MAPLE-BROWN ABBOTT

Climate Change Policy

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1. Introduction

Maple-Brown Abbott acknowledges the science of climate change, and that climate change risks and opportunities have the potential to impact investment risks and returns and cause environmental and social harm. e support the long-term temperature goal of the Paris Agreement to limit global average temperature to well below 2°C above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5°C. Maple-Brown Abbott is a supporter of the Task Force for Climate-related Financial Disclosures (TCFD) and our Climate Change Policy is aligned with its recommendations.

Maple-Brown Abbott's primary climate change risk exposure relates to our investment decision making and underlying portfolio holdings. In line with our Responsible Investment Policy and Engagement Policy we seek to factor climate change-related risks, along with other environmental, social and governance (ESG) risks into our risk-return assessments. Where we identify climate change risks, we will adjust the forecast return to sufficiently compensate for the risk. Maple-Brown Abbott' climate change analysis and company engagement program, detailed below, assist in this process.

This Climate Change Policy highlights our commitment to addressing the risks posed by a warming planet. It outlines our climate change investment governance and our approach to climate change integration and engagement. This Climate Change Policy should be read in association with our Responsible Investment, Proxy Voting and Engagement Policies. Each of our Responsible Investment, Proxy Voting, Engagement and Climate Change Policies has been approved by the Maple-Brown Abbott Ltd Board ("the Board"), and can be found on our website (www.maple-brownabbott.com). Where applicable, the policy relates both to Maple-Brown Abbott's pooled investment vehicles and separately managed accounts, collectively referred to herein as "Clients", the respective rights of whom are as set out in the Disclosure Documents and Constitution and the Investment Mandate Agreement, respectively.

2. Governance

- The execution of our Climate Change Policy is a firm-wide undertaking . Maple-Brown Abbott's investment climate change strategy and policy has been approved by the Board. The firm's Chief Investment Officer (CIO), in conjunction with the Chief Executive Officer (CEO), drives the firm's climate change agenda. The underlying responsibility for integrating climate risks and opportunities into our investment process lies with each investment analyst and/or ESG analyst, who completes the climate risk analysis, and each portfolio manager, who incorporates this analysis into their trading decisions. Head of ESG and dedicated ESG analysts are responsible for the co-ordination and implementation of the firm's Climate Change Policy and initiatives.
- Maple-Brown Abbott's Climate Change Policy applies to equities that are directly managed by Maple-Brown Abbott. Given this asset class comprises the majority of our funds under management we have greater ability to implement our Climate Change Policy and affect change.
- Maple-Brown Abbott considers ESG factors, including climate change, in the appointment and evaluation of external fund managers appointed to manage assets on behalf of Maple-Brown Abbott.
- To develop our knowledge and understanding of climate risks and opportunities within the investment team, Maple-Brown Abbott facilitates training and access to specialist information providers. More detail on training is available in our Responsible Investment Policy.

- The integration of ESG and climate change in investment analysis is factored into the variable remuneration of Maple-Brown Abbott's investment professionals.
- Maple-Brown Abbott publishes climate change reporting that is aligned to the recommendations of the TCFD. In addition, Maple-Brown Abbott reports on climate change initiatives through our quarterly reporting, annual Stewardship Reports, bespoke Client reporting, presentations and on our website (www.maple-brownabbott.com).
- Maple-Brown Abbott will work with Clients to understand and incorporate their climate change-related investment objectives, including but not limited to, the implementation of exclusion lists, carbon limits or tilts, invitations to participate in company advocacy, proxy voting instructions and tailored reporting.
- Maple-Brown Abbott manages its business with consideration to its carbon emissions. Maple-Brown Abbott annually purchases offsetting carbon credits, where emission reduction opportunities are not possible. These costs are included in our budget forecasts.

