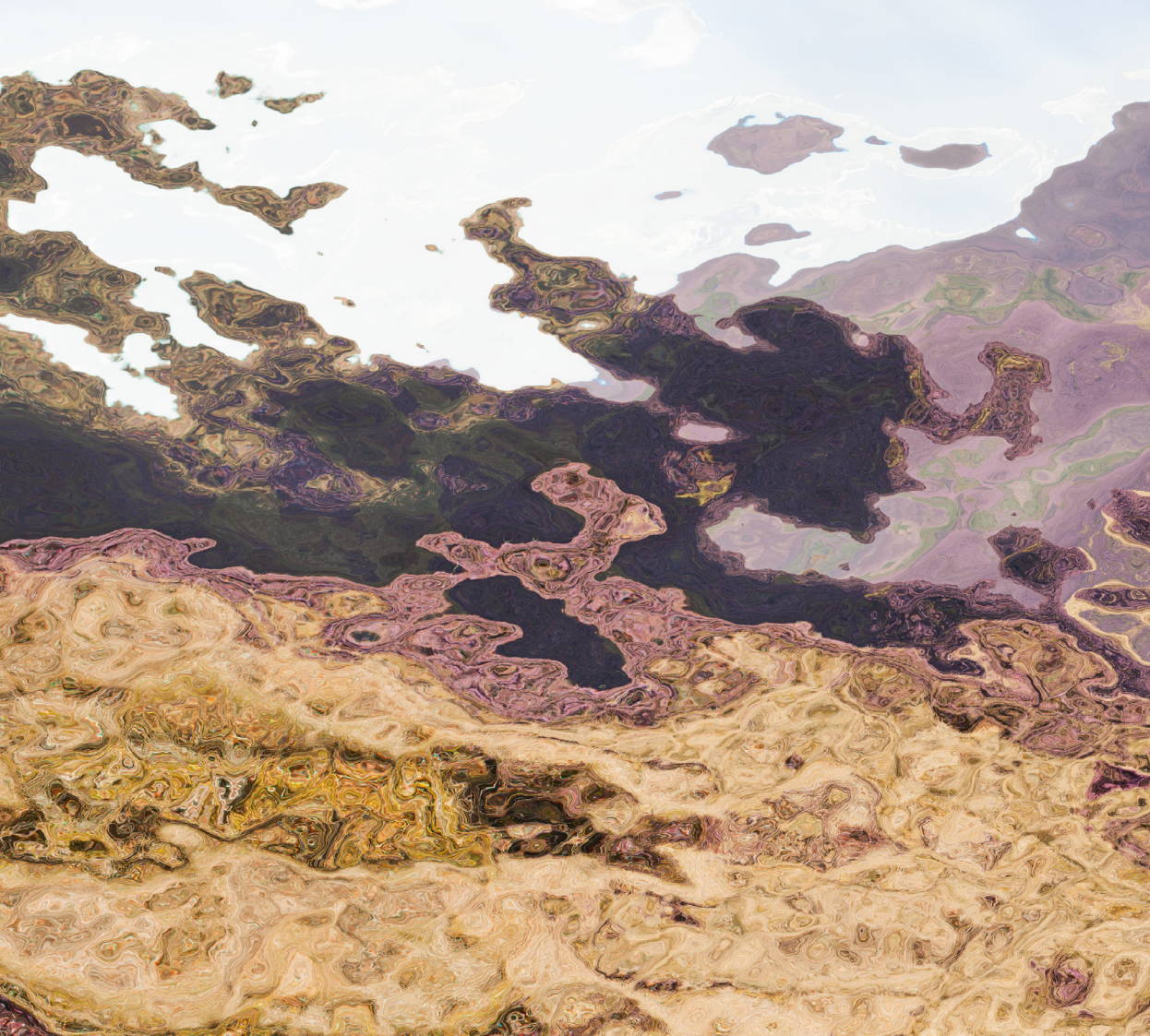


A detailed image of marbled paper with swirling patterns in shades of purple, green, yellow, and brown, set against a light blue sky background.

MUNIRO

ESG Policy

Updated: September 2025



ESG Policy

INTRODUCTION

Munro Partners ('Munro', 'we' or 'us') is a global investment manager with a core focus on growth equities.

Our investment philosophy has three overriding principles:

- earnings growth inevitably drives stock prices;
- sustained earnings growth is worth more than cyclical earnings growth; and
- the market often misprices this growth and its sustainability.

We believe that managing environmental, social and governance (ESG) issues contributes to achieving superior, sustainable long-term investment returns on behalf of our clients.

Munro are signatories to the UN-backed Principles for Responsible Investment (PRI) and have committed to its six principles.

The Chief Investment Officer (CIO) has oversight for the management of ESG in our funds and is supported by a dedicated Responsible Investment Manager as well as all members of the investment team. Our operations team contributes to the execution of this policy.

