

ESG Policy

October 2025



1. Scope

The scope of this policy applies only to Magellan's Global Equities and Global Listed Infrastructure strategies' (the "**Strategies**") and addresses:

- why ESG issues should be considered as part of the investment analysis process
- how ESG issues are integrated into the investment analysis process;
- exclusions; and
- stewardship.

2. Summary

MFG is committed to responsible investment. We are a signatory to several industry initiatives and associations that support our commitment to responsible investment, stakeholder transparency and enhance our research capabilities. Included in our commitments is the United Nations-sponsored Principles for Responsible Investment (PRI), of which MFG is a signatory. The principles provide a framework by which all investors can incorporate Environmental, Social and Governance ("**ESG**") factors into their decision-making and ownership practices. The principles are not a prescriptive set of rules and are to be applied as appropriate within each asset class and investment approach. MFG has been a member of the PRI since 2012, the Responsible Investment Association Australasia since 2017 and the Investor Group on Climate Change since 2022.

ESG factors are an integral component of the investment analysis process for the strategies, as gaining a robust understanding of these factors is a key part of assessing the outlook for future cash flow generation and risks of an investment.

As long-term owners we look for unique attributes in our companies that enable them to protect and grow earnings into the future. This includes ESG factors that may impact the sustainability of future cash flows. We integrate ESG factors into our investment process, exercise our proxy voting rights and engage with portfolio companies on a broad range of factors to manage risk for our investors and identify opportunities.

Where material, the investment team engage with portfolio (or prospective portfolio) companies on ESG factors, their management of the risks and potential opportunities. The objective of such engagement is to strengthen our conviction in portfolio risk management and improving investment outcomes.

For the determination of investment grade status, within the Magellan Global Equities and Magellan Select Global Listed Infrastructure strategies, ESG factors are incorporated into the approval for each strategy's investable universe and monitored. The ESG ratings reflect the material issues faced by the industry that the company operates in and the company's practices. This is explicitly discussed as part of the research report completed for each company at initiation. These scores are approved by the Investment Committee. As part of the ongoing analysis of companies held in our portfolios, ESG factors are continuously monitored and scores reviewed at minimum on an annual basis.

For the Magellan Core Global Listed Infrastructure strategy, companies are initially screened for ESG criteria and are excluded from the universe if they fail to meet prescribed standards. This is further discussed in the sections below.

3. Why ESG factors should be considered as part of the investment analysis process

We believe that ESG factors have the potential to affect the business outcomes and investment performance of a company. Accordingly, we take ESG risks and opportunities into account as part of the assessment that is completed when we determine the investment grade status of a company. These factors are considered when selecting, retaining or realising investments to the extent that such considerations may have a financial effect on future cash flow generation and risks of an investment.

The investment objectives of the strategies are to achieve attractive risk-adjusted investment returns over the medium to long-term. We seek to achieve this objective by investing in companies that meet our investment grade requirements.

Our responsible investment objectives are:

- to rigorously assess material ESG risks and opportunities as part of the investment process; and
- to act as responsible owners by engaging with portfolio companies where a material ESG issue exists and exercising our proxy voting rights where appropriate.

The implementation across the strategies is outlined on the next page.

Magellan Global Equities

We seek to invest in companies that have sustained competitive advantages, which permits the company to generate returns on capital in excess of its cost of capital for a sustained period of time. This quality assessment considers, for example, a company's competitive advantages linked to scale, industry structure and barriers to entry, as well as business risk, agency risk, re-investment potential and the assessment of ESG factors.

The strategy seeks to identify high quality investments and acquire such investments at a discount to our assessment of intrinsic value. As part of our assessment of a company's intrinsic value, the investment team seeks to consider issues that may materially affect the investment outcomes for a company. ESG factors are specifically considered as part of the analysis of quality and within the agency and business risks.

