



Responsible Investment Policy

October 2025

Introduction	2
What does responsible investment mean to 4D?	2
Beliefs and objectives regarding ESG stewardship	2
4D's ESG governance structure	3
Incorporation of ESG considerations into 4D's processes	3
Commitment to continuous improvement	7

Introduction

At 4D Infrastructure, responsible investment is integrated into our investment process and is an important component of our investment stewardship. This document outlines to investors and stakeholders our understanding of responsible investment, why it is a central consideration in our business, and how we implement it in our operations.

What does responsible investment mean to 4D?

We define responsible investment as the consideration and promotion of environmental, social and governance (ESG) factors in the decision-making and active ownership of investments. This incorporates inclusion of ESG considerations in due diligence processes; appropriate value attribution to ESG factors; perseverance in promoting ESG considerations and transparency; a disciplined routine of monitoring ESG factors in existing investments; and a fostering of a strong ESG culture within the business.

At 4D, we aim to identify quality listed global infrastructure securities that are trading below fair value and have sustainable, growing earnings and dividends. The principles of responsible investment have been a key element to delivering our objective since the business's inception in 2015, given ESG factors determine the overall impact of an investee's operations and strategy – and hence the long-term sustainability of the company. With 4D adopting a long-term investment horizon, an assessment of a country's and a company's sustainability over the long term is central to our investment analysis.

Beliefs and objectives regarding ESG stewardship

We believe supporting responsible investment not only results in better moral outcomes, but also enhances investment outcomes for our investors. The consideration of the influence of ESG factors on the risk, return and longevity of investments provides a more thorough due diligence process, and better risk-adjusted returns.

We believe ESG factors are often interlinked for companies in our investment universe. Therefore, while assessed on an individual basis, their inter-relationship also needs to be understood and assessed. For example, when assessing the pace of energy transition in decommissioning fossil fuel generation facilities, utility companies should consider social factors such as the impact on energy affordability for customers, the impact on reliability of service, and the employment opportunities of displaced workers.

Signatory of UNPRI

4D has been a signatory to the United Nations Principles of Responsible Investment (UNPRI) since October 2020. As a signatory, we commit to the six core principles for responsible investment.

1. We will incorporate ESG issues into investment analysis and decision-making processes.
2. We will be active owners and incorporate ESG issues into our ownership policies and practices.
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.
4. We will promote acceptance and implementation of the Principles within the investment industry.
5. We will work together to enhance our effectiveness in implementing the Principles.
6. We will report on our activities and progress towards implementing the Principles.

We believe adoption of these principles across the investment community is important in establishing standards for the incorporation of ESG considerations in the allocation of capital, the sustainability of investor returns over the long term, and supporting transparency by companies and investors.

Approach to Sustainable Development Goals (SDGs)

SDGs were developed by the United Nations, and are made up of 17 goals aimed at ending poverty; protecting the planet; and improving the lives and prospects of everyone, everywhere. We are supportive of the SDGs and believe investors have a crucial part to play in financially supporting their progression. We also believe infrastructure investment specifically is central to achieving a number of the SDGs.

Approach to human rights and modern slavery concerns

We support maintaining human rights for all and the avoidance of modern slavery on a fundamental moral basis. With support from our ESG consultant/s, we undertake significant due diligence and to ensure that our investees support internationally recognised human rights and avoid the adoption of modern slavery in their own businesses as well as their supply chains.

In addition, we support and endorse Bennelong Funds Management's [Modern Slavery Statement](#).

Approach to the Paris Agreement

We believe infrastructure investment is at the heart of achieving carbon neutrality within the next 30 years as outlined in the Paris Agreement. We therefore support the companies in which we invest in their efforts to decarbonise their own operations and invest in the required decarbonising infrastructure where it generates reasonable investor returns.