In this policy, we outline our two pillar approach: 1) ESG integration; and 2) stewardship. We then outline our commitments around transparency and review.

This policy applies to our investment activities. However, we recognise that our business should adopt the same standards that we expect of the companies in which we invest. We describe our business strategy on our website.

This policy applies to all funds managed by Munro.

ESG INTEGRATION

For Munro, ESG integration refers to how ESG issues impact our financial analysis, stock selection and portfolio construction.

The four elements of this approach are below.

1. ESG Score

Every long portfolio holding undergoes a proprietary ESG analysis which results in an ESG score. The ESG score is one of six qualitative factors that determine what Munro considers the appropriate earnings multiple and therefore valuation for the company.

Subject to other qualitative and quantitative factors, Munro is generally willing to pay more for companies that perform better on ESG matters.

The ESG score is determined on a 1 to 5 scale as follows:

Environmental and Social (E&S) score (two-thirds weight):

- Identification and weighting of material E&S issues (five at most) based on the Sustainability Accounting Standards Board (SASB) framework, supplemented by external research and company disclosures; and
- A case by case analysis of the disclosures, strategy, performance and targets the company makes in respect of each material E&S issue, as relevant¹.

Governance score (one-third weight):

Analysis of three issues:

- Board – including gender diversity, independence, workload, and performance²;
- Remuneration – including equity alignment, challenging performance hurdles, ESG hurdles, dilution and pay quantum; and
- Entrenchment – including the use of anti-takeover mechanisms and multiple share classes.

¹ Materiality of E&S issues is assessed by Munro on a case by case basis, with reference to the nature of the companies and the E&S issues relevant to the business. For example, for electric utilities, 'greenhouse gas emissions' is a material E&S issue. Our analysis may include whether the company reports against the Task Force on Climate-related Financial Disclosures (TCFD), the current emissions per unit of electricity generated and how this is changing, the generation mix (between renewables, nuclear and fossil fuel-based electricity), whether there are any targets to reduce emissions and whether these have been verified by the Science-Based Targets Initiative (SBTi). We provide specific company examples in our annual Responsible Investment Report.

² For example, under gender diversity we consider the percentage of women directors (with low percentages of women contributing to reducing the governance scores), under workload we consider the number of other board roles held by directors and under independence we consider whether over 50% of directors are classified as independent.



The ESG analysis is done collaboratively by the stock champion (or back up) for each company (i.e. the team member responsible for coverage of that stock) and the Responsible Investment Manager. This ensures that ESG is not operationally 'siloed' outside the rest of the investment process and that stock champions remain responsible for oversight and integration of ESG for their stocks.

Our Climate Policy, under the 'Assessing Climate Change Risk' heading, outlines the application of this framework to climate change issues.

Due to expediency requirements for new holdings, we may temporarily assign an ESG score after considering a third-party research provider's ESG score (for example MSCI and Sustainalytics) as a substitute for the framework above. We aim to have no more than 10% of long portfolio holdings in this position at any time.

We will exclude or sell companies where, once completed, our proprietary ESG score is 1.5 or less.

For the avoidance of doubt, outside of this narrow case, the ESG score does not influence a company's eligibility for inclusion in the Munro Funds.

An additional guideline for inclusion in the Munro Climate Change Leaders Strategy is that a proportion of current or future revenue or earnings are derived from climate change solutions³ and where Munro considers their earnings prospects should improve from increased investment and focus on decarbonisation.

Our ESG score is based on broader considerations than just climate change, and companies in this strategy have a range of ESG scores.

2. Integration into financial performance forecasts

ESG issues are often difficult to integrate directly into forecasts of future financial performance. Therefore, in our view, integration using the ESG score as described above is the best way to consider these issues systemically.

Nonetheless, where possible, Munro integrates ESG issues into its forecasts of financial performance. For example, if a company's services make a positive environmental contribution which results in policy support, we may model more stable earnings. Conversely, if a company is exposed to physical climate change impacts, we may model higher costs and lower revenues.

3. Areas of Interest aligned to ESG outcomes

Companies in Munro's Areas of Interest (or investment themes) may contribute positively to ESG outcomes.

Notably, climate change has been a longstanding investment theme. Companies that are providers of climate change solutions have been among the top exposures for our long/short and long only strategies, and via the dedicated Climate Change Leaders strategy which invests exclusively in this theme.

All of the Munro Areas of Interest are subject to change from time to time, and are listed and explained on our website, www.munropartners.com.au.

4. Exclusions

Wide ranging exclusions will reduce the investible universe, meaning otherwise worthy investments are not made. We use negative screens or exclusions sparingly. In our view, investors can usually have a much more significant impact if they remain invested and use stewardship to bring about change.

