FIRST SENTIER INVESTORS (NZ) SCHEME

Climate Statements

31st March 2025

Prepared by FundRock NZ Limited in

Compliance with the Aotearoa New Zealand Climate Standards

CONTENTS

1. INTRODUCTION

FundRock NZ Limited ("**FundRock**") has prepared these climate statements (the "**Statements**") for First Sentier Investors (NZ) Scheme (the "**Scheme**") in collaboration with First Sentier Investors (Australia) IM Ltd ("**First Sentier Investors**" or "**Investment Manager**" or "**FSI**") and in compliance with the requirements of the Aotearoa New Zealand Climate Standards (the "**Standards**"). These Statements cover the reporting period between 1st April 2024 and 31st March 2025 (inclusive) and First Sentier Global Listed Infrastructure Fund (the "**Fund**")[1].

FundRock is a fund hosting business; we issue and manage funds on behalf of investment managers who want to provide Aotearoa New Zealand investors with access to their investment solutions via Portfolio Investment Entities (PIE funds) under our MIS ("managed investment scheme") manager licence. FundRock's goal is to provide Aotearoa New Zealand investors with access to leading global and boutique domestic investment managers. Our funds cover all major asset classes and a broad variety of strategies.

While FundRock retains sole authority over all aspects of fund management, all decisions about investments are made by First Sentier Investors, in accordance with the Investment Management Agreement. These statements reflect this arrangement: certain sections are focused on how FundRock manages Climate-Related Risks and Opportunities ("**CRR&O**"); certain others, on how First Sentier Investors does it; and most present both. It is important when reading these statements to consider these arrangements, and the respective responsibilities, to understand the Funds' strategy in relation to CRR&O.

FundRock is part of the Apex Group, which has published a Sustainability Report where more details about the group's approach to sustainability can be found. At the level of schemes and funds (that at which these Statements were prepared), FundRock's approach to climate-change varies and is strongly influenced by the Fund's investment manager.

The investment manager for the Scheme is First Sentier Investors (Australia) IM Ltd, as detailed in the Scheme's trust deed and the Product Disclosure Statement for the Fund. First Sentier Investors is a global asset management group focused on providing high quality, long-term investment capabilities to clients. It brings together teams of specialist investment managers who share its common commitment to responsible investment principles.

The Responsible Listed Infrastructure ("**RLI**") team operates as a specialised investment team with a focus on listed infrastructure investments within First Sentier Investors. The investment team is supported by First Sentier Investors in various areas and is subject to First Sentier Investors' governance and oversight arrangements.

The RLI team invests in the companies our societies are built on. These are companies solving for the world's long-term challenges such as the energy transition, urban congestion, and digital mobility.

The RLI strategy is focused on:

- Listed infrastructure companies providing essential services to society, making them less sensitive to the economic cycle.
- Long-term structural growth drivers such as the build-out of renewable energy, the need to ease urban congestion, and increasing reliance on mobile data.
- Environmental stewardship and social license to operate, supporting long-term, sustainable returns to shareholders.
- Effecting change through ongoing engagement and dialogue with companies.

[1] As detailed below in section 1.1, a number of changes were made to the fund in May 2025, including the fund name changing form the First Sentier Responsible Listed Infrastructure Fund to the First Sentier Global Listed Infrastructure Fund.

1.1. May 2025 Changes to the Scheme

On 28 May 2025, the Other Material Information ("**OMI**"), Product Disclosure Statement ("**PDS**"), and Statement of Investment Policies and Objective ("**SIPO**") for the Scheme were updated, and material changes were made, as summarised below:

- The name of the Fund was changed from First Sentier *Responsible* Listed Infrastructure to First Sentier *Global* Listed Infrastructure.
- The investment objective and strategy (as stated in the PDS, Section 3) no longer includes a restriction to "*only investing in companies that the Investment Manager believes can contribute to, or benefit from, sustainable development which is assessed by reference to the United Nations' SDGs*".
- The Fund's benchmark is no longer the FTSE Developed Core Infrastructure ex – Pipelines Net Total Return Index (NZD Hedged), but the FTSE Global Core Infrastructure 50/50 Index (Net TR, NZD Hedged).
- While the ESG-related risks and opportunities are still considered in the Fund's investment processes, *Sustainability Analysis* is no longer a discrete process in it (as per the SIPO, Section D).

As mentioned above, these Statements cover the period of 1 April 2024 through 31 March 2025, and therefore do *not* reflect these changes. For more information on the Fund's current approach to climate change, please refer to the latest OMI, PDS, and SIPO.

1.2. Adoption Provisions

In preparing these Statements, FundRock made use of the following adoption provisions found in the Aotearoa New Zealand Climate Standard 2 (the "**CS2**"):

(A) Adoption provision 2 (Anticipated financial impacts);
(B) Adoption provision 7 (Analysis of trends);
(C) Adoption Provision 8 (Scope 3 GHG emissions assurance).

1.3. Cautionary Note and Limitations

This report is a summary of FundRock and FSI's assessments of future CRR&O and its resulting strategy. It contains FundRock and FSI's current assessments of the future CRR&O which could affect their business and customers, as well as their current planning to address these risks. This process necessarily involves estimates, projections, and assumptions about the future, which are inherently uncertain and are not forecasts of future performance.

This report contains statements that are, or may be deemed to be, forward looking statements, including climate-related goals, targets, pathways, ambitions, and related risks and opportunities, as well as FundRock and FSI's current planning to address related risks. By their very nature, forward-looking statements require FundRock and FSI to make assumptions and are subject to inherent risks and uncertainties, many of which are beyond our control and give rise to the possibility that our predictions, forecasts, projections, expectations or conclusions will not prove to be accurate, that our assumptions may not be correct, and that our objectives, vision, commitments, goals, targets, and strategies to mitigate and adapt to CRR&O will not be achieved. FundRock and FSI have set out the basis and limitations of their analysis in these Statements and reserve the right to revisit their assumptions and assessments as they develop their understanding of CRR&O and their response to climate change. This section should be read together with the limitations identified elsewhere in these Statements. Many of the assumptions, standards, metrics, and measurements used in preparing these Statements continue to evolve and are based on assumptions believed to be reasonable at the time of preparation, but should not be considered guarantees.

In light of the above, while FundRock and FSI have taken due care in preparing these Statements, including its scenarios and assumptions, neither FundRock nor FSI make any representations as to their accuracy, completeness, or reliability, in particular in relation to FundRock and FSI's assumptions regarding future events. FundRock and FSI expressly disclaim responsibility for, and make no representation, and give no warranty, assurance, or guarantee, as to the accuracy, completeness, or reliability of any contents of these Statements. To the greatest extent possible under New Zealand law, FundRock and FSI also expressly disclaims all liability for any loss (direct, indirect, consequential, or otherwise) or damage arising from the use of these Statements. FundRock and FSI recommend you seek independent advice before acting or relying on any information in this report. FundRock and FSI reserve the right to revise statements made and their strategy or business activities described in these Statements without notice.

1.4. Directors' Approval and Statement of Compliance

Signed on 28 July 2025 by the Directors identified below on behalf of FundRock, approving compliance with the Standards:

Hugh Stevens

Hugh Stevens

Jeremy Valentine

2. GOVERNANCE

2.1. Governance Body

FundRock's Board of Directors (the "**Board**") is the governance body for the Scheme (as well as all the schemes and funds managed by FundRock). It is accountable for the long-term stewardship and resilience vis-à-vis potential impacts of climate change.

The Board takes into account compliance and regulatory risks arising from possible changes to the regulatory framework of Aotearoa New Zealand's investment industry when developing and overseeing the implementation of FundRock's strategy. CRR&O that are specific to a Scheme or Fund (such as those associated with the assets held by a fund) are addressed at the management level.

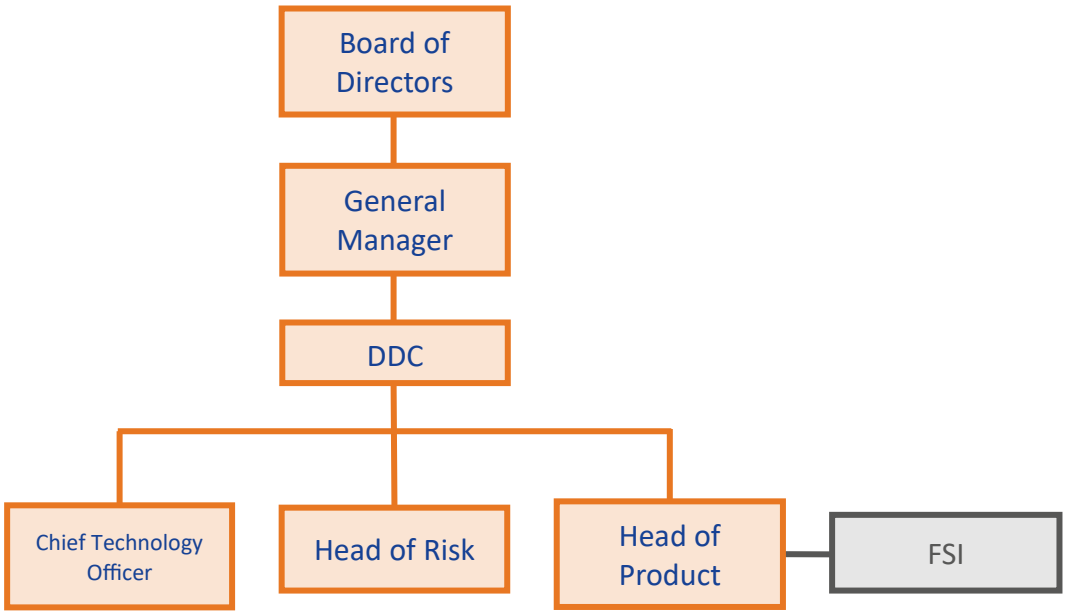
2.1.1. CRR&O Governance Structure

2.1.1.1. FundRock

The Board engages quarterly with FundRock's General Manager, who reports on the most material entity-level CRR&O. These reports are reviewed by the Due Diligence Committee (the "**DDC**") prior to being made available to the General Manager. The DDC also reviews key deliverables of the Climate-Related Disclosures ("**CRD**") regime (including these Statements) and either approves them or attests their orderliness for submission to the Board.