The investment grade rating of potential investments are evaluated by the strategies' investment team by applying the following qualitative assessment criteria:

Economic moat – The investment team seeks companies with sustainable competitive advantages and a consequent ability to generate high returns on capital for a long period of time

Moat trend – direction of the moat over time. Direction is an important indicator of the future opportunity of the company

Business risks – the investment team seeks investments with predictable cash flows and earnings. The assessment of business risk for each company is not an attempt to measure the volatility of the shares, but rather the predictability and strength of the underlying business

Environmental and social – assessment of the environmental and social risks and opportunities of the company. We assess the exposure to the material risk, and the potential impact

Agency risk - a key assumption inherent in a standard discounted cash flow valuation (“**DCF**”) is that free cash flows are returned to shareholders or are reinvested at the cost of capital. However, cash is often reinvested by companies at returns below the cost of capital. In these cases, businesses can end up being worth substantially less than implied by a DCF analysis. We term the risk surrounding the deployment of the free cash flow generated by a business as “Agency Risk”

Governance – assessment of the risks presented by the company's governance practices and policies. These are guided by our voting principles

Reinvestment potential - the investment team seeks companies with the potential to continue to reinvest capital into the business at high incremental returns

Magellan Global Listed Infrastructure

We seek to invest in businesses engaged in the provision of essential services that generate predictable cash flows underpinned by economic regulation or long-term contracts with creditworthy counterparties. The strategy seeks to limit exposure to vectors of risk that threaten to undermine the predictability of cash flow generation, including competition, volatile commodity prices, unacceptable sovereign risk.

The risks and opportunities that we assess when considering eligibility for inclusion in the strategy are the ESG factors that, in the view of our investment team based on qualitative and quantitative factors, have the potential to impact the company's future cash flows. The risks and opportunities of particular ESG factors will vary by industry and company. We continuously monitor relevant ESG factors and review ESG scores on a quarterly basis.

Magellan Global Listed Infrastructure - Select

The investment grade rating of potential investments are evaluated by the strategies' investment team by applying the following qualitative assessment criteria:

Economic moat – The investment team seeks companies with sustainable competitive advantages and a consequent ability to generate returns in excess of the company's intrinsic cost of capital for a long period of time

Moat trend – direction of the moat over time. Direction is an important indicator of the future opportunity of the company

Business risks – the investment team seeks investments with predictable cash flows and earnings. The assessment of business risk for each company is not an attempt to measure the volatility of the shares, but rather the predictability and strength of the underlying business

Environmental and social – assessment of the environmental and social risks and opportunities of the

company. We assess the exposure to the material risk, and the potential impact

Agency risk - a key assumption inherent in a standard discounted cash flow valuation (“**DCF**”) is that free cash flows are returned to shareholders or are reinvested at the cost of capital. However, cash is often reinvested by companies at returns below the cost of capital. In these cases, businesses can end up being worth substantially less than implied by a DCF analysis. We term the risk surrounding the deployment of the free cash flow generated by a business as “Agency Risk”

Governance – assessment of the risks presented by the company’s governance practices and policies. These are guided by our voting principles

Reinvestment potential - the investment team seeks companies with the potential to continue to reinvest capital into the business at incremental returns that exceed the company’s intrinsic cost of capital

Magellan Global Listed Infrastructure - Core

Portfolio construction is systematic and based on market capitalisation weights, subject to rigorous security level, sector and geographic risk controls intended to deliver liquidity and targeted diversification parameters. The strategy does not incorporate a valuation overlay, nor does the manager seek to actively manage macroeconomic, or ESG risks through position sizing.

Prospective investments will not be undertaken and existing investments will be divested in the event that ESG risks pose a credible risk of permanent capital loss.

ESG factors considered across the Strategies

Environmental issues

In order to fully understand the issues facing a company, we believe investors should consider environmental risks and opportunities that might affect its future operations including factors such as climate change, natural capital usage, water stress, waste disposal, the use of toxic chemicals, the license to operate in communities, and other issues that can impact the environment.

We recognise that climate change risks have the potential to impact investment risks and returns and to cause environmental and social harm. It is an important environmental issue for global businesses and investors to consider. In order to enhance assessments of the

company-specific risks and opportunities associated with climate change, the strategies have implemented the ‘net zero alignment assessment’ (“**the assessment**”), which has been guided by the Net Zero Investment Framework. In addition, we implement a proprietary climate transition risk assessment framework, SAFE, in the infrastructure strategies. These frameworks are outlined together with our climate-specific engagement and voting approach in the climate stewardship strategy available at:

magellaninvestmentpartners.com/responsible-investing/

As part of the assessment, the investment team review climate transition risk related targets and commitments of companies in all strategies, at least annually. This includes but is not limited to:

1. **Ambition:** A commitment to net-zero by 2050
2. **Targets:** Near- and medium-term science-based emission reduction targets, including a consideration of whether those targets are externally validated
3. **Strategy:** Alignment to reporting in accordance with regulatory frameworks and the presence of a credible climate strategy to achieve targets

We consider that these commitments represent prudent risk management in an economy transitioning to net zero.

