

# Responsible Investment Policy

## PURPOSE

*The purpose of this Policy is to formally outline Morrison's beliefs, principles and commitments in relation to Responsible Investment.*

## SCOPE

*The Policy applies to H.R.L. Morrison & Co Group LP or any subsidiary of it (which includes Morrison New Zealand Limited, Morrison Australia Pty Limited, Morrison US, LLC, Morrison Singapore Pte. Limited and H.R.L. Morrison & Co (UK) Limited, and are together "Morrison")*

Morrison's purpose is to invest wisely in ideas that matter and, in doing so, we aim to create long-term value for our clients.

We believe that environmental, social and governance (ESG) factors have an impact on investment performance and valuation, and that effective ESG integration can be value accretive over short, medium and long-term horizons.

We deliberately take a longer-term view and believe that there is no right or wrong standard model for ownership in the provision of critical infrastructure and social services. Investing in assets that serve an enduring societal need applying a responsible investment approach across each element of the investment process is closely aligned with Morrison's purpose and our corporate values<sup>1</sup>.

Morrison focusses on investing in infrastructure that supports current and future essential services and enduring societal needs such as decarbonisation (renewable energy and energy infrastructure), airports and transportation, healthcare services, connectivity (data and telecommunications), water scarcity (water treatment and recycling), waste processing and recycling, next generation infrastructure and other forms of critical social infrastructure.

Entities that derive more than 10% of annual revenue directly from the following activities are outside the scope of Morrison's investment strategy:

- The manufacture and/or distribution of munitions or tobacco; and/or
- Gambling and/or adult entertainment.

<sup>1</sup> Morrison's corporate values are (1) We think for the future; (2) We work as whanau; and (3) We deliver the extraordinary. Our investment approach is consistent with our status as a signatory to the UN supported Principles for Responsible Investment. Our investment processes and actions are described below.

<sup>2</sup> Morrison's Human Rights and Modern Slavery Position Statement more fully describes our commitments in relation to the identification and mitigation of human rights risks.

We do not tolerate investment in companies whose activities prolong infringements on human rights and support modern forms of slavery.<sup>2</sup>

Should Morrison consider investments in entities that are primarily engaged in fossil fuel-based electricity generation or the transportation of coal, our due diligence process and investment analysis seeks to ensure that:

- The entity and/or Morrison has identified a commercially viable pathway to becoming a successful and sustainable business considering, among other factors, the long-term potential financial impact of climate-related physical and transition risks, and long-term carbon pricing; and/or
- The entity has a critical role to play in the transition to a low-carbon economy.

In line with our commitment to the UN supported Principles for Responsible Investment (PRI), and the belief that our approach will drive long term value for clients, Morrison integrates environmental, social and governance considerations at all stages of the investment cycle, from due diligence through to on-going management and operation of our investee entities.

Morrison is committed to the following responsible investment processes and actions:

- Inclusion of ESG factors in thematic research and investment opportunity screening.
- Completion of detailed ESG due diligence for prospective new investments<sup>3</sup> supported by insights from Morrison's clients and specialist ESG service providers.
- Development of a responsible investment program for each of its managed investment funds and investment mandates which establishes ESG goals and commitments, and provides an ESG performance monitoring and communication framework.
- Benchmarking of ESG performance using industry recognised ESG ratings systems.
- Active ownership including regular engagement with existing and potential investee entities to ensure that Morrison's ESG expectations are being achieved. Engagements are prioritised by the materiality of the ESG issue(s) and the level of influence on ESG practice that Morrison can achieve.
- Consideration of best practice ESG approaches and outcomes in proxy voting activities.

<sup>3</sup> This due diligence approach utilises the Morrison Sustainability Framework (which describes Morrison's high-level ESG objectives and identifies twelve (12) ESG aspects that are most material to our operations) and includes the identification and analysis of ESG risks and opportunities, and the incorporation of due diligence findings into investment decision making.

- Collaboration on ESG initiatives and programs that are relevant to Morrison with external stakeholders such as co-investors, regulators, communities and non-government organisations.
- Regular reporting of ESG performance through clear and comprehensive reporting of outcomes and inputs to our clients, including through the PRI's Reporting and Assessment Framework.

The Policy is owned by the Morrison Board. Oversight of the policy is provided by the Executive Director, Sustainable Investment.

Periodic updates are provided to the Morrison Board.

The Policy is reviewed biennially.