For CRD purposes, the interactions with First Sentier Investors are managed by the Product team (led by the Head of Product). As part of its role, the Product team engages with First Sentier Investors regarding their climate-related objectives.

The chart below illustrates the structure described above.



- **Board**: performs the role of governance body, as described in this Statement.
- **General Manager**: ensures project is adequately resourced, defines success, and acts as liaison between the Board and FundRock management.
- **DDC**: manages CRD-related activities, as described in this Statement.

- **Head of Product**: leads the execution of CRD-related activities.
- **Head of Risk**: leads the management of CRD-related compliance risks and provision of risk management expertise.
- **Chief Technology Officer**: leads the provision of IT support and data expertise.

2.1.1.2. First Sentier Investors and RLI

First Sentier Investors has built a stewardship and responsible investment ("**RI**") strategy on a governance framework that helps the investment teams align all its practices and initiatives across the entire firm. It also enables First Sentier Investors to make the most of the diverse resources and expertise of its different teams. Ultimately, it equips the RLI team to make informed decisions that aim to improve outcomes for its clients.

Each analyst/portfolio manager within the RLI team is expected to be aware of and alert to the climate-related risks facing the stocks that fall within their area of research coverage. This understanding has developed as a result of the fundamental research, analysis, and engagement that each team member carries out. Climate-related risks may be raised/discussed by team members in any one of several forums, such as daily team meetings, weekly portfolio, and weekly in focus stock meeting.

The RLI investment team includes a Responsible Investment Representative, who regularly interacts with the Responsible Investment team on climate-related issues and broader sustainability aspects. The Responsible Investment Representative is a recipient of the Responsible Investment Representatives' information letter, which amongst other ESG related themes also includes climate change. Responsible Investment Representatives are also members and active participants in First Sentier Investors' ESG Impacts Committee, chaired by the Global Head of Responsible Investments.

FSI's existing RI framework ensures that complex issues, which have implications for multiple investment teams, are captured and managed through the governance structures and committees.

Further details of FSI's governance framework across the firm can be found in First Sentier Investors' entity-level 2023 Climate Change Statements on the reports and policy section of the First Sentier Investors website.

2.1.2. Skills & Competencies

The FundRock Board continues to develop the skills and competencies of its members in respect to CRD and CRR&O. There were two changes to the Board's composition in August 2024, including the investiture of a director with extensive experience in ESG and assurance. The Board remains committed to receiving training on CRD and CRR&O at its quarterly meetings (see Section 2.1 above).

2.1.3. Metrics & Targets

The General Manager will report to the Board quarterly on the Fund's performance against their metrics (to the extent that the funds are publishing metrics and data is available) and targets (if any).

The Board has not set CRD- or CRR&O-related targets, key performance indicators, or remuneration incentives for any of FundRock's staff or the Scheme. Nonetheless, the investment manager may choose to set such targets or indicators for the Scheme or Fund; for more about this, see Section 6.5 below.

2.2. Management

2.2.1. FundRock

The DDC reviews key deliverables of the CRD regime as they are prepared, and the most material CRR&O (at the entity level) quarterly (see Section 2.1.1 above). It also engages with the Product team regarding the work on CRD in the

relevant reporting period and associated risks and opportunities. The Product team, in turn, interacts with First Sentier Investors throughout the reporting period and receives updates on their CRD-related processes and their status.

2.2.2. First Sentier Investors and Responsible Listed Infrastructure

The RLI team is responsible for assessing and managing CRR&O at the Fund level.

The Executive Committee ("**ExCo**") is the main forum for oversight of investment performance and risk within FSI. The ExCo is chaired by the Chief Executive Officer of FSI, it meets quarterly and is responsible for monitoring the management of investment risks, including ESG and climate risks within the Fund[2].

The FSI Investment Product, Research and Assurance ("**IPRA**") team supports the ExCo in carrying out the investment assurance activities to facilitate the required investment risk oversight in relation to all pooled funds, portfolios and strategies managed by the FSI Group, including the Fund. IPRA conducts an independent assessment of the Fund's climate change risk analysis, the Fund's net zero targets and a review of the engagement and proxy voting by the Fund.

Section 4 below provides more details on the risk management process.

[2] Previously the Global Investment Committee was the main forum, and this committee (along with other committees) was replaced with the Executive Committee in January 2025.

3. STRATEGY

The RLI team has integrated ESG criteria, including climate related risks, into its investment process since the team's strategy was established in 2007 (the RLI strategy was launched in 2017). ESG issues are fundamental to infrastructure companies, given they have significant service obligations and moral accountability to the communities in which they operate.

Climate change-related criteria are incorporated into the financial models that RLI maintains, and into the Quality Scores that are assigned to each company that RLI researches and analyses[3]. The financial models are used to rank stocks in the investment team's focus list according to their relative mispricing (the difference between the market value of a company and what the investment team deems its actual value to be). Assumptions in these models include the likelihood of renewables taking market share from fossil fuels over time; and increased electrification of the transportation sector in the long term.

Aligning with First Sentier Investors' firm-wide commitment, the RLI team is committed to building investment portfolios with an ambition of net zero by 2050 and are pursuing interim targets by 2030 to reduce the Weighted Average Carbon Intensity of their responsible listed investment portfolio. The RLI team will seek to prioritise the direction of capital to infrastructure companies that are aligned or aligning with a pathway to net zero by 2050 and encourage the investment of this capital into real assets that reduce absolute emissions.

Through company engagement, the investment team seeks to better understand risk in the portfolio, highlight areas for potential improvement, encourage disclosure on ESG issues, and support companies that are making progress in this area. Topics RLI engages on with companies include energy transition risk; physical risk of climate change; alternative fuel sources; regulatory risk for transition laggards; improving disclosure; and net zero targets. When engaging, RLI raises the issue in meetings with company management, in order to put their view across and to understand the situation from the company's perspective. If RLI doesn't see change, it may then contact the board, for example by writing a formal letter, outlining their concerns. If RLI feels that their concerns are still not being addressed, RLI may vote against the company via proxy voting (a ballot cast by RLI as a company's shareholder). In instances where management does not respond adequately to engagement, this may negatively affect the quality scores for that company, which could result in divesting ownership. RLI views this approach as being an important element of our fiduciary responsibilities.

RLI also participates in industry groups such as Climate Action 100+ to help deal with difficult issues such as energy transition and the path to net zero.

3.1. Current Impacts

At the entity level, the costs of compliance with CRD regulations continue to be the most significant impact of CRR&O for FundRock. FundRock have dedicated material resources to ensure compliance with it, and the cost of data for the metrics in Section 5 below remains significant. While these costs may not be passed on to the investors directly, mounting regulation may lead to fee increases.

[3] ESG analysis is integrated into RLI's investment process through our quality assessment and ranking model. This model consists of 25 criteria that influence stock returns in general and infrastructure securities in particular. A score is assigned to each criterion; a lower quality score makes it harder for a stock to be included within the overall portfolio. ESG factors are captured both explicitly, through scores for Environmental, Social and Governance quality criteria, and implicitly, where ESG factors are relevant to the other quality criteria we consider.

As investors in infrastructure assets, the RLI team understands that climate change poses a complex problem, which has already impacted, and will continue to impact, different assets in different ways. First Sentier Investors believes it is its responsibility to understand and mitigate these risks within its investment portfolios.

At the Fund level, increased global regulatory disclosure requirements have the most immediate impact on the fund and its underlying assets.

3.1.1. Current Financial Impacts

FundRock is unable to provide a meaningful, reliable, and quantifiable measure of the financial impacts that climate change had on the Scheme or Fund during the current reporting period for the following reasons.

The price of a financial asset reflects investors' expectations of its returns for an undetermined future period. These expectations are based on all material information regarding the asset that is publicly available, and it is impractical to segregate the impact of one piece of information from that of another. A price movement can sometimes be linked to a specific event, but this is ephemeral: new developments eventuate, and soon it becomes impossible to establish a quantifiable connection between the asset's price and the event of interest. In addition, using an arbitrary timeframe to measure the impact of events would produce arbitrary results[4].

These challenges are *in addition* to the challenge of determining what is an event caused by climate change. Diversified investment funds have dynamic holdings, the real-world assets that sit under their portfolios (i.e., the facilities, infrastructure, etc. connected to its investees) are geographically dispersed, and the universe of events affecting them is too broad for meaningful analysis. It took more than a year after cyclone Gabrielle hit Gisborne in early 2023 for a team of scientists to conclude that it was made 10% worse by climate change[5]; FundRock is not equipped to determine (with reasonable certainty and within the timeframe available to complete these Statements) which, of all events that affected the assets it holds in a certain year, can be linked to climate change – let alone to quantify their effects.

These reasons also mean that it is difficult to provide a qualitative assessment of the current financial impacts of climate change.

3.2. Scenario Analysis

To better understand the risks associated with climate change, the RLI team is collaborating with the FSI Responsible Investment team to develop a climate scenario analysis model that will assist in informing its transition plan.

The First Sentier Investors Responsible Investment team independently conducts scenario analysis on the Responsible Listed Infrastructure portfolio and provided this analysis to the investment team and the FSI Global Investment Committee. Further information on the First Sentier Investors Responsible Investment team's scenario analysis process can be found in Schedule A below.

