



WUWIPRO

FY2026

Responsible Investment Report

We are pleased to present our fifth annual Responsible Investment Report.

Our approach to responsible investment remains grounded in the belief that managing environmental, social and governance (ESG) issues contributes to achieving superior, sustainable long-term investment returns on behalf of our clients.

As in past years, this report explains how we implemented our approach.

This year, we again begin with case studies, which we think are most illustrative for our investors. They cover a diverse set of issues:

- managing performer and athlete safety at TKO Group;
- preserving water and managing energy at TSMC's semiconductor fabs; and
- NextEra Energy's evolving approach to low carbon energy amid rising electricity demand, AI-driven data centre growth and a less supportive US policy environment for decarbonisation.

After the case studies, we share how we implemented the two pillars of our responsible investment strategy this year – Integration and Stewardship. We then present our climate change reporting, including our TCFD disclosures.

We value and welcome your feedback on our approach.

Thank you for your interest.



Mike Harut

Responsible Investment Manager, Senior Analyst



Nick Griffin

Chief Investment Officer

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Integration	100% Percentage of long positions in each strategy ¹ where Munro had completed an ESG score as at 30 June 2026. ² Read more	Stewardship	36 Company meetings where we raised ESG matters Read more
Integration	3 Case studies included in this year's report Read more	Stewardship	20% Shareholder meetings where Munro voted differently to the board recommendation on at least one item Read more

Case studies: How Munro does responsible investment

Case studies bring to life our approach to responsible investment.

For more context on Munro's approach to responsible investment and how it is implemented, please see the Integration and Stewardship sections which follow.

Below we present three case studies involving environmental, social and governance (ESG) issues on Munro portfolio holdings.

[Managing fighter safety at WWE and UFC owner TKO](#)

[Preserving water and managing energy at TSMC's chip fabs](#)

[Rethinking climate change targets at NextEra Energy](#)

¹ The four Munro strategies are Munro Global Growth Long / Short Equity Strategy, Munro Global Growth Long Only Strategy, Munro Climate Change Leaders Strategy and Munro Global Growth Small and Mid Cap Strategy.

² As explained in our ESG Policy, due to expediency requirements for new holdings, we may temporarily use a score informed by a third-party research provider's ESG score (for example, Bloomberg or MSCI ESG scores) as a substitute for our proprietary ESG score. We aim to have no more than 10% of long portfolio holdings with third-party ESG scores at any time.



What are we focusing on?

Health and safety (Social)

What investment tools are we using?

Integration: ESG score
Stewardship: engagement

TKO Group Holdings is a sports entertainment company whose main assets are the WWE wrestling entertainment business and the UFC mixed martial arts competition. The company listed in 2023 and has been a holding since November 2024.

When we did our initial ESG analysis, we identified the safety of the performers and athletes as the most material issue. However, since it was newly listed, the company's disclosures were limited, which meant that we could not gain comfort in the company's management of the issue. We assigned a score of 2 out of 5 and in 2025 added the company to our priority engagement list.

In early 2026, we engaged with TKO, which helped increase our confidence in their management of health and safety. The company said both WWE and UFC have Performance Institutes or Centres, which help with athletes' physical and mental health. They have invested tens of millions of dollars into these facilities and feel they have the right infrastructure to support performers and athletes. There is drug testing at both WWE and UFC, although at WWE testing is used to protect the health of the individual rather than to enforce an outright ban.

They acknowledged that in the 1990s there was a tragic wrestler death at a WWE event due to an equipment fault and that this damaged their 'family-friendly' image, so it's something they actively work to manage, although nothing similar has occurred since. On UFC, they said that in roughly 8,000 bouts there has never been a fatality, nor has there been a serious injury beyond broken bones. Other combat sports—including boxing—unfortunately cannot make that claim.

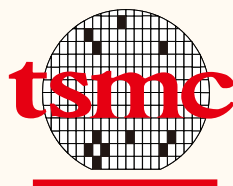
Finally, the long-term health effects of concussions have become a more prominent global topic. In discussions, TKO said UFC has a detailed concussion protocol to determine when a fighter is fit to return to action following a concussion. They were also the first MMA promoter to provide accident insurance that covers both competition and training injuries.

On this basis, we increased our ESG score to 3 out of 5. We would consider a higher score if there were more public disclosure. We have suggested TKO do this and we will continue our engagement.



Preserving water and managing energy at TSMC's chip fabs

MUNRO



What are we focusing on?

Water and energy management
(Environmental)

What investment tools are we using?

