



QIC GLOBAL INFRASTRUCTURE 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.

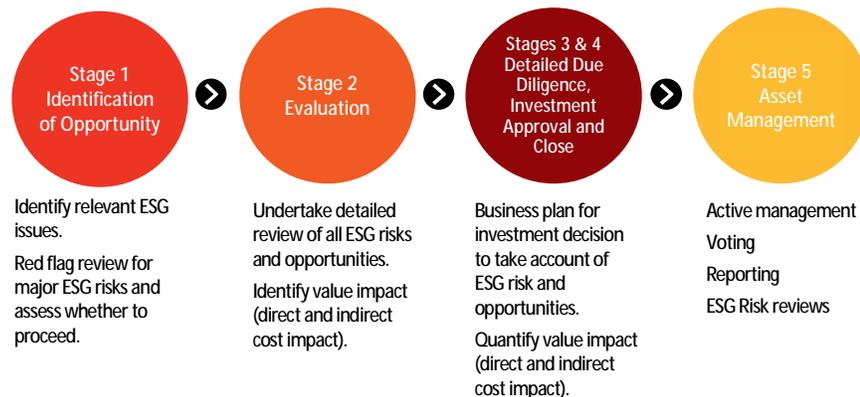
OUR APPROACH TO RESPONSIBLE INVESTMENT IN GLOBAL INFRASTRUCTURE

Infrastructure assets provide essential services to the local community, while driving productivity and economic growth. They are built for the long term and consequently we consider the implications of owning infrastructure assets over lengthy time horizons.

QIC Global Infrastructure (QIC GI) believes that the consideration of ESG factors when constructing and managing assets can improve risk management and increase return opportunities for our clients while making a difference to the lives of people who work, use and live in the community in which the asset is located. Integrating ESG considerations into investment decisions does not mean the exclusion of certain assets or sectors, rather it underscores GI's commitment to assessing the risks, improving robustness of returns and increasing opportunities for value maximisation.

ESG factors are a window into companies as they reveal a company's overall risk management practices and organisational qualities. Well-governed companies usually have appropriate environmental and social risk policies and procedures in place with board of directors concerned with their proper implementation.

QIC GI considers ESG factors through an overarching risk management framework, analysed at different stages of their investment process. Each stage of our investment process includes the evaluation and management of ESG risks and opportunities that we believe affect an investment's value and earnings. Key elements of ESG integration in QIC GI's investment process include the following:



QIC GI's asset investments are predominantly made in OECD countries, and we expect our portfolio companies to comply with relevant laws and statutory frameworks.

IDENTIFICATION OF OPPORTUNITY, EVALUATION AND DUE-DILIGENCE

ESG integration includes an assessment of the risks and opportunities affecting a company's operations, valuation and earnings potential stemming from:

- environmental factors (including exposure to physical, regulatory and reputational risk of climate change and greenhouse gas emissions)
- social factors (including occupational health and safety, labour standards, community issues) and
- governance (QIC GI's investment strategy is to seek large enough interest in individual investments to be able to influence and add value through board representation).

ESG risk assessment is part of all Investment Committee recommendations.

CONTACT US

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ASSET MANAGEMENT

As part of the ongoing management of an asset, QIC GI seeks to implement continuous improvement.

In all infrastructure investments, QIC GI:

- complies with all applicable laws
- seeks commitment from portfolio companies to integrate ESG factors as part of the overall management of the assets
- commits to continuous improvement with respect to the management of ESG factors
- identifies value impact (direct and indirect cost impact)
- promotes and adopts best practice ESG standards where feasible.

Active management and ESG risk reviews

QIC GI is likely, at times, to be a minority shareholder in an investee company. In those instances, through our board representation we monitor the company's compliance with regulatory standards in the jurisdiction in which it operates. Additionally, to the maximum extent possible, QIC GI seeks to encourage boards of directors and executive management teams to manage ESG issues in accordance with best practice for their industry/sector to ensure that the business is sustainable over the long term.

QIC GI conducts an annual survey of its underlying holdings, assessing the level of ESG integration for each type of investment, particularly the ESG risks managed, opportunities identified and how these are reported.

Voting

QIC GI votes on all matters before company meetings. We consider shareholder voting to be a valuable practice which must be exercised with care and diligence.

COMMUNICATION AND REPORTING

QIC GI has direct contact with the board and executive management of investee companies. This contact provides us with a better appreciation of the quality of management and allows us to communicate our expectations as a shareholder, particularly on ESG issues.

In addition to completing the annual UNPRI self-assessment, QIC GI reports to clients and the QIC Board at least annually on its ESG initiatives.

In addition to our own guidelines, QIC GI takes into account other global best practice frameworks relating to infrastructure investments.

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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