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[4] An example is the Deepwater Horizon explosion and consequent oil spill. The explosion happened on 20 April 2010, local time – before the London market opened on the 21st. The shares of BP plc, owner of the platform, closed at GBP 6.42 on 19 April, GBP 6.48 on 21 April, GBP 4.35 on 20 October (six months from the event), and GBP 4.66 on 20 April 2011 (a year from the event) (prices were sourced from yahoo!finance UK and may differ from other sources). The amount of a hypothetical investor's loss with the event would depend on which of these dates is chosen to measure it.

[5] See Stone, Dáithí A. *et alii*, *Cyclone Gabrielle as a Design Storm for Northeastern Aotearoa New Zealand Under Anthropogenic Warming*, available at https://doi.org/10.1029/2024EF004772 (consulted on 11 Sep 2024).

3.3. Climate-Related Risks & Opportunities (CRR&O)

The Sector Scenario Analysis included a Climate Risk Database, on which FundRock and First Sentier Investors' RI team relied to identify and assess the risks for the Scheme and Fund. As indicated in Section 3.1 above, the risks found in the Sector Scenario Analysis were systematized by FundRock to allow for their application across the variety of schemes and funds we manage. The table in Schedule B below list the climate-related risks identified by FundRock and First Sentier Investors' Responsible Investment team.

The RLI team believes that the energy transition and physical risk stemming from climate change are key risks for infrastructure companies. In the short and medium term, transition risk represents the single largest climate-related risk for listed infrastructure companies, as the world moves towards lower carbon sources of energy. However, energy transition also represents a substantial opportunity.

The physical impacts of climate change and global warming are increasing the frequency and unpredictability of extreme weather events like droughts, fires and floods, which pose risks to society and the global economy. It impacts the availability of resources, the price and structure of the energy market, the vulnerability of infrastructure assets and the valuation of companies.

At their heart, infrastructure assets consist of networks to move things around, be it people, goods, energy, or data. Extreme weather events can affect the efficient operation of these networks, which will need to be more resilient than in the past. Examples of physical climate risk for infrastructure assets include:

- Extreme weather events including hurricanes, storm surges, floods and high wind events.
- Droughts and the impact this has on water resources.
- Increased risk of wildfires causing damage to utility electricity transmission networks.
- Rising sea levels causing damage to coastal infrastructure assets.

3.3.1. Definitions of Short-, Medium-, & Long-Term

The time horizons used for the scenario analysis (see Section A.iii below in Schedule A).

3.3.2. CRR&O & Decision Making

Management of entity-level CRR&O has been integrated into FundRock's overall risk management framework. That framework involves discussing risks in risk controls meetings attended by the General Manager. If the relevant risk cannot be properly addressed at this level, they may be highlighted in the quarterly Board reports (see Section 2.1.1 above). Should the Product team identify the need for reviewing the level of resources dedicated to addressing climate risks, it would express its view to the General Manager in the relevant meeting or through the Board report. Senior management and directors would consider said needs within the context of FundRock's goals and the environment in which it operates, and make capital deployment decisions as required by their duties, taking into account the Apex Group's policies.

At FundRock, entity-level CRR&O receive the same treatment as all other risks and opportunities in all risk-related process and procedures and at all levels of the organization. As a rule, risks are prioritized based on their likelihood and expected impact.

Climate-related risks and opportunities serve as inputs to the RLI investment team's capital deployment and funding decision-making processes. The capital expenditure of every current or potential Fund holding is assessed against the United Nations' Sustainable Development Goals ("**SDGs**") to determine whether a net positive, neutral or negative contribution is being made. The Fund will only invest in stocks that it believes are contributing to, or benefiting from, sustainable development (as explained below).

While acknowledging that infrastructure companies may also contribute to other SDGs at times, the team's main focus of is on the following SDGs:

- SDG 6: Clean Water and Sanitation
- SDG 7: Affordable and Clean Energy
- SDG 9: Industry, Innovation and Infrastructure
- SDG 11: Sustainable Cities and Communities
- SDG 12: Responsible Consumption and Production
- SDG 13: Climate Action

Each of these main categories contains several more specific secondary or "sub" goals that infrastructure investment can have a direct influence on. The RLI team maps company capex against the sub-goals of each of the six SDGs outlined above. Given infrastructure's capital-intensive nature, the investment team believes this represents a sensible and consistent way to monitor a company's contribution to sustainable development. Reflecting the importance of taking a balanced approach, all capex is taken into account. The RLI team then categorises it as positive, neutral or negative.

The RLI team also considers a range of other climate-related parameters in relation to stocks the Fund invests in. For example, they seek to invest in utilities that can demonstrate a declining carbon intensity[6] over retrospective rolling five-year periods (as measured by tons of carbon emitted per MWh of electricity generated); or that can demonstrate carbon intensity of at least 25% below the average of utility companies in the Investment Manager's investment universe. They also seek to invest in utilities where coal generation assets represent less than 20% of the company's overall assets.

3.4. Anticipated Impacts

From an institutional perspective, FundRock continues to see changes to the cost of compliance with climate-related policies and regulations as the main anticipated impact of CRR&O. The review of NZ CS 2 in late 2024 reduced the cost pressure for the current reporting year. Looking ahead, FundRock sees substantial uncertainty as both the Ministry for Business, Innovation, and Employment and XRB have opened or indicated their intention to open consultations on the future of the CRD regime. There is a chance that legislation and regulations emerging from these consultations will stabilize the cost of compliance with CRD requirements. Nonetheless, as it is the data on GHG Emissions will be subject to assurance from the 2025/2026 reporting period onwards. This would significantly increase compliance costs.

The RLI team recognises that climate change is a long-term challenge and that its impacts unfold over extended periods. This requires a shift in mindset and the adoption of new tools and methodologies to understand its impact over time. Climate change is also characterised by significant uncertainty, making it challenging to quantify and model risks accurately. Data reliability and availability are an ongoing challenge; however, company disclosure is improving with the introduction of mandatory climate disclosure across many of the jurisdictions First Sentier Investors invests in.

At the Fund level, transition risk represents the single largest climate-related risk for listed infrastructure companies, as the world moves towards lower carbon sources of energy. However, energy transition also represents a substantial opportunity. Attempts to reduce carbon emissions are having significant implications for the way in which electricity is generated, transmitted and distributed. The replacement of older coal-fired power stations with cheaper, low carbon wind and solar power is likely to present substantial capex opportunities for many utilities over time. These companies are expected to play a crucial role in achieving net zero by 2050.

[6] The measure of carbon intensity over time may be adjusted to take into account circumstances including but not limited to corporate restructurings or changes in capacity factors.

Industry dynamics currently appear to be shifting towards an "all-of-the-above" approach as utilities seek to meet rising energy demand, driven by AI / data centre growth, electrification and industrial onshoring. This may see extensions to the operating life of existing coal and nuclear power plants and the construction of new natural gas fired power plants, alongside the continued build-out of renewables.

Listed infrastructure companies will also face increased physical risk impact of climate change. As mentioned under Section 3.3 above, infrastructure assets consist of networks to move things around, be it people, goods, energy or data. Extreme weather events can affect the efficient operation of these networks, which will need to be more resilient than in the past. The need to spend additional capex to improve resilience or rebuild facilities may represent a financial risk to some companies. However, this theme may also represent opportunities. For example, utilities are often able to add the required expenditure to their rate base, underpinning regulated earnings growth. Other infrastructure companies may be able to secure a competitive advantage by moving early to improve their assets' resilience, reducing downtime and improving operational efficiency.

3.5. Transition Plan Aspects of Strategy

FundRock is a fund hosting business. We provide services to domestic and international investment managers who want to operate in Aotearoa New Zealand but would prefer to outsource fund management to us, normally because they believe this to be the most cost-effective way of offering their services in the country.

Our business model is very resilient to investment risks (climate-related or otherwise) thanks to the broad variety of schemes and funds we can accommodate. As long as there is continued demand for managed investment schemes in Aotearoa New Zealand, we can evolve and adapt to political, economic, and societal changes: we can work with existing investment managers to make strategic adjustment to their products, and whenever this proves impractical, new products (more aligned with prevailing market winds) may be developed in collaboration with current or new investment managers, replacing those retired.

FundRock's knowledge of and experience in Aotearoa New Zealand's investment funds market will be invaluable in the process of identifying the adaptations required and assessing the viability of both existing and prospective products. Understanding the CRR&O specifically associated with this market must be part of this.

The Fund aims to achieve capital growth and inflation-protected income by investing in a globally diversified portfolio of infrastructure securities.

The Fund only invests in companies that the Investment Manager believes can contribute to, or benefit from, sustainable development. This is assessed by reference to the United Nations' Sustainable Development Goals (SDGs).

Investing in the Fund offers investors access to:

- companies that provide essential services to modern society, making them less sensitive to the economic cycle.
- companies that can contribute to, or benefit from, sustainable development which is assessed by reference to the United Nations' Sustainable Development Goals (SDGs).
- potential growth, being driven by long term themes such as the build-out of renewable energy, the need to ease urban congestions and increasing reliance on mobile data.
- the expertise of a highly experienced investment team of infrastructure specialists.

Please note that the Fund's strategy has changed in May 2025; refer to Section 1.1 above for more details.

3.5.1. Transition Plan

Given the resilience of FundRock's business model expressed above, it currently has no plans to change its strategic direction based on CRR&O or adopt any targets for itself. Our core concern will continue to be regulatory transition

risks, which have already been integrated into our risk management (see Section 4 below) and governance (see Section 2 above) processes.

Going forward, FundRock expects that the level of resources dedicated to address CRR&O will increase to accommodate assurance requirements. Otherwise, resourcing and costs are likely to remain stable (in real terms). We expect the funds to pay for all costs associated with the CRD regime and CRR&O via the fees charged from investors. We have not yet increased fees to address these costs, but we may have to do this if they do not stabilize.

