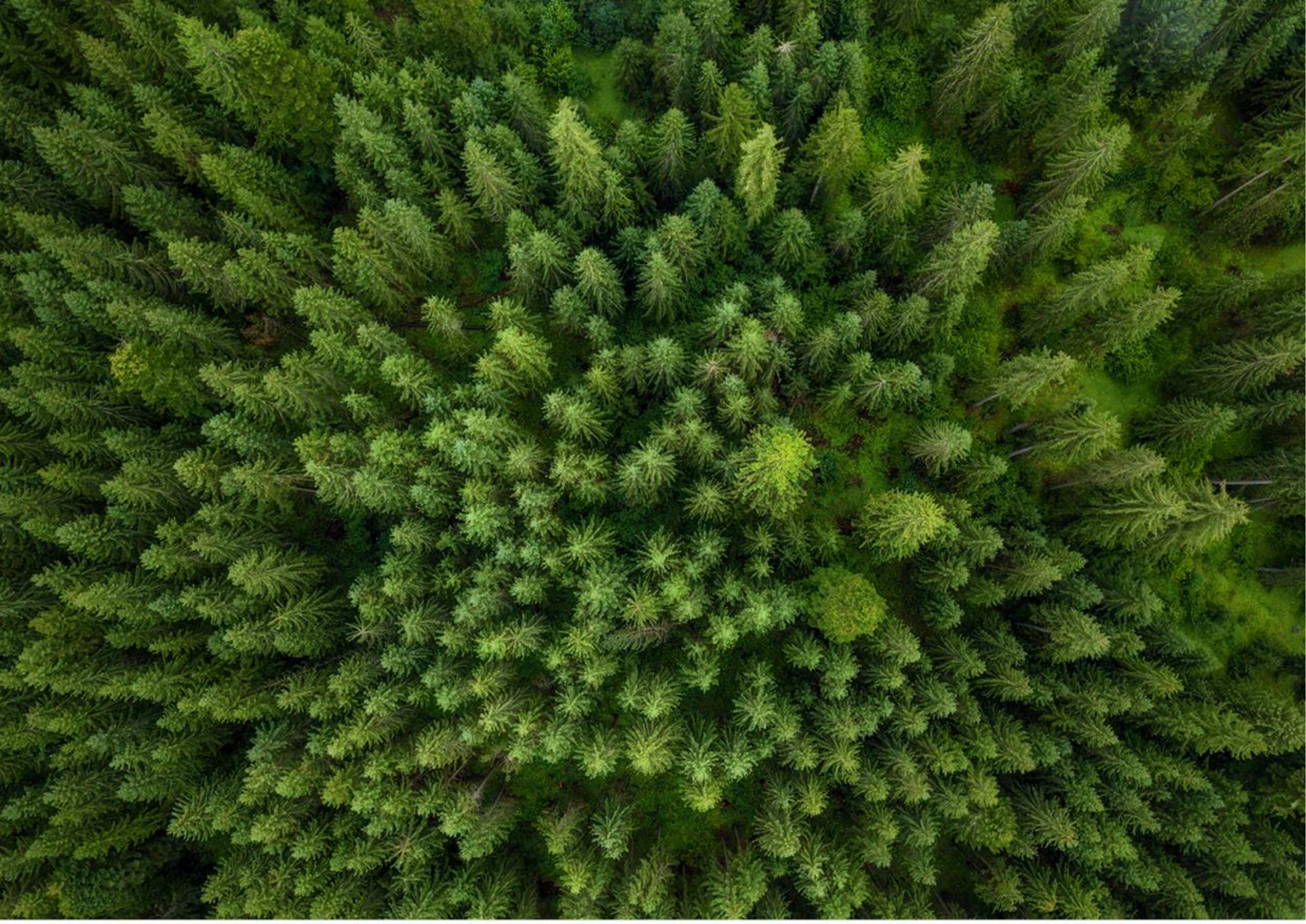


ESG Policy

Macquarie Global Equity Team

Operating under Macquarie Investment Management Europe S.A.

About the Global Equity team

Macquarie Asset Management (**MAM**) is a full-service asset manager. Clients include pension and superannuation funds, governments and sovereign wealth funds, institutional investors, insurance companies, and high net worth investors.