Nonetheless, consistent with our corporate values, we have decided that we should not knowingly take long positions in individual companies that undertake the following activities:

All Funds:

- Tobacco manufacturing, including only companies involved directly in the production of tobacco products, including alternative smoking products;
- Companies directly involved in the manufacturing of anti-personnel mines and cluster munitions; and
- Companies where our proprietary ESG score is 1.5 or less.

³ By way of example, Munro has identified four sub-sectors or sub-trends of interest related to climate change solutions, these are described online: <https://www.munropartners.com.au/funds/munro-climate-change-leaders-fund/>

Munro Climate Change Leaders Strategy:

- Companies directly involved in the extraction of oil sands, but not companies that may provide services to these companies, where the activity contributes greater than 0% revenue (as defined by our third party data provider); and
- Companies directly involved in the extraction of thermal coal, where these activities contribute to greater than 10% of revenue (as defined by our third party data provider).

The exclusions apply only to long positions in individual companies. They do not apply to exposure via short positions or derivative positions. Exposure to screened out investment may also be obtained indirectly through exposure to ETFs, which are not actively monitored. However we do not expect that this exposure would exceed 5% of the portfolio.

We are reliant on third party data providers, including ISS, to implement these exclusions. While we will actively oversee the implementation, issues like data accessibility, errors from third parties and changes to company activities may result in inadvertent exposure. If we become aware of such a case, we will sell our holding within a reasonable timeframe.

We publicly disclose our portfolio holdings⁴ on a one-month lag on our website (www.munropartners.com.au). This allows anyone to actively monitor which companies are included in our Funds.

STEWARDSHIP

For Munro, stewardship refers to how we use our ownership rights to influence companies towards improved ESG performance.

1. Voting

Munro considers that voting rights are an important power and should be managed with the same care as any other asset managed on behalf of our investors, and in our portfolios' best interest.

Where the asset owner⁵ has delegated voting to us, we will always exercise our voting rights, except in rare circumstances where the costs associated outweigh the benefits (for example, where votes cannot be exercised electronically).

A. VOTING PROCESS

When we exercise our voting rights, considerations typically include specialist proxy advice and may include the company's ESG score (as outlined above), external ESG research, and insights from company engagement.

The Responsible Investment Manager (or their delegate) analyses and makes the voting decisions with input from the stock champion as needed (particularly where the specialist voting advice differs from the company's recommendation). The operations team assists in executing the voting decisions. This includes, where feasible and on a best endeavours basis, recalling any lent securities so they can be voted.

The investment team will always review voting decisions before following either company or advisor recommendations.

B. VOTING PRINCIPLES

When exercising our voting rights, our general expectation is that companies:

- have a skilled, capable and diverse board;
- have a majority independent board;
- use remuneration to align management to shareholders and strategy;
- treat shareholders equally in proportion to economic interest;
- avoid mechanisms which unreasonably transfer value from shareholders to management or others;
- engage with shareholders and seek approval for major decisions;
- avoid mechanisms which protect management from takeovers; and
- provide adequate disclosure on material issues, including ESG.

⁴ We do not disclose the full portfolio holdings of the Munro Global Growth Small & Mid Cap Fund. We do not consider it in the best interest of our investors because:

- i) the companies this strategy can invest in can be less liquid than larger capitalisation companies, and
- ii) the concentrated nature of the fund.

We disclose the top 5 holdings of the Munro Global Growth Small & Mid Cap Fund.

⁵ GSFM Responsible Entity Services, CI International and Adminis Funds Limited have delegated voting to Munro. We have not been delegated voting to some separately managed accounts. If you wish to confirm whether Munro is performing voting on behalf of your investment, please contact us at contact@munropartners.com.au.

These principles are not prescriptive, and votes are exercised on a case-by-case basis in the best interests of our investors.

Given the breadth of issues, we do not have specific principles regarding shareholder resolutions and follow the same process and inputs detailed above under Voting Process. For example, if there is a shareholder proposal on employee health and safety, we will consider our rating on this topic (done as part of the ESG score) when deciding how to vote.

Where voting is unsuccessful in improving company practices, escalation tools we may use include company engagement, voting against other items such as director elections, and (in extreme cases) divestment if we consider it to be in our investors' best interests.

Our Climate Policy outlines further our approach to voting on climate change issues.

2. Engagement

Munro regularly engages directly with companies on ESG issues, tracks engagement activity and maintains internal targets for engagements.

Engagement issues and questions are set following the ESG score process outlined above. These focus on those issues where our ESG score process reveals the company can improve performance or disclosure.

The company's response to our questions and subsequent actions may then drive an improvement in their ESG score, which ultimately increases our valuation of the company.

We provide examples of engagements in our Responsible Investment Report.