The RLI team is targeting a reduction in GHG Emissions across their investment portfolios consistent with an ambition to reach net zero emissions by 2050 and support global efforts to limit warming to 1.5 degrees Celsius. Infrastructure companies will play a vital role in achieving this outcome given electric power and transportation are significant contributors to global emissions. As a responsible and active manager of capital on behalf of their clients, the RLI team seeks to:

- Build investment portfolios aligned to net zero by 2050.
- Pursue interim targets, to reduce the Weighted Average Carbon intensity ("**WACI**") of their investment portfolios to 50% below the 2019 benchmark FTSE Global Core Infrastructure 5050 index by 2030.
- Take account of portfolio Scope 1 and 2 emissions and consider material Scope 3 emissions.
- Prioritise the direction of capital to infrastructure companies that are aligning or on a pathway to be aligned with net zero.
- Encourage the investment of this capital into real assets that reduce absolute emissions (rather than prioritising the use of offsets).
- Engage with companies to improve disclosures (e.g. GHG Emissions, TCFD reporting, transition plans) and accelerate change (e.g. coal power closures by 2030), with a focus on those companies that produce the most carbon emissions.
- Implement an escalation and voting strategy consistent with achieving net zero.
- Provide information and analysis on net zero progress and climate risks and opportunities.

The RLI team has already integrated climate and broader ESG-related metrics and targets within the investment strategy and as such is well-positioned to respond to a world transitioning to low carbon and climate resilience. Decarbonisation is already happening in this asset class, particularly by utilities, who are responsible for more than the lion's share of emissions in the opportunity set. More details on the Fund's current strategy can be found in the Statement of Investment Policy and Objectives, available on the Disclose Register.

The RLI team's climate change statement and net zero target are available at FSI's website RLI Climate Change Statement. The targets reflect the developments in this space and enables the RLI team to engage and encourage companies to make greater efforts on this front.

With regards to intended actions, the Fund is managed using an eight-step investment process: (1) screening; (2) fundamental research; (3) value ranking model; (4) quality ranking model; (5) sustainability analysis; (6) stock selection; (7) macro risk management; and (8) portfolio construction.

ESG analysis is integrated into the investment process through steps 4 (quality ranking model) and 5 (sustainability analysis). Together, the total quality scores and the sustainability analysis for each stock are informed and determined by the fundamental research, analysis and engagement carried out by the Investment Manager.

3.5.1.1. Quality ranking model

The quality ranking model consists of 25 criteria that the Investment Manager utilises. A score out of ten is assigned to each criterion (with ten being the maximum and one the minimum) giving each stock a maximum potential total score of 250. ESG factors are captured both explicitly, through the respective scores assigned to the criteria 'Environmental', 'Social' and 'Governance' (further detail on these three ESG criteria are below), and implicitly, where ESG factors are

relevant to the other criteria considered by the Investment Manager and that are not strictly 'ESG' criteria (such as the Disruption criterion, which may involve consideration of whether a utility is investing in renewable generation, at the expense of its older thermal generation fleet).

In determining the respective quality scores for the Environmental, Social and Governance criteria, the Investment Manager considers ESG factors it believes may affect an investment's return. These factors include, but are not limited to, the following:

- Environmental factors: an entity's carbon emissions; its share of non-renewable energy consumption and production; activities negatively affecting biodiversity-sensitive areas; and emissions to water.
- Social factors: an entity's compliance with the UN Global Compact principles, and the OECD's Guidelines for Multinational Enterprises; its record and approach to workplace health and safety; and Board gender diversity levels.
- Governance factors: an entity's board structure (which may include factors such as board independence, the separation of chairman and CEO roles and audit and remuneration committee independence) and the protection of minority interests.

The total quality score, combined with the value score (being step 3 of the investment process, which ranks stocks according to the Investment Manager's view on potential mispricing), provides an overall ranking of the stocks. This overall ranking is used to inform stock selection. All else being equal, a lower ranking generally makes it harder for a stock to be selected for inclusion within the portfolio. It is possible that a stock with low ESG-related quality scores may still be considered eligible for inclusion in the portfolio – subject to the outcome of the sustainability analysis, described below.

The emphasis placed by the Investment Manager on a particular ESG factor when determining each Environmental, Social and Governance criterion's quality score, is based on the Investment Manager's assessment of the extent to which that factor is likely to have an impact on the returns of the relevant stock over the long-term. As a result, consideration of a particular ESG factor may vary by sector and/or region, as well as being influenced by stock specific details.

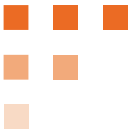
3.5.1.2. Sustainability analysis

The Investment Manager considers the extent to which each company contributes to, or benefits from, sustainable development, which is assessed by reference to the United Nations' SDGs. Typically, this analysis involves looking at the forecast capital expenditure of each company, and then mapping this expenditure against the SDGs to determine whether a positive, neutral or negative contribution is being made. In undertaking this assessment, the Investment Manager considers the following SDGs to be the most relevant to infrastructure companies:

- SDG 6: Clean Water and Sanitation;
- SDG 7: Affordable and Clean Energy;
- SDG 9: Industry, Innovation and Infrastructure;
- SDG 11; Sustainable Cities and Communities;
- SDG 12: Responsible Consumption and Production; and
- SDG 13: Climate Action.

The Fund will only invest in stocks which the Investment Manager believes contribute to, or benefit from, sustainable development, which is assessed by reference to the UN SDGs (as explained above).

Another aspect of the sustainability analysis involves the consideration of other ESG-related parameters. For example, the Fund seeks to invest in:



- utilities that can demonstrate a declining carbon intensity over rolling five-year periods (as measured by tons of carbon emitted per MWh of electricity generated); or that can demonstrate carbon intensity of at least 25% below the average of utility companies in the Investment Manager's investment universe; and
- utilities where coal generation assets represent less than 20% of the company's overall assets.

The Fund also monitors companies for adherence to the OECD Guidelines for Multinational Enterprises[7] and the UN Global Compact.

[7] The OECD Guidelines for Multinational Enterprises are a set of recommendations provided by the Organisation for Economic Co-operation and Development (OECD) to multinational enterprises (MNEs) operating in or from adhering countries. These guidelines offer principles and standards for responsible business conduct across various areas.

4. RISK MANAGEMENT

FundRock manages entity-level CRR&O directly. We have identified them by referencing applicable regulations, and assessed them by appraising their expected impact, the processes and controls we have in place, and the resources of which we dispose. The processes for monitoring and managing said CRR&O are summarised in Section 3.3.2 above.

The RLI team believes that the most effective way to identify, assess and manage climate-related risks is through regular meetings with senior management and other stakeholders including suppliers, competitors, regulators, and industry bodies. Given the investment experience across the team, companies and markets are understood intimately and the RLI team believes it is best positioned to form a view on the companies' approach to climate change and the materiality of CRR&O.

The RLI team encourages companies to report climate-related statistics in a way that is consistent with the framework provided by the Task Force on Climate-Related Financial Disclosures ("**TCFD**"). The RLI team also encourages them to work with the Science Based Targets initiative (a clearly defined pathway for companies to reduce greenhouse gas emissions). The RLI team maintains a database that monitors ESG metrics, which include a range of climate-related statistics, including Absolute Carbon Emissions, Carbon Footprint and Carbon Intensity (all measured at a stock, portfolio, and strategy level). This database also tracks whether companies with power generation assets are reducing their carbon intensity over rolling five-year periods. This allows the RLI team to better assess investee companies' CRR&O.

4.1. Prioritisation Process

FundRock prioritizes entity-level risks based on their likelihood and expected impact. Risks are classified across both axis and assigned a risk rating. Both inherent and residual ratings are considered[8].

These risks are reassessed every other month according to the processes summarised in Section 3.3.2 above.

The RLI team prioritises its engagement activity based on the materiality of each risk to the stocks that they invest in. They consider the potential time frames of a particular risk unfolding; level of probability that it will occur; and level of potential impact on infrastructure cash flows.

Transition risk represents the largest single ESG-related risk for global listed infrastructure companies, as the world moves towards lower-carbon sources of energy. Accordingly, the energy transition is a key component of our engagement activity.

More than 85% of the RLI team's portfolio emissions come from utilities, so naturally these are the companies in which its team invests the most time on analysis and engagement related to this topic.

Energy transition also represents a substantial opportunity, as efforts to reduce carbon emissions are creating new opportunities for companies to generate, transmit and distribute electricity.

4.2. Short-, Medium-, and Long-Terms

For entity-level CRR&O, FundRock has used the time horizons found in the New Zealand Financial Services Council's Sector Scenario Analysis:

[8] An *inherent* risk is that before any controls or mitigations are applied, while a *residual* risk is that left after this is done. The inherent risk of losing a house to a fire is that of simply moving into it; the residual risk is that after smoke detectors and sprinklers have been installed and fire insurance has been acquired.

Term	Time Horizon
Short	1-3 Years
Medium	5-10 Years
Long	30 Years

First Sentier Investors uses the time horizons adopted for scenario analysis (see Section A.iii below in Schedule A) for risk assessment whenever necessary.

4.3. Parts of Value Chain Not Included

The risk assessment process considered fund management, investment management, and the Fund's investments. Distribution risks were not considered because they do not directly pertain to the Fund and FundRock does not believe their analysis would provide material information for the Fund's investors.

4.4. Assessment Frequency

FundRock assesses entity-level risks every other month, following the processes summarised in Section 3.3.2 above.

The RLI team assesses the asset level climate related risks and opportunities on an ongoing basis as part of the team's Quality Ranking Model.

5. METRICS & TARGETS

5.1. Note on Data Availability

The metrics presented in this section may not cover the entirety of holdings within the Fund. You can find details of the percentage of the portfolio for which data is reported, estimated or unavailable in the sections below. Cash is excluded from calculations. In addition, Scope 3 emissions are harder for a company to measure, as they originate from processes that take place across the value chain and are not directly within the company's control and as a result there is limited reporting available.