MAM is part of Macquarie Group Limited (**Macquarie**), a global financial services group providing clients with asset management, finance, banking, advisory and risk and capital solutions across debt, equity, and commodities. Founded in 1969, Macquarie employs approximately 17,500 people in 33 markets and is listed on the Australian Securities Exchange.

MAM Public Investments (**MPI**) is the securities investment management arm with offices in the US, Europe, Asia, and Australia. MPI are active managers who prioritise autonomy and accountability at the investment team level in pursuit of opportunities that matter for clients.

As part of Macquarie's acquisition of the Luxembourg based ValueInvest Asset Management in 2018, the **Macquarie Global Equity** team (also '**the team**') joined MPI. The Global Equity team, originally founded in 1998, now forms part of the firm's multi-boutique structure, operating under the legal entity Macquarie Investment Management Europe S.A. (**MIME SA**) out of Luxembourg. The Global Equity team has been a signatory to the PRI since 2010 and the UK Stewardship Code since 2015.

This Environmental, Social, and Corporate Governance (**ESG**) Policy highlights the ESG philosophy and strategy of the Global Equity team. The policy has been adopted in the management of every portfolio (including pooled funds and separately managed accounts) managed by the team.

This policy is overseen by the ESG team of the Global Equity team, which will review (and if appropriate, update) this policy on an annual basis.

Version	6
Date last reviewed:	May 2022
Date due to be reviewed	May 2023

Introduction

Macquarie's purpose is to **empower people to innovate and invest for a better future**.

The Global Equity team does this by **investing to deliver positive impact for everyone**. Through MAM's ownership and asset management, the team generates value for a broad range of stakeholders, from clients and their investors to the local communities that rely on portfolio companies.

As active investment managers, it is our fiduciary duty to safeguard clients' investments. We believe that integrating ESG issues in the investment process is crucial in delivering positive outcomes in the long term.

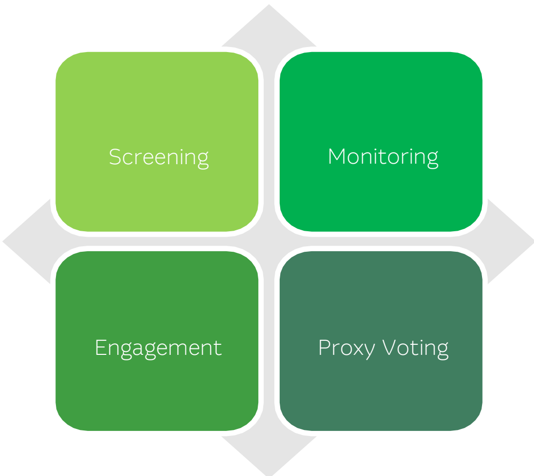
ESG integration is "*the systematic and explicit inclusion of material ESG factors into investment analysis and investment decisions*[1]". Alongside screening, integration is how we incorporate responsible investment into investment decisions.

Responsible investments are investments that acknowledge ESG factors and acknowledge that long-term sustainable returns are dependent on well governed companies, respecting environmental and social issues. For us as investors, good corporate governance and management of material risks is the basis for stable and sustainable returns and indicates effective management.

Our long-term strategy includes a systematic approach to identifying, assessing, and managing ESG risks and opportunities. With a long-term mindset and by leveraging the deep knowledge of all investments, we seek to engage with and motivate portfolio companies to adopt recommended actions on critical ESG issues and improve practises over time. Influencing companies to do better can be a source of alpha and is part of our active stewardship mentality that promotes and fosters long-term value creation.

Our approach to ESG includes:

- Exclusion/(negative) screening
- ESG Integration
- Active Ownership



The policy has been developed and implemented by the investment team, consisting of the Portfolio management team and the ESG team who are responsible for achieving the policy's commitments. This policy is supported by additional MPI policies, including an ESG Policy, Engagement Policy, Proxy Voting Policy, Good Governance Policy, Controversial Industries Policy, Principal Adverse Sustainability Impacts Policy, and Macquarie's Code of Conduct.

---

[1] As defined by the PRI (https://www.unpri.org/listed-equity/esg-integration-techniques-for-equity-investing/11.article#:~:text=The%20PRI%20defines%20ESG%20integration,alongside%20thematic%20investing%20and%20screening)

Identifying ESG Risks and Opportunities

For the team, managing risks lies at the heart of our investment philosophy. We believe that integrating ESG criteria into the investment- and decision-making processes is an essential component in achieving positive long-term return on equity investments.