4D's ESG governance structure

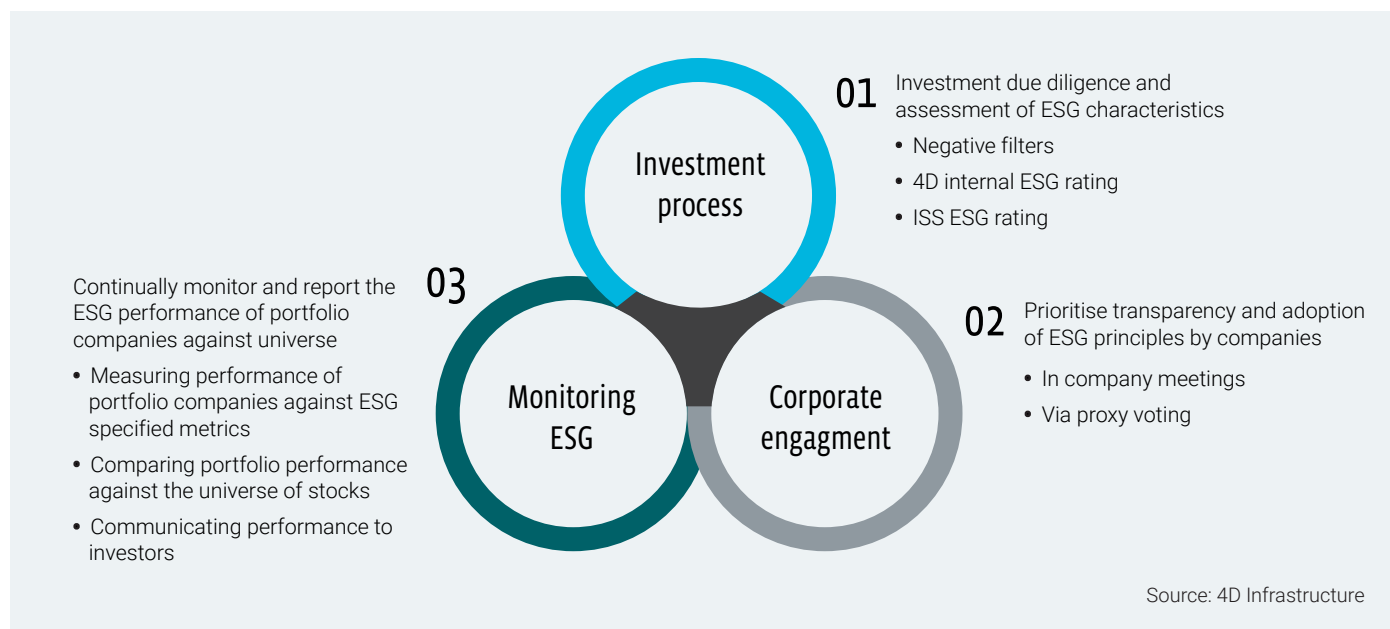
4D is a boutique asset manager with a flat hierarchical structure, where all team members have a voice. The Head of ESG is a role separate from the CEO/Portfolio Manager. Both attend Investment Committee meetings, where ESG considerations for countries, individual stocks and broader portfolios are deliberated.

Responsibility for implementing the principles of responsible investment in our processes rests with all members of our team, and the Head of ESG monitors implementation to ensure high standards are maintained. If any member of the team identifies a problem or possible improvement in the application of responsible investment or any policy, they can communicate this in an Investment Committee meeting, or individually to the CEO or Head of ESG. Any changes in ESG policy are considered within the team, and then presented to the Investment Committee for consideration and approval before being tabled at the 4D Board meeting.

We also engage external ESG consultants to enhance our internally developed ESG framework (see below). These consultants provide due diligence input into our investment decision process. The team uses the data provided, along with data from other sources, in assessing the ESG qualities of potential investment countries and companies. Consultant company ESG ratings are also used as a cross-check to our own assessments and to monitor the ongoing ESG performance of companies in which we invest.