3. Climate change risks and opportunities

- In determining the fair value of a company, Maple-Brown Abbott maintains strategy-relevant financial models which typically consider long-term earnings and cashflow forecasts.
- Maple-Brown Abbott considers both transitional and physical climate risks in our climate risk analysis and investment decision making. We consider transition risks to be those that arise from the policy, regulation, market and technology and changing customer preferences. We consider physical risks to be those that arise from the physical effects of climate change. Physical climate risks include both acute and chronic risks. Acute risks are event driven risks such as increased severity of extreme weather events, for example, cyclones. Chronic risks refer to longer term changes in climate patterns such as sustained higher temperatures that may cause sea level rises or chronic heat waves.
- Maple-Brown Abbott considers the key climate change risks and opportunities over the near term to include:
    - changing government energy and climate policies and regulation such as tougher emissions and energy efficiency standards and carbon pricing;
    - changes in customer demand; and
    - near term physical impacts of acute and chronic weather events.

- Maple-Brown Abbott considers the key climate change risks and opportunities over the longer-term to include:
    - continued evolution of tougher government energy and climate policies;
    - changing patterns of investment, production, demand and growth; and
    - progressive physical impacts of acute and chronic weather events.

There is a large spectrum of longer-term risks and opportunities. These range from the best-case scenario, where there is an orderly transition to a low carbon economy, and in the worst-case scenario, where there is social, political and economic disorder owing to a disorderly approach to decarbonisation and of the heightened effects of physical climate change.

4. Integration in investment decision making and engagement

Maple-Brown Abbott conducts in-house, bottom up, fundamental stock analysis. Maple-Brown Abbott considers that climate change risks and opportunities have the potential to impact investment risks and returns and as such, need to be considered in company assessment and investment decision making. Maple-Brown Abbott's climate change risk assessment is aligned with the recommendations of the TCFD and considers the following factors across transition and physical risks and opportunities in assessing climate change exposure:

- company climate change governance and strategy;
- revenue exposure to carbon and potential for asset stranding given the impact of government energy and climate policies on consumer preferences, market demand and growth, changing patterns of investment and production, and adaptive capacity;
- cost exposure and potential impact of carbon pricing owing to changes in government energy and climate policies, including tougher emissions and energy efficiency standards, and adaptive capacity;
- social license to operate and reputational considerations; and
- chronic and acute physical climate impacts at the asset and system level.

In select strategies and where material, company valuations are further assessed against a range of carbon transition scenarios. Where possible, carbon transition scenarios are explicitly factored into company's earnings forecasts, through adjustments to revenue, cost, earnings, capex, cashflow or balance sheet items, or implicitly through the determination of the terminal value, discount rate or perpetuity growth rates.

This climate change analysis, and any resultant scenario analysis valuation impact, is discussed in the research report and at the research meeting. The findings are incorporated into portfolio construction decisions and portfolio manager trading. This process of climate change-related integration ensures that climate change risks and opportunities are systematically factored into the risk-return assessment, where relevant, and that where companies are exposed to climate change risks, the forecast return is sufficient to compensate for the risk.

The analysis is generally undertaken in sectors with higher exposure to climate risk such as mining, energy, industrials, infrastructure, banking and insurance.

The integration of climate change risks and opportunities into our company analysis and investment decision making process is supplemented by our comprehensive engagement program. Climate change has long been a key topic in our dedicated engagement program. We use our assessment of companies' climate risks and opportunities to inform and prioritise our engagement initiatives. In addition, we focus on companies where climate-related disclosures are absent or lacking sufficient detail. Ultimately, we believe improved company climate change disclosure enhances the quality of our risk assessment and reporting. Maple-Brown Abbott's engagement initiatives, including climate change, is implemented through company meetings and calls, written communications, on-site visits and participation in collaborative engagement initiatives. Maple-Brown Abbott's engagement initiatives are undertaken by our investment analysts and/or ESG analysts. Feedback from these initiatives is incorporated into our investment analysis and decision making.

Review

This policy will be reviewed every three years.