Our risk assessment includes evaluating risks related to environmental, social and governance factors. Our investment decision is based on an analysis of the management of these risks combined with economic factors such as the fair value of a business. We do not select or exclude any investment based solely on any one factor. In the portfolio construction, the ESG profile of a company influences whether the stock will be included in the portfolios as well as the size of the allocation.

Part of the investment decision is the analysis of any potential ESG risks and opportunities of a company and how these are managed. We closely monitor the impact of ESG issues on the sustainability of the companies' operation and business.

Managing Risks

By integrating ESG, the team invests with the intention of promoting the environmental and social characteristics outlined by the ten principles of the UN Global Compact (UNGC), as set out below.

Human Rights	Labour	Environment	Anti-Corruption
• Businesses should support and respect the protection of internationally proclaimed human rights; and • make sure that they are not complicit in human rights abuses.	• Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; • the elimination of all forms of forced and compulsory labour; • the effective abolition of child labour; and • the elimination of discrimination in respect of employment and occupation	• Businesses should support a precautionary approach to environmental challenges; • undertake initiatives to promote greater environmental responsibility; and • encourage the development and diffusion of environmentally friendly technologies	• Businesses should work against corruption in all its forms, including extortion and bribery

Identifying Opportunities

The team's investment strategy to attain the environmental and social characteristics it promotes is:

i. **To apply exclusion screens of certain activities, sectors and practices that are incompatible with sustainability principles; and**

ii. **to apply further ESG positive screening criteria through fundamental analysis**

Part of the investment decision is the analysis of any potential ESG risks and opportunities associated with an investment and how these are managed by the company. The team closely monitors the impact of ESG issues on the sustainability of the companies' operation and business. This also means an acknowledgement of the fact that ESG issues could boost a company's business model and have a positive impact on performance as well as the fact that neglecting ESG issues could very well have a negative impact on performance.

ESG risks and opportunities integration highlights:

- PRI formally integrated
- Seamless from philosophy to sell discipline
- ESG considerations of risk and return on all potential investments
- Integrated ESG research, risk management, active ownership, cooperation on and promotion of responsible investment principles including engagements.

Observation and exclusion of sectors and companies

We monitor sectors and companies and update an investment exclusion list on a regular basis. The exclusion can either be product based or conduct based as described below:

Excluded products/industries	Excluded conducts
• tobacco • controversial weapons • conventional weapons* • extraction of fossil fuels (coal, natural gas, crude oil, uranium)* • refining of fossil fuels for fuel* • power generation from fossil fuels*	• serious violation of human rights • severe environmental damage • gross corruption • serious violation of individuals' rights in situations of war or conflict • other particularly serious violations of fundamental ethical norms

*max. 5% of revenue

In the management of individual client portfolios, client specific exclusion lists are imported into our portfolio monitoring and management system, ensuring that individual clients do not invest in companies, sectors, countries, etc. excluded by their investment policy.

Engagement

Engaging with the management of the portfolio companies in which we invest is a core part of the stewardship practices of the team. Dialogue with management on ESG issues enable us to reduce risk and increase economic, environmental, and social impact on behalf of clients.

As responsible investors, it is our obligation to ensure that corporate management teams are monitored and held accountable for their actions. In our assessment of our investments, we seek to understand how management teams acknowledge, manage, and reduce ESG-related risks and engage with portfolio companies on how these risks are being managed.

If any company practices indicate non-adherence to the UNGC, or if any practices indicate a serious violation of human rights, severe environmental damage, gross corruption, a serious violation of individuals' rights in situations of war or conflict, as well as any other particularly serious violation of fundamental ethical norms, we may choose to engage with the company in question.

In general, we seek to motivate companies to implement positive changes and improve company practices over time. This includes engaging with companies in the following ways:

- Thematic engagements
focusing on ESG issues constituting the most material impact to the holdings
- Event-driven engagements
driven by an ESG-related incident or controversy
- Collaborative engagements
collaborating with other investors on aligned goals
- Proxy voting engagements
engaging with and notifying boards and/or management of proxy voting motivations, votes against management, and policies

Engagement subjects are identified by monitoring the companies invested in and identifying practices that need improvement, controversies or issues that need to be addressed, or by wanting to work with companies to improve certain ESG standards that are relevant to their industry/sector.