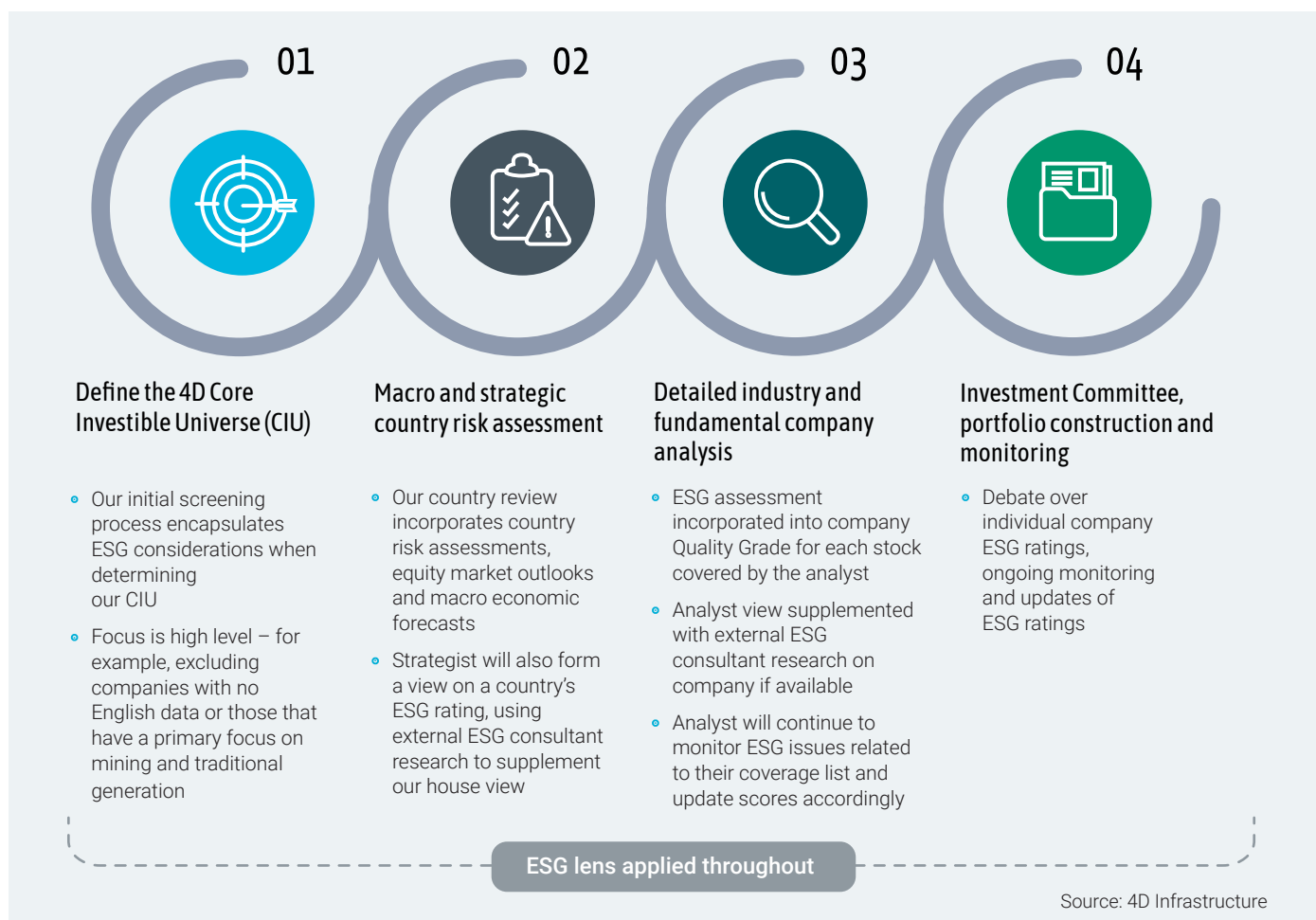
Incorporation of ESG considerations into 4D's processes

We have developed an ESG framework across our operations in line with our responsible investment objectives and commitments made as a signatory to the UNPRI. The framework covers 1) our investment process; 2) interactions with companies in which we invest; and 3) monitoring and reporting of our ESG performance.



1. ESG considerations in our investment process

Given our long-term investment horizon, assessment of both a country and a company's sustainability over the long term is central to our investment analysis. 4D has a unique, integrated approach to investment, whereby ESG assessments are undertaken at every stage of the investment process – from initial universe screening to the country risk and individual stock analysis, and portfolio monitoring and reporting. ESG analysis is conducted inhouse, with our external ESG consultants providing a data feed into our analysis. This approach is outlined below.



ESG factors are considered in screening certain stocks out of our investment universe, through our country review process and stock analysis as well as at the portfolio measurement stage – with the 'E', 'S' and 'G' all deserving of review.

The initial screening process aims to filter out stocks that don't meet minimum ESG standards. These filters include certain governance requirements, fair dissemination of information, stocks based in countries with a 'Red' grading, and those that have higher financial exposure to fossil fuel earnings than an established maximum threshold.

Our country review process involves assessing each country based on the four key sovereign risks identified below.




4D sovereign risk assessment



Source: 4D Infrastructure

We subscribe to dedicated ESG research from external consultants, which we incorporate into our country review process. Consultant ESG research conclusions are also reflected via an overall country rating. Note while this research is an important part of our process, we may not always agree with the view of our consultants.

Based on our assessment of these four risks, countries are then given a Grade (1-3) and a traffic light status (Green/Yellow/Red) as depicted in the chart. The relative country grading determines the maximum portfolio exposure to stocks from that country grade.