Access to reliable carbon emissions data continues to be a challenge, including lack of Scope 3 emissions. An issue First Sentier Investors is grappling with is definitions: it still needs more industry convergence of terminology around net zero ambitions, target setting and the credibility of transition plans. This will enable First Sentier Investors to properly assess the quality of a company's ambitions. FSI actively contributes to industry working groups to address those challenges.

Emissions data, as reported in the First Sentier Investors (NZ) Scheme Climate Statement ending period 31st March 2024, may differ from similar data in the Climate Statement ending 31 March 2025 (as set out in the tables below) due to updated data becoming available at the time of publishing the 2025 report.

All data below marked as *2025* refers to 31 March 2025, and all data marked as *2024*, to 31 March 2024.

5.2. Challenges

Carbon intensity metrics can sometimes increase year on year due to changes in demand, corporate structure, and weather impacts. Whilst longer term targets such as aiming for net zero by 2050 are important, the RLI team's immediate priority is to set medium-term expectations and assess company performance against those measures. First Sentier Investors needs to be forward looking and also identify the laggards who could be the leaders of the future.

The following metrics are used as part of First Sentier Investors' assessment of climate-related risks and opportunities across the portfolio:

- Based on holdings as at 31 March 2025
- Assets under Management: NZ$ 400.09 million
- Covered: Assets Under Management ("**AUM**") NZ$ 383.69 million[9]
- Benchmark: FTSE Developed Core Infrastructure ex-Pipelines Index (NZD hedged)

5.3. GHG Emissions

MIS Managers are not required to disclose Scope 1 and 2 GHG emissions because S461O of the Financial Markets Conduct Act 2013 defines MIS Managers as climate reporting entities in respect of the schemes they manage, and those schemes do not have Scope 1 and 2 GHG emissions. In accordance with the Greenhouse Gas Protocol (GHG Protocol), all the emissions of the investee companies are considered Scope 3 (financed) emissions for the Funds. The breakdown of the investees' emissions into Scope 1, 2, and 3 in these Statements reflects industry practices and takes the perspective of the investees themselves.

[9] Cash and companies without GHG Emissions data are not included in the calculations for the carbon footprint.,

5.3.1. Emissions Data Availability and Disclosure

Measures the percentage of AUM that is covered with company-reported versus modelled GHG Emissions data. Measuring GHG Emissions is a critical first step as it enables companies to identify the different types of direct and indirect emissions throughout the value chain and as such enables them to design robust decarbonisation plans. The challenge remains obtaining access to robust GHG Emissions data. There remain large differences between third-party data modelling as well as differences in the coverage of reporting entities.

Percentage of covered AUM invested in holdings where reported Scope 1&2 emissions data is available from our data provider	Percentage of covered AUM invested in holdings where estimated Scope 1&2 emissions data is available from our data provider
100.00%	0.00%

Source: First Sentier Investors and ISS ESG

5.3.2. Total Carbon Emissions/Financed Emissions for the Fund

This metric measures the absolute GHG Emissions associated with a portfolio (Scope 1, 2 and 3) expressed in tCO2e[10].

Carbon footprint reports the emissions of the companies First Sentier Investors invests in at a portfolio level. It sums up the emissions of all investee companies, proportionally based on how much of the investee companies' activities are financed by the investment manager.

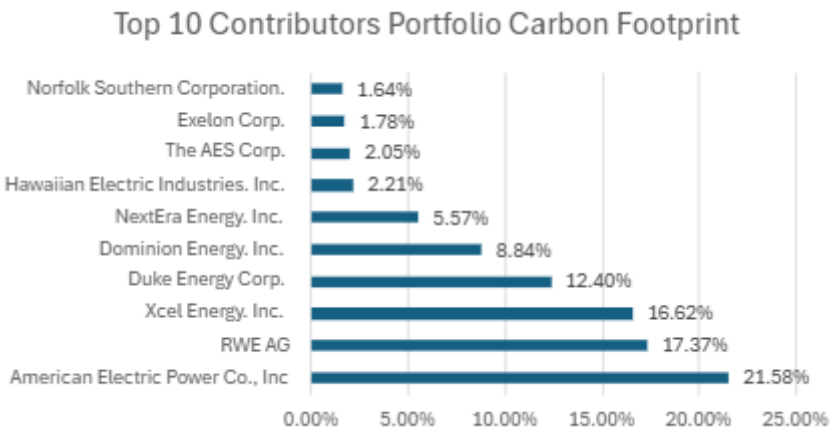
Total Emissions Scope 1+2 is a commonly used metric to cover all GHG Emissions within control or within the boundaries of the organisation.

Financed Emissions	31 March 2025 tCo2e	31 March 2024 tCo2e
Scope 1 emissions	36,802	18,857
Scope 2 emissions	1,981	1,484
Total Scope 1&2 emissions	38,782	19,341
Scope 3 emissions	53,900	40,270
Total Scope 1,2 & 3 emissions	92,772	59,611

Source: First Sentier Investors and ISS ESG

- **Scope 1**: An organisation's direct GHG Emissions from owned or controlled sources.
- **Scope 2**: An organisation's emissions associated with the generation of electricity, heating/ cooling, or steam purchased for own consumption.
- **Scope 3**: All indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company and are divided across 15 categories for both upstream (supply chain7) and downstream (lifecycle of products) activities.

[10] Not all greenhouse gases warm the atmosphere equally, some gases (such as methane) have a greater global warming potential, or warming effect, than carbon dioxide. To account for this, the term CO2e is used and means that greenhouse gases other than carbon dioxide can be converted, or normalized, to the equivalent amount of CO2, based on their relative contribution to global warming. This provides for a single, uniform means of measuring emissions reductions for multiple greenhouse gases. Source: UN-REDD (https://www.un-redd.org/glossary/carbon-dioxide-equivalent-co2e)



Source: First Sentier Investors and ISS ESG

5.3.3. Relative Carbon Footprint for Portfolio

Relative carbon footprint	31 March 2025 Scope 1&2 emissions (tCO2e) per NZ$M invested	31 March 2024 Scope 1&2 emissions (tCO2e) per NZ$M invested
Portfolio	101.08	63.77
Benchmark	116.78	131.02

Source: First Sentier Investors and ISS ESG

The carbon emissions of a portfolio per millions of New Zealand dollars invested. Scope 1 and 2 emissions are allocated to investors based on an ownership approach (if an investor owns 10% of a company's total Enterprise Value Including Cash (EVIC), then they own 10% of the company and therefore 10% of the company's emissions). This is then normalised by portfolio value. It enables for easier comparison with a benchmark, between portfolios, and between individual investments.

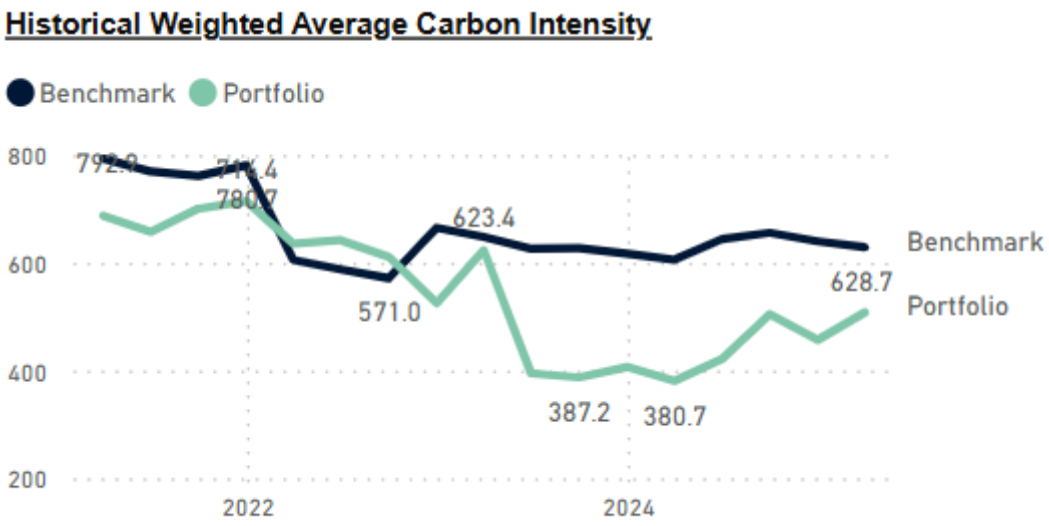
5.3.4. Weighted Average Carbon Intensity for Portfolio

The greenhouse gas intensity of a company is the amount of GHG emitted per millions of New Zealand dollars of revenue generated. WACI, applied to an investment portfolio, is one of the climate-related metrics that is recommended by the TCFD. On a company level, carbon intensity provides insights into the carbon efficiency of a company: how much GHG Emissions an organisation emits per unit of output.

Weighted Average Carbon Intensity	31 March 2025 Scope 1&2 emissions (tCO2e) per NZ$M revenue	31 March 2024 Scope 1&2 emissions (tCO2e) per NZ$M revenue
Portfolio	507.75	380.74
Benchmark	628.68	605.87

Source: First Sentier Investors and ISS ESG

5.3.4.1. 5 year-Historical Weighted Average Carbon Intensity



Source: First Sentier Investors and ISS ESG

$$Attribution\ factors_c = \frac{Outstanding\ amount_c}{Enterprise\ Value\ Including\ Cash_c}$$

$$Financed\ emissions = \sum_c \frac{Outstanding\ amount_c}{Enterprise\ Value\ Including\ Cash_c} \times Company\ emissions_c$$

$$\sum_n^i \left(\frac{Current\ value\ of\ investment_i}{Current\ portfolio\ value} \times \frac{Issuer's\ Scope\ 1\ and\ Scope\ 2\ GHG\ Emissions_i}{Issuer's\ \$M\ Revenue_i} \right)$$

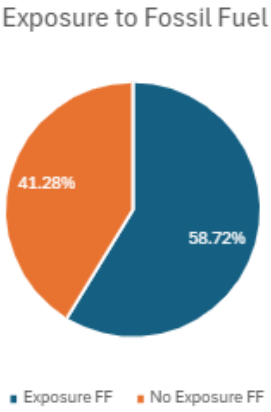
5.4. Transition Risks

5.4.1. Exposure to Fossil Fuel

This indicator measures the portion of exposure to companies involved in fossil fuels as defined by Sustainalytics, this includes:

- **(A)** exploration, mining, extraction, distribution or refining of hard coal and lignite;
- **(B)** exploration, extraction, distribution (including transportation, storage and trade) or refining of liquid fossil fuels; and
- **(C)** exploration, extraction, distribution (including transportation, storage and trade) of gaseous fossil fuels.