A key input is our analyst’s view on the credibility of a company’s initiatives and climate strategy to achieve its targets. We also consider disclosure of emissions (scope 1, 2, and material scope 3) and the progress towards targets.

Utilising both proprietary analysis and other external data (including company statements, press articles, external data providers, Science Based Targets Initiative and expert networks), each company is assessed for their alignment to net zero. Companies are classified as aligned to net zero, aligning, committed or not aligned to net zero.

For companies that are assessed as ‘not aligned’ to net zero using the assessment, the investment team will prioritise engagement to encourage enhancements aligned with our climate strategy. If there is a lack of progress in meeting the criteria within the assessment, staged escalation will be considered, including voting and position sizing.

Social issues

Social issues, such as human rights, worker rights, health and safety, product safety, labour relations, supply chain labour standards and diversity, equity and inclusion play an important role in the public's perception of companies, attraction and retention of employees and protecting consumers. News of a poor safety record or the use of forced labour has the potential to damage a reputation which can, in turn, adversely affect revenue or prompt new regulatory burdens. The social risks that threaten the reputation and brand integrity of companies is a component of business risk.

We believe that companies engaging in business that undermines the rule of law or that have major detrimental impacts on human health can affect a company's reputation. Such business models may be the subject of future government regulation or changes in consumption patterns, making them a high-risk investment from investors' perspective.

As outlined in MFG's Modern Slavery Statement, additional analysis is done for all portfolio companies on modern slavery risk. Each company is assessed for exposure to modern slavery risks and management of this risk exposure. Risk exposure considers the industry, geography and material controversies alleged or confirmed. The investment team assesses the management of this risk at least annually. The investment team strive to engage directly with portfolio companies where we have formed the view that material modern slavery risk exists. The objective of these engagements is to better understand how the company is managing modern slavery risks and to influence. For companies rated as 'High risk' following our annual assessment, we commit to engaging with the company and incorporating this analysis into the risk assessment.

Governance issues

Strong governance structures, appropriate executive control and high levels of transparency are amongst the factors likely to provide confidence as to the level of agency risk. Independent boards with separation of Chair and CEO enables separation of powers, improved risk management and representation of minority shareholder interests. Balanced compensation, with an emphasis on risk mitigation and management incentivisation, can support the company strategy and creation of long-term shareholder value.

For further information on the environmental, social and governance principles considered for engagement and voting, please see our Voting Principles and Proxy Voting Policy.

magellaninvestmentpartners.com/responsible-investing/

4. How ESG issues are integrated into the investment analysis process for each strategy

Global Equities, Global Opportunities, Global Sustainable, Select Global Listed Infrastructure and US Sustainable strategies

For the purposes of these strategies, the attainment of investment grade status for a company requires a research report assessing the company to be completed and approved by the Investment Committee. The quality criteria used by the investment team to assess investment grade status include economic moat, moat trend, business risk, environmental and social, agency risk, governance and re-investment potential.

As outlined above, ESG factors are completed as part of the research report. Appendix 1 provides a guide to the analyst of ESG factors to consider when undertaking investment research. It is not exhaustive and other ESG risks and opportunities that are material to the industry and sector will be considered. This materiality assessment is influenced by the Sustainability Accounting Standards Board's assessment of industry materiality and internal industry research, to identify relevant ESG factors facing companies.

Environmental and social factors are reviewed in the research report for a company as part of the analysis of business risk issues with each company under review receiving a specific rating for its environmental and social profile. The rating for the environmental and social issues will be A, B or C. The rating will reflect the environmental and social issues faced by the industry that the company operates in and the company's environmental and social practices. If a stock is to be awarded a Low rating for business risk then as a pre-condition the stock must be awarded an A rating for environmental and social issues.