Status		Final grade	Maximum portfolio holding
	Green	Grade 1	100%
	Yellow	Grade 2	25%
	Red	Grade 3	0%

Source: 4D Infrastructure

We then apply a responsible investment rating as part of our stock quality assessment, which considers an ESG specific rating as well as other factors such as management quality, sustainable shareholder returns, and company financial health. We believe these factors are inter-related: for example, an assessment of management quality requires consideration of their ESG resume; and ESG initiatives can only be implemented with shareholder support, and therefore reasonable returns.

Within the ESG specific rating, we assess each stock based on the following ESG considerations. We again utilise independent ESG research to help determine and cross-check our ESG company score.

4D ESG considerations at a stock level



Environmental

- Company focus on environmental sustainability, and policies are environmentally neutral
- Company targets for carbon emissions, greenhouse gas emissions, etc
- Disclosure on environmental policy – ISO certification
- Strategy to leverage a greener future, e.g. rise of electric vehicles
- Proportion of energy from renewable sources, e.g. PPAs to provide and/or procure
- Comparison with peers in the sector / wider market
- Policies on waste disposal



Social

- Commitments to labour standards and human rights
- Relationship and engagement with local and indigenous communities
- Focus on employee health and safety
- Trend in workplace incidents / accidents
- Learning / development / training programs provided to employees



Governance

Security ownership

- Key shareholders (and their motivations)
- Shareholder influence over management
- Minority protection

Board structure

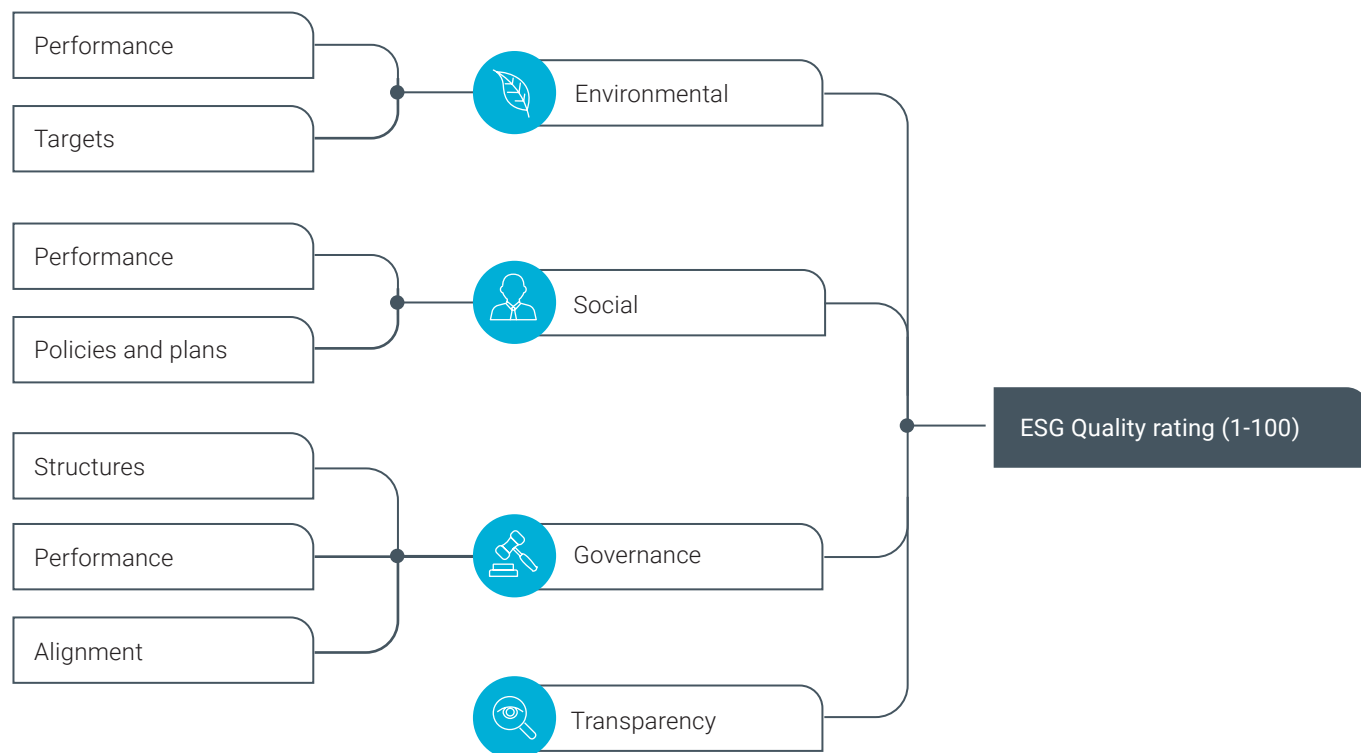
- Board structure benefits shareholders
- Ample separation of powers
- Board experience, diversity and election frequency

Remuneration

- Compensation structure
- Executive remuneration aligned with shareholder outcomes

Source: 4D Infrastructure

Within the ESG specific rating, a score is attributed to each of E, S and G, as well as 'Transparency', which together contribute significantly to the company's overall quality score but also feed into the broader responsible investment score. These factors are a key contributor to the overall quality assessment. This stock level assessment structure for the ESG rating is depicted below.