All engagement activities are carried out in accordance with the MPI Global Engagement Policy.

Proxy Voting

Through proxy voting, shareholders can exercise their influence and control their investment. We exercise our clients' rights through proxy voting and have adopted a Proxy Voting Policy. In the management of client accounts, it is also possible for clients to implement their own proxy voting policy.

We seek to proxy vote at all general meetings. As a responsible investor, we take account of long-term value creation, sustainable business practices, board accountability, and transparent corporate communication and look for board practices and decision-making practices that are in the best interest of the company and that demonstrate alignment with shareholder interest.

Proxy Voting Guidelines

Our Proxy Voting Guidelines summarize MPI's position on various issues and give a general indication as to how the team will vote proxies on each issue. The Proxy Voting Committee has reviewed the Guidelines and determined that voting proxies pursuant to the Guidelines should be in the best interests of the client and should align with the goal of maximizing the value of the client's investments.

Although MPI will usually vote proxies in accordance with these Guidelines, the team reserves the right to vote certain issues counter to the Guidelines if, after a thorough review of the matter, the team believes that a client's best interests would be served by such a vote. In all cases, the team responsible for voting proxies on behalf of a client will have the final decision on how to vote proxies, subject to these Procedures.

Below provides an overview of the proxy voting practices of the team.

Policy

- MPI Proxy Voting Policy provides basis for voting decision
- Designed and implemented to ensure voting rights are exercised in the best interest of the client

Research

- Research and platform provided by Proxy Voting Advisor
- Additional in-house research by the Global Equity team
- Proxy Voting Advisor provides voting recommendation based on MPI policy

Voting

- Votes cast by the Global Equity team (four-eye principle)
- Ensuring compliance between policy and vote cast
- The final voting decision lies with the investment team

Climate Stewardship

To meet the 1.5°C global warming target of the Paris Agreement, global carbon emissions need to reach Net Zero around 2050. Achieving Net Zero emissions will require a significant reduction of Greenhouse Gas Emissions across all sectors of the economy.

MAM is committed to invest and manage portfolios in line with global Net Zero emissions by 2040. To build on its commitment to climate change leadership, MAM has also joined the Net Zero Asset Managers Initiative.

We, the Global Equity team, support MAM's commitment to Net Zero and believe in creating positive change on a company and industry level which can help mitigate the environmental risk associated with Greenhouse Gas Emissions and, by extension, portfolio performance.

As investment managers, we have signed the Montréal Carbon Pledge, we support the Paris Agreement, and aim to:

- continuously develop our capacity to assess the risks and opportunities that arise from climate change and integrate this assessment into our decision-making process
- engage with portfolio companies to ensure they are aware of and disclose the risks of climate change - and are capitalizing on the opportunities presented by climate change

The Montréal Carbon Pledge commits its signatories to measure and disclose the carbon footprint of part or all of their equity portfolios.

The team signed the Montréal Pledge in 2017 and has been measuring the carbon footprint of the portfolios ever since. Measuring the carbon footprint helps us understand, quantify, and manage climate related risks, impact, and opportunities.

Disclaimer

Macquarie Investment Management Europe S.A. ("MIME S.A.") is incorporated as a société anonyme under the laws of the Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register under number B62793 and is regulated by the Commission de Surveillance du Secteur Financier. The registered office of MIME S.A. is 10A Boulevard Joseph II, L-1840 Luxembourg.

The information in this document is provided for general information purposes only and is not, and should not be construed as, an advertisement, an invitation, an offer, a solicitation of an offer or a recommendation to participate in any investment strategy or take any other action, including to buy or sell any product or security or offer any banking or financial service or facility by any member of the Macquarie Group. This document has been prepared without taking into account any person's objectives, financial situation or needs. Recipients should not construe the contents of this document as financial, investment or other advice. It should not be relied on in making any investment decision and is subject to change.

MIME S.A. is not an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia) and MIME S.A.'s obligations do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542 ("Macquarie Bank"). Macquarie Bank does not guarantee or otherwise provide assurance in respect of the obligations of MIME S.A. In addition, if this document relates to an investment, (a) the investor is subject to investment risk including possible delays in repayment and loss of income and principal invested and (b) none of Macquarie Bank or any other Macquarie Group company guarantees any particular rate of return on or the performance of the investment, nor do they guarantee repayment of capital in respect of the investment.