Percentage of total AUM invested in companies exposed to fossil fuel is 58.72% (50.90% in 2024).



Source: First Sentier Investors, Sustainalytics

Measures the investments in companies active in the fossil fuel industry. This measure is useful in understanding the potential stranded asset risk within the portfolio as the world is transitioning to a low carbon world.

5.4.2. Sector Contribution to Portfolio Emissions

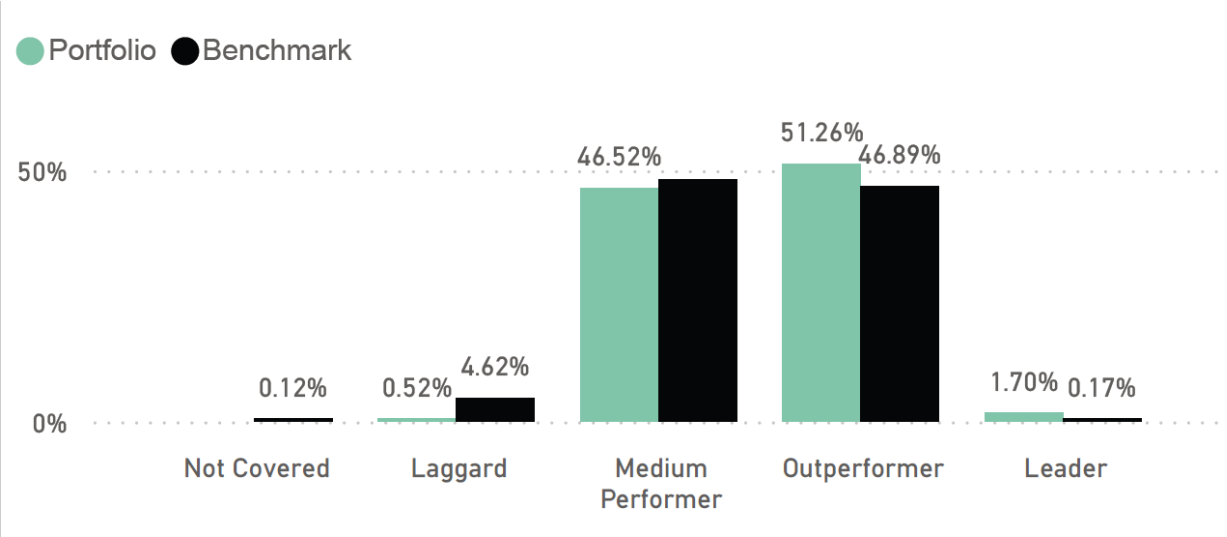
This measures the proportion of the portfolio invested in sectors that are more vulnerable to transition risk within the portfolio.

Sector	2025	2024
Utilities	91.09%	86.75%
Industrials	8.73%	12.86%
Real Estate	0.15	0.38%
Communication Services	0.029%	0.002%

Source: First Sentier Investors and ISS ESG

5.4.3. Carbon Risk Rating

This metric assesses companies on a carbon transition performance scale from 0 (poor) to 100 (strong). The rating is based on qualitative and quantitative factors including a company's climate risk exposure based on its business activities, a company's current carbon intensity and trend, industry-specific climate risks both in the production and supply chain, and the ability to seize climate-related opportunities. The portfolio weighted Carbon Risk Rating measures the portfolio's transition readiness.



Source: First Sentier Investors and ISS ESG

5.5. Management Remuneration

Neither FundRock nor FSI have elected to link any part of management remuneration to CRR&O.

5.6. Other Metrics

5.6.1. Science-Based Target Alignment (Transition Risk)

Science-Based Target Alignment (Transition Risk)	2025	2024
% companies with targets committed to Science-Based Targets Initiative	5.41%	6.71%
% companies who have targets approved by the Science-Based Targets Initiative	43.59%	42.17%

Source: First Sentier Investors, ISS ESG, Science Based Targets initiative[11]

This measures the proportion of the portfolio that is invested in companies that have either committed or set approved science-based targets. Companies that have committed to science-based targets have 24 months to present their targets for approval by the SBTi. Science-based targets are based on the latest climate science and have objectives that are consistent with the goals of the Paris Agreement[12].

5.7. Targets

The RLI team's emissions target is to reduce the funds carbon emission intensity by 50% compared to the 2019 FTSE Global Core Infrastructure 5050 index by 2030.

5.7.1. Time Frame

The aim is to reach the intermediate target of reducing the GHG Emissions intensity by 50% (from 2019 levels) by 2030 and to further reduce GHG Emissions in line with net zero emissions by 2050.

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[11] Not all sectors are currently covered by the SBTi target setting guidance.

[12] The Paris Agreement is a legally binding international treaty on climate change. It was adopted by 196 Parties at COP21 in Paris, on 12 December 2015 and entered into force on 4 November 2016. Its goal is to limit warming to well below 2, preferably 1.5 degrees Celsius, compared to pre-industrial levels.

5.7.2. Interim Targets

The RLI team commits to pursue a 2030 interim target of reducing the weighted average carbon intensity of our Responsible Listed Infrastructure investment portfolios to -50% below the 2019 WACI of the FTSE Global Core Infrastructure 5050 Index. This target was developed through a detailed evaluation of our portfolio's emissions, progress achieved to date and their likely achievements in the years ahead.

5.7.3. Base Year

The base year is for the carbon intensity reduction target represented by the 2019 FTSE Global Core Infrastructure 5050 Index.

5.7.4. Specificities of GHG Emissions Targets

5.7.4.1. Nature

The target is an intensity reduction target.

5.7.4.2. Contribution to Limiting Global Warming to 1.5°C

RLI's Net zero[13] ambitions[14] which target the reduction of GHG Emissions intensity of our investee companies contributes directly to the transition to a 1.5-degree world.

5.7.4.3. Reliance on Offsets

The RLI team does not rely on offsets for the carbon emissions reduction targets.

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[15] Net zero applies to a situation where global greenhouse gas emissions from human activity are in balance with emissions reductions. At net zero, carbon dioxide emissions are still generated, but an equal amount of carbon dioxide is removed from the atmosphere as is released into it, resulting in zero increase in net emissions. Source: What does net zero emissions mean and how can we get there? | World Economic Forum (weforum.org)

[14] RLI's Targets and Objectives in the Climate Change Statement. Source: Responsible Investment | Global Listed Infrastructure | First Sentier Investors

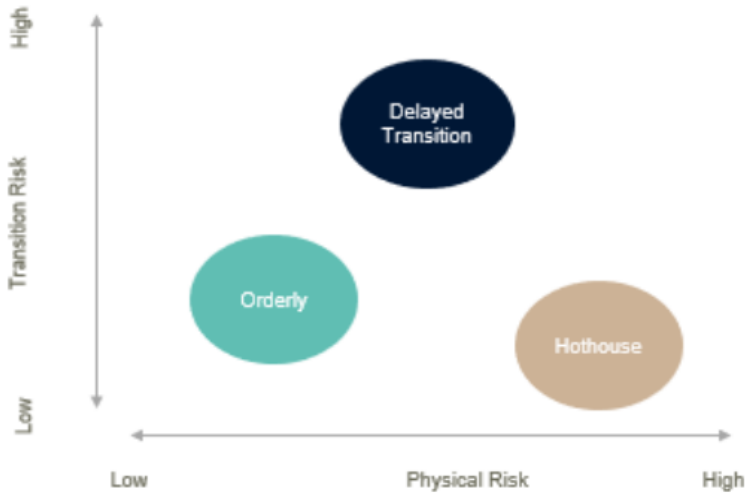
SCHEDULE A. SCENARIO ANALYSIS

A.i. Climate Scenarios

As mentioned in Section 3.2 above, the First Sentier Investors Responsible Investment team independently conducts scenario analysis on the Responsible Listed Infrastructure portfolio and provided this analysis to the investment team and the FSI Global Investment Committee. Results of this analysis are provided in the sections below on anticipated impacts.

The RLI team received the sector scenario analysis prepared by First Sentier Investors' Responsible Investment Team partly based on the information derived from the NZ Financial Services Council's *Climate Scenario Narratives for the Financial Services Sector*, which was made specific to the Fund in an iterative process.

For the transition risk impact, First Sentier Investors assessed stranded asset risk and potential carbon pricing exposure. For physical risk impact, First Sentier Investors assessed 6 hazards (wildfires, tropical cyclones, coastal floods, drought, river floods, and heath stress). The risks and impacts identified in the Sector Scenario Analysis were also analysed according to the distinctions of the Fund.



Source: NGFS scenario portal[15]

A.ii. Scenario Narratives

A.ii.a. Scenario 1: Orderly Transition (1.5 degree)

In the *Orderly* scenario there are steady and constant changes to technology, policy, and behaviour to support the transition to a low carbon global economy – including increasing carbon prices. The long-term chronic impacts from historic GHG Emissions occur nonetheless, but the coordinated and timely action succeeds in preventing the worst. Increasing carbon prices and regulatory requirements (such as mandatory climate reporting) result in increasing costs for emissions-intensive entities.

[15] NGFS Scenarios: NGFS Scenarios Portal.