Source: 4D Infrastructure

ESG is also reviewed at the Investment Committee/Portfolio Manager level as summarised below.

Investment Committee	Portfolio Manager												
<ul style="list-style-type: none"> ESG analysis template is standardised to allow for easy comparison with companies in the 4D investment universe Template includes material information relating to each of the ESG components. Analyst also includes quantitative data, including specialist research provider and disclosure scores (MSCI, Bloomberg ESG and disclosure scores, etc), and MSCI company research (if available) Company ESG scores are assessed on a fundamental basis and then on a relative basis vs sector peers and the 4D CIU 	<ul style="list-style-type: none"> Monitors aggregate company ESG scores via Bloomberg data and the MSCI portfolio management tool Both PM and analyst will be alerted to changes from external research provider (MSCI scores). Material changes, particularly those involving controversies, will require analyst to investigate further. If controversy involves a portfolio stock and is deemed significant, the analyst's assessment and views will be discussed by the investment committee 												
	<p>MSCI score</p> <p>4D Global Fund</p> <table border="1"> <caption>MSCI score distribution for 4D Global Fund</caption> <thead> <tr> <th>Segment Color</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Orange</td> <td>40.2%</td> </tr> <tr> <td>Blue</td> <td>24.6%</td> </tr> <tr> <td>Green</td> <td>2.2%</td> </tr> <tr> <td>Grey</td> <td>11.7%</td> </tr> <tr> <td>Red</td> <td>21.2%</td> </tr> </tbody> </table>	Segment Color	Percentage	Orange	40.2%	Blue	24.6%	Green	2.2%	Grey	11.7%	Red	21.2%
Segment Color	Percentage												
Orange	40.2%												
Blue	24.6%												
Green	2.2%												
Grey	11.7%												
Red	21.2%												

Source: 4D Infrastructure

2. Corporate engagement on ESG considerations and transparency

With the objective of enhancing ESG considerations and transparency among corporates, and as part of our commitment as a UNPRI signatory, we promote these attributes with companies in our investment portfolios and broader investable universe. This is done through:

- **Direct engagement in company meetings** – we promote ESG considerations and transparency directly in analyst meetings with companies. A record is kept of all these meetings, outlining discussions regarding ESG factors and key risks.
- **Directing proxy votes** – we direct our proxy voting in support of enhancing companies' ESG record and transparency. This process is supported by our proxy voting consultant, Institutional Shareholder Services (ISS).
- **Ongoing analyst training in ESG best practice** – our analysts stay abreast of ESG best practice through academic and broker published materials; attending conferences; company/consultant meetings; and sharing knowledge within the team.

3. Ongoing monitoring of ESG performance

With assistance from external ESG consultants, we monitor the performance of our investment portfolio on an individual (as well as aggregate) stock basis to:

- ensure individual companies outperform minimum ESG standards;
- ensure the portfolio performs well on an ESG basis against its broader universe of stock opportunities; and
- provide data to investors and stakeholders.

A sample of the potential data we could include is below:

Environment

- Carbon emissions score
- Carbon intensity
- Proportion of companies with moderate/good carbon reduction targets

Social

- Average representation of women on Boards
- Proportion of companies that have adopted a diversity workforce policy
- Proportion of companies that are signatory to UN Global Compact

Governance

- Average Board independence
- Proportion Boards with independent Chair or Lead Director
- Proportion companies with bribery and anti-corruption policies and/or adhere to recognised external standards

Commitment to continuous improvement

As understanding of ESG issues grows, so too does the quality of related data, transparency of information and increase in regulation. This presents both opportunities and challenges for the investment industry, including within the global listed infrastructure asset class and for our own investees.

At 4D we will continue to monitor these developments and challenges, engage with a variety of stakeholders, and review and develop our responsible investment processes to ensure they remain both relevant and appropriate.

For more information, visit 4dinfra.com or
call 1800 895 388 (AU) or 0800 442 304 (NZ).



A Bennelong boutique