-2040: renewable energy and hydrogen. This timing is estimated only, with actual trajectory likely to change over time dependent on the timing of adoption of new technology, operational improvements, growth or reduction in business activity and the potential new investment/divestment of businesses in the portfolio. If additional equity is acquired in either an existing or a new relevant business, the baseline will be adjusted accordingly for the 2030 target. Progress on our net zero emissions target will be quantified using independent verification and regular Scope 1 & 2 emissions tracking metrics, reported in QIC's annual sustainability reporting.



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