

QIC GLOBAL PRIVATE CAPITAL RESPONSIBLE INVESTMENT PROFILE

QIC RESPONSIBLE INVESTMENT

We believe that environmental, social and corporate governance (ESG) factors can have a material impact on the long-term returns of investment portfolios. This was the motivation for QIC becoming United Nations-backed Principles for Responsible Investment Initiative (UNPRI) signatory in 2008.

ESG factors are integrated into our investment decision-making processes as part of our commitment to delivering strong, long-term returns for clients. Our Responsible Investment Policy outlines our commitment to the six UNPRI principles.

OUR APPROACH TO RESPONSIBLE INVESTMENT IN GLOBAL PRIVATE CAPITAL

QIC Global Private Capital (GPC) aims to outperform its peers by employing a sustainable, holistic approach to investing. Private equity has a long-term investment horizon, capable of producing real financial and social benefits when embedding ESG measures. We expect our General Partners (GPs) to integrate ESG considerations into their investment strategies.

GPC considers ESG factors through an overarching risk management and opportunity seeking framework. Such factors are taken into account at the time of due diligence into GPs or direct investments, determining how appropriate opportunities are sought, the associated benefits or impact on underlying portfolio companies along with the ability of management to respond and implement.

Ours is a three-step approach to ESG integration, applicable where possible for funds, co-investments and direct investments:

Pre-investment

- Review General Partner's ESG Policy and track record
- For co-investment and directs, detailed ESG assessment of material risks and opportunities
- Such findings form a mandatory component of the GPC investment recommendation

Engagement & monitoring

- Review manager communications, transparency is key. GPC works with the GP and broader LP base to advance ESG disclosure
- Ensure ESG risk management policies are in place for our direct / co-investments

Comms & Reporting

- Annual review of GPs
- Deeper review of direct and co-investments

CONTACT US

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RESPONSIBLE INVESTMENT IN PRACTICE

In addition to our own guidelines, QIC GPC takes into account other global best practice frameworks relating to private equity. These include:

- BVCA: Guide to Responsible Investment
- PEGCC: Guidelines for Responsible Investment
- ILPA: Private Equity Principles 2.0
- IFC Performance Standards (www.ifc.org/ifcext/sustainability.nsf/Content/PerformanceStandards)
- Private Equity Growth Council Capital: www.pegcc.org/about/members/
- Code of Private Equity Governance launched by the Australian Private Equity and Venture Capital Association (AVCAL) of which QIC is a member. The code follows and builds on the 2009 ESG practices outlined by the UN-backed Principles for Responsible Investment (PRI) for Private Equity.

COLLABORATION

QIC GPC is an active member to the Institutional Limited Partners Association (ILPA). QIC's commitment to ILPA involves participating on steering groups and working with other members to develop best practice investment guidance including the integrating of ESG.

ABOUT QIC

We were born with one objective – to deliver investment outcomes for our clients. Created in 1991 by the Queensland government to serve its long term investment responsibilities, we have grown into a Global Diversified Alternatives business. Spanning infrastructure, real estate, liquid strategies, private equity, and multi-asset solutions, we adapt our approach to suit our clients and the investment context. Predictability has built our reputation. It's in our DNA, embedded in our asset classes and delivered in our returns. It's what we pursue day in, day out for clients and why over \$79 billion¹ dollars of people's dreams are entrusted with us. QIC. Pursuing Predictability.

Brisbane ✕ Sydney ✕ Melbourne ✕ New York ✕ Los Angeles ✕ San Francisco ✕ London ✕ Copenhagen

¹ As at 31 December 2016. Amount is in Australian Dollars.

For more information about QIC Limited ACN 130 539 123 ("QIC"), our approach, clients and regulatory framework, please refer to our website www.qic.com or contact us directly.

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