While the reduction in global GHG Emissions helps minimise the most significant physical impacts of climate change, minor impacts on sectors and entities reliant on the natural environment for their outputs or service delivery are nonetheless felt.

A.ii.b. Scenario 2: Delayed Transition (1.7 degree)

The Delayed Transition is a scenario that assumes annual emissions do not decrease until 2030. Strong policies are needed shortly after 2030 to limit global warming to below 2°C. Negative emissions are limited. This scenario assumes new climate policies are not introduced until 2030 and the level of action differs across countries and regions based on currently implemented policies. The availability of Carbon Dioxide Removal technologies is assumed to be low pushing carbon prices higher than in Net Zero 2050. As a result, emissions exceed the carbon budget temporarily and decline more rapidly than in Well-below 2°C after 2030 to ensure a 67% chance of limiting global warming to below 2°C. This leads to both higher transition and physical risks than the Net Zero 2050 and Below 2°C scenarios.

The delay in action leads to a disorderly transition, requiring more abrupt and stringent policies post-2030. These policies include high carbon prices, rapid decarbonization, and accelerated deployment of clean technologies. Despite the delayed action, the scenario aims to limit global warming to below 2°C, which helps mitigate long-term physical climate risks compared to scenarios with no additional policy action.

A.ii.c. Scenario 3: Hothouse (3 degrees)

The Hot House World scenario from the NGFS (Network for Greening the Financial System) represents a future where climate policies are either absent or insufficient, leading to severe and irreversible physical climate impacts. In this scenario there is little change towards a low emissions future despite increasing social, economic, and environmental degradation. Emissions continue to grow higher throughout the remaining 21st century and lead to the increasing severity of extreme weather in its first half, with the addition of rising sea levels in the later half.

Entities in most sectors have increased costs (such as repair and remediation costs) and reduced productivity, and therefore reduced profitability.

A.iii. Time Horizons

Time horizons considered for the analysis are up to 2030, 2030 and 2050.

The FSI Responsible Investment team considered the following time horizons:

- **Short Term (0-5 Years)**: up to 2030.
- **Medium Term (5-10 years)**: 2030, aligns with the science-based target timeframe for the world to halve GHG Emissions by 2030 in order to remain on course for keeping global warming to 1.5 degree Celsius by 2050. This is also a reasonable timeframe in which First Sentier Investors can see the potential outcomes of its climate action plan and stewardship efforts.
- **Long Term (10+ years)**: 2050, aligns with First Sentier Investors' net zero by 2050 ambition.

A.iv. Emissions Reduction Pathways

A.iv.a. Orderly Scenario: Emissions Pathways

Global emissions fall at accelerating rates, averaging a 5% reduction per year. Net global emissions reach 26.3 $BtCO_2e$ (billion tonnes of CO_2-equivalent) by 2030 and −1.8 $BtCO_2e$ by 2050.

A.iv.b. Delayed Transition Scenario: Emissions Pathways

Emissions fall steadily and at accelerating rates (particularly after 2030), steeper than in the Net Zero scenario in that period than in the *Orderly* scenario, averaging about 3.6% per year. Global emissions reach 43,2 $BtCO_2e$ by 2030 and 7 $BtCO_2e$ by 2050.

A.iv.c. Hothouse Scenario: Emissions Pathways

Emissions increase slightly until 2025, and then decrease at discrete rates, averaging about 0.25% per year. Global emissions reach 43.2 BtCO2e by 2030, and 40.4 BtCO2e by 2050.

A.v. Relevance of Scenarios

These scenarios are informed (respectively) by the Intergovernmental Panel on Climate Change ("**IPCC**") SSP 1-1.9, SSP 2-4.5, and SSP 5-8.5 scenarios[16], and are relevant and appropriate for the following reasons:

- They comply with the regulatory requirements, which estipulate that climate reporting entities must analyse a 1.5°C, a 3°C scenario, and a third scenario of their choice.
- The Orderly and Hothouse scenarios:
  - represent extremes, and therefore allow better articulation of how the Fund is exposed to different climate risks under the most challenging circumstances; and
  - are widely used by businesses, both in financial services and other industries – their widespread adoption will make it easier for investors to compare offers and products.
- The *Too little, too late* and the *Disorderly* scenarios were considered as the third option. The *Disorderly* scenario reflects a more real-world likelihood that climate policies may not be implemented smoothly or early enough. It accounts for sudden regulatory shifts, market volatility, and social resistance, which are common in practice. It also serves as a middle-ground narrative; not as catastrophic as a hothouse but more turbulent than an orderly transition.

The scenarios are set against the backdrop of "Middle-of-the-road" socioeconomic development, where "the world follows a path in which social, economic, and technological trends do not shift markedly from historical patterns". This backdrop is the second of five "shared socioeconomic pathways" (i.e. SSP2) which were developed by the academic community as an input to climate scenario analysis.

A.vi. Sources of Data

The scenarios described in this Statement were produced during the 2024/2025 reporting year using data from the Sector Scenario Analysis. First Sentier Investors Responsible Investment team has also consulted the Network for Greening the Financial System's scenarios portal[17] to enhance its understanding of climate change Sector Scenario Analysis in particular. In addition, the climate risk assessment was also underpinned by the NGFS scenario data through the International Monetary Fund (IMF) Climate Dashboard[18]. First Sentier Investors has also relied on the emissions pathway carbon data for the equivalent International Energy Agency Transition Scenarios (Net Zero, APS and STEPS) provided by third-party vendor ISS ESG.

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16 *Climate Scenario Narratives for the Financial Services Sector*, p 12.

17 See https://www.ngfs.net/ngfs-scenarios-portal/. This includes the *Guide to climate scenario analysis for central banks and supervisors* mentioned above, the Phase 4 Scenario Explorer, *NGFS Scenarios for central banks and supervisors*, and *Climate impact explorer*.

18 NGFS | Climate Change Indicators Dashboard (imf.org) IMF Climate Data and Dashboards.

A.vii. Scenario Analysis Process

A.vii.a. Integration & Governance

The scenario analysis was conducted in the 2023/2024 period by First Sentier Investors' Responsible Investment team as a standalone process which was not integrated into the investment process. However, its results (particularly the risks exposure which identification and assessment it enabled) were presented to the FSI Global Investment Committee (see Section 2.2.2 above and integrated into its risk monitoring processes.

A.vii.b. External Stakeholders

FundRock and the First Sentier Investors' Responsible Investment team have collaborated to complete scenario analysis for the Fund. FundRock provided First Sentier Investors' Responsible Investment team with a scenario analysis framework (derived from the Sector Scenario Analysis, as described above), a structured plan, and output requirements, and both parties engaged throughout the process for its success. By doing this, FundRock benefited from First Sentier Investors' Responsible Investment team thorough knowledge of the Fund's portfolio while ensuring that results met the regulatory requirements.

SCHEDULE B. CLIMATE-RELATED RISKS MATRIX

The key risks for infrastructure investors are political and regulatory intervention. These risks can be mitigated by diversification across countries, sectors and regulators. Infrastructure investment funds may also be vulnerable to factors that particularly affect the infrastructure sector, for example natural disasters or operational disruption. As per Section3.3 above, the RLI team has identified the following risks which are expected to emerge from climate change and responses to it. As a global fund, Responsible Listed Infrastructure is likely to be exposed to most if not all of the risks below.

Climate -Related Risk	Name	Type	Term	Sector/Geography	Description
Market and Business Transition Transitioning to a lower-carbon economy may entail extensive changes to the underlying companies we invest in	Increased Carbon Price	Transition	Medium/Long	Listed Infrastructure/Global	Energy, materials, operations, or transport/distribution increasing in cost due to carbon price. Emissions may be subject to carbon price, increasing operational costs.
	Stranded Assets (Transition)	Transition	Short/Medium	Listed Infrastructure/Global	Emissions-intensive assets becoming costly to run due to increased carbon price (e.g., coal burners and diesel-fuelled tractors).
	Technology Adoption & Implementation	Transition	Medium/Long	Listed Infrastructure/Global	Failure to or unsuccessful investment in low-emissions technologies during adaptation phase.
	Slow Transition	Transition	Medium/Long	Listed Infrastructure/Global	The geography is seen as not transitioning fast enough to a low-emission economy, decreasing reputation and attraction.
	Litigation Risk	Transition	Short/Medium	Listed Infrastructure/Global	Lawsuits being raised against companies failing to meet climate expectations or requirements.
Regulatory and Legal Risk Climate-related regulation either attempts to constrain actions that contribute to climate change or to	Policy & Regulatory Impacts	Transition	Short/Medium	Listed Infrastructure/Global	Increasingly stringent climate change regulations (e.g. disclosure, emissions reduction, green buildings requirements, etc.) creating additional processes and costs.
	Large Amount of Policy Intervention	Transition	Short/Medium	Listed Infrastructure/Global	Policy intervention (e.g. high carbon price, large climate funds, disclosure requirements, emission reduction targets) reducing an economy's GHG Emissions intensity and driving innovation.

Climate -Related Risk	Name	Type	Term	Sector/Geography	Description
promote adaptation to or investment in climate change solutions	Poor Climate Policies and Commitments	Transition	Medium/Long	Listed Infrastructure/Global	Minimal policy intervention, leading to GHG Emissions intensity likely remaining and entities likely continuing operations as usual. The economy may face second order impacts.
	Changing Client /Community Perceptions of an Organisation's Contribution to or Detraction from the Transition to a Lower-Carbon Economy	Transition	Short/Medium	Listed Infrastructure/Global	Companies and industries connected to expansion of fossil fuels, high emissions and failure to transition to a low carbon economy all risk losing their social licence to operate and becoming stranded assets.
Physical Impacts Physical risks resulting from climate change can be event driven (acute) or longer-term shifts (chronic) in climate patterns.	Disruption to Business Operations	Physical	Medium/Long	Listed Infrastructure/Global	• Increase in extreme weather events causing damage to physical assets [e.g., facilities, equipment, infrastructure (such as roads, airports, ports, or data centres)], disabling utilities (such as energy), or otherwise disrupting services or operations. • Increase in temperature increasing demand for energy. • Increase in extreme weather events impacting employees' ability to work or customers' ability to access services.
	Disruption to Production & Supply Chain	Physical	Medium/Long	Listed Infrastructure/Global	• Disruptions to production caused by extreme weather events closing facilities, causing loss of power, damaging equipment, impairing employees' ability to work, affecting productivity (e.g., decreased machinery performance caused by excess heat), or requiring additional controls. • Physical impacts upstream (supply chain) and downstream impacting employee access to facilities, ability to get required materials, or ability to get products or services to market.