Governance issues are reviewed in the research report for a company as part of the analysis of agency risk issues with each company under review receiving a specific rating for its governance profile. The rating for the

governance profile will be A, B or C. The rating will reflect the governance issues faced by the industry that the company operates in and the company's governance practices. If a stock is to be awarded a low rating for agency risk then as a pre-condition the stock is required to achieve an A rating for governance issues. The quality scores are a key input and consideration in portfolio construction.

As part of the ongoing analysis of companies held in our portfolios, ESG factors are continuously monitored and ESG scores reviewed at a minimum on an annual basis. The focus of this analysis will be whether and how ESG factors may affect future cash flow generation and, accordingly, whether the qualitative ratings for the company appropriately reflect underlying risks.

For the Select Infrastructure strategies, the investment team undertakes a detailed review of companies exposed to climate risk using the net zero alignment assessment and proprietary climate transition framework, SAFE (as outlined in the Climate Stewardship Strategy, which is available at:

magellaninvestmentpartners.com/responsible-investing/

Assessment of ESG risks impacts position sizing in the Select Infrastructure strategies through the implementation of a proprietary quality scoring framework in which ESG factors, including agency risk, physical environment risk, net zero transition risk, and social risk, account for 90 of a total of 150 points.

For the sustainable strategies, the investment universe includes the application of our proprietary low carbon framework, and additional exclusions related to industries viewed as socially detrimental to society are applied.

Core Global Listed Infrastructure strategy

As a rule-based, highly diversified strategy, the constituents of the portfolio for this strategy are selected by a separate process to that described above.

In determining eligibility of companies for inclusion in the portfolio for this strategy, the investment team considers significant ESG issues that pose a material threat to the investment fundamentals (such as the future cashflow expectations of the business). Namely:

- Companies must meet acceptable governance standards, with the particular focus around the holding structure and alignment of minority

shareholders. Companies that fail to meet acceptable governance standards may be excluded from the approved universe; and

- Material environmental and social risks are assessed and monitored. Companies may be excluded if these risks are considered to significantly impact the investment fundamentals. Examples of risks may include exposure to environmental damages or safety standards in operations.
- Detailed Climate Risk reviews: The investment team undertakes a detailed review of companies exposed to climate risk using the net zero alignment assessment and proprietary climate transition framework, SAFE.

5. Exclusions

In select circumstances, where we consider business activities to be inconsistent with our values and those of our stakeholders, we will exclude certain industries from our investment universe. Assessment of these activities is grounded in a combination of ethical considerations, international norms, stakeholder expectations, and risk management practices, and reflect our belief that such industries are incompatible with sustainable long-term value creation.

Investment is prohibited in business involvement at or above the specified tolerance guidance in the industries as set out in the table below.

Industry	Definition	Tolerance guidance (% of total revenue)*
Tobacco ¹	Companies which produce tobacco products (including e-cigarettes)	0%
Controversial Weapons ²	Companies which manufacture controversial weapons	0%
Nuclear Weapons ³	Companies which manufacture nuclear weapons	10%
<p>* Business involvement in the listed industries is determined by reference to the percentage of total revenue of the company using data provided by a third-party provider. Revenue from a business activity is assessed by the third-party provider by reference to the gross revenue from the activity where reported by the company. Where gross revenue is not reported, revenue is assessed by reference to the net revenue from the activity where reported by the company. Where no revenue from the activity is reported, the third-party provider estimates either net or gross revenue from the activity depending on publicly available information. The type of revenue used to determine business involvement in the listed industries is not specified, since reporting practices generally vary by industry and by company, and a company's reporting practices may change over time.</p>		

Each potential investment is assessed against this industry tolerance guidance prior to investing and then

assessed thereafter on a quarterly basis. If an existing investment is assessed as exceeding the tolerance guidance, we will seek an orderly sale of that investment within three months of the assessment.

A strategy may hold an investment in a company that does not comply with the tolerance guidance beyond this three-month period where we are prevented from exiting the position due to circumstances outside of our control, such as where trading in the security is restricted.

6. Stewardship

Engagement with companies

We engage with companies on ESG risks and opportunities, with the aim of strengthening our conviction in portfolio risk management and improving investment outcomes. Our engagement with companies typically involves direct, constructive dialogue, conducted through meetings and written correspondence, between members of our investment team and the senior management or boards of portfolio companies.