Where we have material ESG concerns, including where engagement results in an ESG score being revised close to or below 1.5 we will either divest or engage with the company depending on the individual circumstances. We may also vote against resolutions at company meetings.

3. Advocacy

Munro recognises that investor engagement with policymakers is an important tool, especially for systemic risks like climate change.

Munro believes that advocacy is best done collaboratively with other investors because it is more likely to result in the outcomes we want for our investors, and because it is a more economical use of our internal resources. We pursue advocacy collaboratively, for example as a signatory to the Principles for Responsible Investment (PRI), as a member of the Investor Group on Climate Change (IGCC) and as a member of the Canadian Responsible Investment Association (RIA).

Through our membership, we support advocacy on both specific ESG issues (such as government policies on emissions reduction) and on promoting and developing responsible investment practices (such as how investors can best integrate climate change into their investment process).

4. Human Rights

Munro is committed to respecting human rights through our business operations and investment activities. In our operations, we commit to:

- Respecting the dignity and wellbeing of all individuals;
- Avoiding complicity in human rights abuses; and
- Upholding the principles of non-discrimination and equal opportunity.

With respect to our investment activities, we integrate assessments of human rights issues into the ESG score process explained above where it is material. We also engage with portfolio companies on human rights issues⁶.

With respect to our operations, we commit to performing due diligence and engaging with stakeholders including employees and suppliers to identify and mitigate potential adverse human rights impacts.

Munro is not required to report under the Modern Slavery Act 2018 but will continue to annually assess our requirements to report. We will continue to report on our efforts with respect to human rights in our annual Responsible Investment Report.

⁶ For example, at the time of writing, human rights is one of our three priority engagement issues. Our engagement on human rights is explained in our latest Responsible Investment Report which can be found on the [ESG page of our website](#).

TRANSPARENCY

Munro is committed to reporting annually on our responsible investment activities, including aligning reporting to the Task Force on Climate-related Disclosures (TCFD). We also report to PRI as part of our commitments as a signatory. See Munro's latest Responsible Investment Report, available on our [website](#).

REVIEW

We recognise that our approach to ESG, best practice and investor expectations will continue to evolve.

As such, we commit to reviewing and, if necessary, updating this policy annually.

The following notable changes were made to the Policy during the 2025 review:

- **ESG Score:** amended the definition of how Munro can use a third party's ESG score to determine a temporary ESG score.
- **Exclusions:** Munro now source exclusion data from ISS, while broadly the category of exclusion has not changed, the definitions have been updated to reflect the ISS definitions.
- **Voting Process:** updated to reflect more streamlined processes where the Responsible Investment Manager will manage all non-contentious votes.

The Munro Investment Holdings Limited Board of Directors reviewed and approved this policy on 19 September 2025.

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IMPORTANT INFORMATION

GSFM Responsible Entity Services Limited ABN 48 129 256 104 AFSL 321517 (GRES) is the responsible entity of the Munro Climate Change Leaders Fund ARSN 654 018 952, Munro Global Growth Fund ARSN 612 854 547, Munro Concentrated Global Growth Fund ARSN 630 173 189 and the Munro Global Growth Small and Mid Cap Fund ARSN 670 777 885 (the Funds), and has appointed Munro Partners as the investment manager of the Funds. Munro Partners is the issuer of this document. The Funds are registered managed investment schemes under the Corporations Act 2001 (Cth). This information has been prepared without taking account of the objectives, financial situation or needs of individuals. Before making an investment decision in relation to the Funds, investors should consider the appropriateness of this information, having regard to their own objectives, financial situation and needs and read and consider the product disclosure statement for the Funds and the Additional Information to the Product Disclosure Statement (AIB) which may be obtained from www.gsfm.com.au, www.munropartners.com.au or by calling 1300 133 451. None of GRES, Munro Partners, its related bodies or associates nor any other person guarantees the repayment of capital or the performance of the Fund or any particular returns from the Fund. No representation or warranty is made concerning the accuracy of any data contained in this document. Persons should consider the PDS and Target Market Determination in deciding whether to acquire or continue to hold the Fund. Target Market Determinations for the Funds are available from www.gsfm.com.au, www.munropartners.com.au or by calling 1300 133 451. This material does not constitute or form any part of any offer or invitation to purchase any financial product; and does not form part of any contract. In Partnership with CI Global Asset Management, Munro also acts as investment sub-advisors for the following Canadian Funds: CI Munro Alternative Global Growth Fund, the CI Munro Global Growth Equity Fund, and the CI Global Climate Leaders Fund. Also, in Partnership with Adminis Funds Limited (NZBN 9429052179914) (AFL), Munro acts as investment sub-advisor for the Munro Global Growth Climate Leaders PIE Fund. These Funds are not Australian managed Investment Schemes and are not offered to Australian investors. This Climate policy applies in respect of Munro's management of these funds.