Climate -Related Risk	Name	Type	Term	Sector/Geography	Description
	Increased Demand for Services/Products	Physical	Medium/Long	Listed Infrastructure/Global	• Increased demand caused by industry-specific factors [e.g., energy (for cooling) in energy industry; water in utilities industry], creating overload risk.
	Wildfires	Physical	Medium/Long	Listed Infrastructure/Global	• Wildfires can cause significant damage to infrastructure, including: • Disruption of critical sectors such as transportation, telecommunications, power generation, and gas transmission and distribution services. Damage to utility infrastructure, power lines, and homes.
	Sea Level Rise	Physical	Medium/Long	Listed Infrastructure/Global	• Sea levels rising due to the thermal expansion of the oceans and the melting of ice sheets and glaciers.
	Temperature Increase	Physical	Medium/Long	Listed Infrastructure/Global	Increasing mean temperatures (i) leading to material degradation (e.g. asphalt softening, concrete expansion) can cause issues to roads and tracks; (ii) negatively impacting stress on energy infrastructure (e.g. power lines sagging, cooling demand spikes);
	River Floods	Physical	Medium/Long	Listed Infrastructure/Global	Flood can damage property and local infrastructure, cause large structural damage or destruction of infrastructure, and lead to an increase in transportation disruptions (roads, railways, airports)
	Water Stress & Drought	Physical	Medium/Long	Listed Infrastructure/Global	Lack of adequate precipitation causing reduced soil moisture or groundwater, diminished stream flow, and general water shortage.

SCHEDULE C. FURTHER DETAILS ON METRICS' METHODOLOGIES

C.i. GHG Emissions Measurement Standards

First Sentier Investors and the RLI team follow the Partnership for Carbon Accounting Financials (PCAF) GHG Standard for calculation financed emissions.

For listed companies:

$$Attribution\ factors_c = \frac{Outstanding\ amount_c}{Enterprise\ Value\ Including\ Cash_c}$$

According to PCAF[19], EVIC is defined as:

> "the sum of the market capitalisation of ordinary shares at fiscal year-end, the market capitalisation of preferred shares at fiscal year-end, and the book values of total debt and minorities' interests. No deductions of cash or cash equivalents are made to avoid the possibility of negative enterprise values".

For listed companies:

$$Financed\ emissions = \sum_c \frac{Outstanding\ amount_c}{Enterprise\ Value\ Including\ Cash_c} \times Company\ emissions_c$$

WACI for Listed companies:

$$\sum_n^i \left(\frac{Current\ value\ of\ investment_i}{Current\ portfolio\ value} \times \frac{Issuer's\ Scope\ 1\ and\ Scope\ 2\ GHG\ Emissions_i}{Issuer's\ \$M\ Revenue_i} \right)$$

The Greenhouse Gas Protocol (GHG Protocol)[20] Corporate Accounting and Reporting Standard provides guidance on preparing corporate GHG inventory. Additionally, the GHG Protocol includes five reporting principles relevant for emissions: relevance, completeness, consistency, transparency, and accuracy. Emissions data used in carbon foot printing consist of reported and estimated data. First Sentier Investors' emissions data provider (ISS ESG) supplies company-reported emissions data using various sources such as Sustainability Report, CSR Report[21], Integrated Report, or data reported on company website, and additionally data reported by the company to CDP[22]. ISS ESG expects that data reported by the corporates are following requirements set in the GHG Protocol with respect to five reporting principles. For non-reporting companies, ISS ESG provides estimated emissions, which act as a proxy, in absence of data reported by the corporates publicly. ISS ESG's sophisticated methodology for estimating the carbon emissions of non-reporting companies was developed over three years with researchers from the Swiss Federal Institute of Technology. Unlike conventional approaches, which usually use a single key metric such as revenue to estimate emissions of non-reporting companies, ISS ESG's approach draws on about 800 sub-sector specific models. It uses proprietary industry classification system based on their carbon profile and company's financial as well as operational parameters. Industry Classification System consists of 8 industries, 54 sectors and 123 sub-sectors that were specifically designed to group companies according to their GHG Emission profile.

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19 The Global GHG Accounting and Reporting Standard; Financed Emissions p.53

20 See the GHG Protocol website.

21 Corporate Sustainability Report.

22 Carbon Disclosure Project CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. https://cdp.net.

C.ii. GHG Emissions Consolidation Approach[23]

Companies account for and report their consolidated GHG data according to either the equity share or control approach. First Sentier Investors is guided by the carbon data provided by ISS ESG, and their preference is to use the control approach. Where ISS ESG provides a different emissions number, which can happen for reporting entities in the Oil and Gas sector that may provide equity-based emissions, First Sentier Investor's Responsible Investment team has an override procedure in place to replace the equity-based with operational-based data if the data can be extracted from the investee company's climate-related reporting.

C.iii. Source of Emissions Factors

For reported emission data, corporates generally use IPCC[24] recommended emissions factors[25] and global warming potential (GWP[26]), or they may use regional or country level emission factor recommended by respective authorities based on fuel mix of the grid for calculating and reporting emission from electricity consumption. RLI's vendor ISS ESG uses IPCC emission factors in some sectors to estimate emissions if it is not reported by the corporate.

Bottom-up modelling is used for utility companies, for example – the GHG Emission is calculated either based on the electricity generation production mix by source of production (coal, gas, water, solar, etc.) or – where this is not available – generation capacity mix based on source of production.

C.iv. Summary of Exclusions

Partial emissions reporting by companies is avoided (Scope 1 and 2). If an issuer has included at least 90% of its scope (either operational or equity approach) in their reported numbers, they numbers may be kept "as is." If a company reports less than 90% of its scope (either operational or equity approach), the reported emissions may be discarded and replaced with proprietary models for estimating emissions. Reporting of Scope 3 emissions data goes through quality checks, and it is discarded if material and relevant categories of emissions are not included in the reported data by the corporates depending on various sectors.

C.v. Methods & Assumptions

For non-reporting companies, the RLI team's third-party vendor provides estimated emission. Over the years, ISS ESG's 800 sub-sector specific models have been continuously back tested against new reporting numbers and, where necessary, refined. As more and more companies begin to report their emissions, it becomes increasingly possible to back-test models. This is done by comparing the deviation of new reported emissions numbers from the modelled estimates. Where significant deviations are found, regressions are recalculated to ensure the best possible data and approximation model is used. For the carbon foot printing exercise, it is assumed that estimated data is the only available option to provide comprehensive assessment of emission footprint for the portfolio.

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23 The GHG Protocol: A corporate Accounting and Reporting Standard, Revised Edition, Setting Organisational Boundaries, p.16.

24 UN Intergovernmental Panel on Climate Change, a United Nations body for assessing the science related to climate change. https://ipcc.ch

25 IPCC Emissions Factors data base: www.ipcc-nggip.iges.or.jp/EFDB/main.php.

26 Global Warming Potential developed to allow comparisons of the global warming impacts of different gases as different GHG have different effects on the earth's warming. Source: https://www.epa.gov/ghgemissions/understanding-global-warming-potentials.

C.vi. Quantification Uncertainties & Their Effects

Globally, GHG Emission accounting is maturing slowly and steadily. Corporates are adopting the GHG Protocol Standard[27], and it is noted that often companies restate their emission data or improve coverage of their GHG inventory in terms of boundary settings and assumptions. ISS ESG supplies reported emission data that may contain some uncertainty inherently flowing through reported emissions data of corporates. In terms of estimated emissions of non-reporting companies, ISS ESG's methodology is a top down, best available approach to estimate emissions for large sets of non-reporting companies.

[27] GHG Protocol GHG Standards source: https://ghgprotocol.org/

SCHEDULE D. FURTHER LEGAL NOTICES

This material does not constitute investment or financial advice and does not take into account any specific investment objectives, financial situation or needs. This is not an offer to provide asset management services, is not a recommendation or an offer or solicitation to buy, hold or sell any security or to execute any agreement for portfolio management or investment advisory services and this material has not been prepared in connection with any such offer.

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First Sentier Investors subscribe to Institutional Investment solutions (ISS) for climate information and analysis. ISS are a world leading provider of environmental, social, and governance solutions for asset owners, asset managers, hedge funds, and asset servicing providers. ISS ESG solution provides climate data, analytics, and bespoke services to help financial market participants understand, measure, and act on climate-related risks and opportunities across all asset classes. ISS ESG platforms are capable of providing carbon foot printing and climate risk and opportunity analysis across portfolio assets. The methodologies employed for carbon foot-printing depend on the assets within the portfolio and data available. The carbon footprint assessment approach used by ISS for equity and fixed income portfolios is aligned with PCAF guidance.

ISS ESG takes an exhaustive approach for data collection, analysis and delivery to its clients. The ISS ESG methodologies provide details about the underlying models used for estimating non-disclosed data. The ISS ESG methodology documents describe the limitations and uncertainties attached to the models; and subsequently detail the ways to address these limitations using multiple metrics and via continuous improvement of these models.

For more details on ISS ESG methodology, see https://www.issgovernance.com/esg/methodology-information/

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