The Strategies' long-term investment horizon gives us the opportunity to engage with companies over an extended period on issues that are important to protecting and creating shareholder value. We aim to engage with portfolio companies on a broad range of ESG factors that we assess to be material to those companies within our proprietary ESG risk and opportunities assessment framework. Engagement has two primary objectives, designed to have a positive impact on shareholder returns over time.

- Risk assessment and management:** Continue to expand our knowledge and understanding of the risks and opportunities through discussions. As long-term investors, we build up knowledge and insight, which we discuss with management. These discussions further deepen our understanding within and across industries.
- Influence:** Encouraging and supporting change to a company's approach to a material ESG factor. As

¹ Tobacco production is defined as companies that produce tobacco products, such as cigars, blunts, cigarettes, e-cigarettes, inhalers, beedis, kreteks, smokeless tobacco, snuff, snus, dissolvable and chewing tobacco. This also includes companies that grow or process raw tobacco leaves.

² Controversial weapons are defined as cluster munitions, landmines, biological or chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments.

³ Nuclear weapons are defined as companies with revenue from nuclear weapons, intended and dual-use components for such products, delivery platforms capable of deploying nuclear weapons, essential components for such delivery platforms, and support services for such products.

long-term investors, we build constructive relationships that better enable us to drive positive change at the company.

Reporting on company engagement activities is provided through periodic client reports and our annual Stewardship Report which is available at

magellaninvestmentpartners.com/responsible-investing/

Proxy Voting

At Annual and Extraordinary General Meetings, as specified in our Proxy Voting Policy, we vote on all proxy resolutions for investments that we directly hold on behalf of our investors other than in the exceptional circumstance where we believe it is in best interests of the investor to abstain from voting. We believe that proxy voting underpins our role as stewards of our clients' capital, with the power to vote for or against agenda items. We have a principles-based proprietary proxy voting policy that requires us to vote our investment securities in a timely manner and make voting decisions that are intended to maximise long-term investor value.

The proxy voting process is conducted in line with our Proxy Voting Policy with consideration for our Voting Principles which are available at

magellaninvestmentpartners.com/responsible-investing/.

Appendix 1 – ESG factors

Example of ESG factors considered

Environmental

Climate change

Climate transition risk and opportunity

- Company strategy and alignment with the Paris Agreement
- Exposure of the company to risks and opportunities as a result of the transition of the global economy towards net zero emissions
- Net zero carbon emission targets
- External validation of emission reduction targets

Scope 3 emissions management including: financed emissions, supply chain emissions

Physical climate risk, mitigation and adaptation

Climate opportunities

Just or equitable transition for communities and workers

Natural capital

Biodiversity on land and water

Sustainable raw material sourcing

Deforestation

Clean water and sanitation

Circular economy

Waste and hazardous materials management

Packaging material and waste

Electronic waste

Social

Labour and human rights

Labour relations and standards

Modern slavery including serious exploitation such as forced labour, debt bondage, deceptive recruiting for labour or services, and child labour

Diversity, equity and inclusion

Education and human capital

Culture

Corporate conduct and controversies

Health and safety

Workplace health and safety

Consumer health and safety

Product safety

Privacy and data security

Food security

Social - Other

- Social licence to operate
- Community relations and engagement
- Animal welfare
- Political contributions and disclosure of lobbying
- Political risk of involvement in high-risk countries
- Financial inclusion
- Sustainable digitisation – oversight, data protection and privacy, misinformation and content monitoring and controls

Governance

Shareholder rights

- Dual-class share structure
- Majority voting
- Takeover defences/market for control

Board composition and independence

- Board independence
- Director skills and diversity
- Director capacity and over-boarding
- Equity ownership and alignment with shareholders
- Separation of chairman/CEO position
- Governance and oversight of key risks and opportunities including ESG risks such as climate, cybersecurity

Executive compensation

- Remuneration structure
- Quantum relative to peers
- Performance metrics (including ESG metrics) and hurdles
- Equity alignment

Corporate accountability

- Compliance
- Bribery and corruption
- Anti-competitive practices
- Conflicts of interest
- Accounting and audit quality