Integration: ESG score
Stewardship: engagement

TSMC is the global leader in semiconductor manufacturing. They make chips that are essential for the advancement of AI, building them for customers such as Nvidia and AMD.

Semiconductor manufacturing is water- and energy-intensive, so we engaged with TSMC on these material issues in December 2025.

Most of TSMC's facilities are in Taiwan, where balancing the water needs of the semiconductor industry with those of other users is an ongoing challenge. For example, during the 2021 drought, Taiwan's government cut irrigation to farms to keep the semiconductor industry running. Our engagement focused on TSMC's new target to increase its global 'Water Positive achievement rate'. This measures the proportion of restored water to the total used, with TSMC targeting 17% by 2025 (the outcome was since reported as 21%) and over 65% by 2030.³ We asked how they plan to achieve this, and they outlined a four-pillar approach which includes using less water and recycling more wastewater.

On broader energy use, from our engagement we learned that TSMC has committed to new operational emissions reduction targets. At the time, these were yet to be formalised, but they will be aligned with the Science Based Targets initiative, a recognised platform for companies to set decarbonisation targets.



³ TSMC. (2024). TSMC 2024 sustainability report. <https://esg.tsmc.com/en-US/file/public/2024-TSMC-Sustainability-Report-e.pdf>
TSMC. (2025). TSMC 2025 sustainability report. <https://esg.tsmc.com/file/public/2025-TSMC-Sustainability-Report-e.pdf>

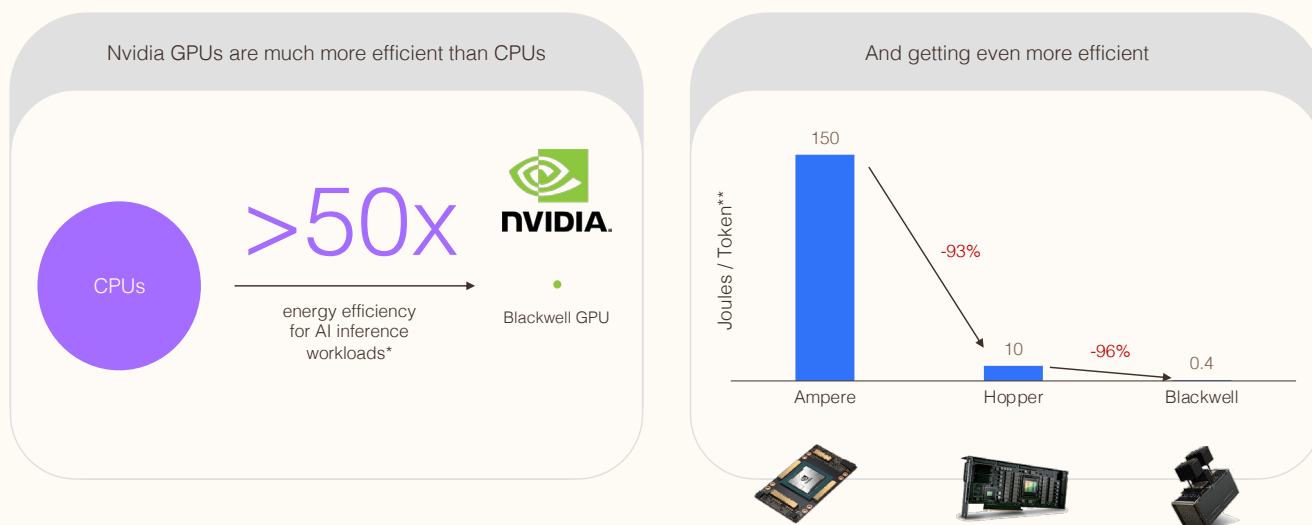


Finally, we asked about a claim that TSMC helped to avoid 60Mt of CO₂ in 2024, which is roughly the same as Singapore's annual emissions and more than TSMC's own operational (scope 1 and 2) emissions. The company clarified that these are emissions the world has avoided through the energy savings of end products that use customers' chips made with TSMC's technologies.

We continue to see this in action. Their biggest customer, Nvidia, has vastly improved joules per token (a measure of energy used to generate a unit of data for AI training and inference) with each iteration of their products, as shown in the chart below.

HOW DOES NVIDIA MAKE COMPUTING MORE EFFICIENT?

MUNRO



Source: Nvidia, Munro Partners estimates and industry research, January 2026.

Note: *In both cases, the reference is to LLM (large language model) AI inference workloads. **Tokens are units of data used for AI training and inferencing.

The engagement increased our understanding of TSMC's new targets. As we continue to monitor TSMC's progress against their stated environmental goals, we will consider increasing their ESG score (currently 4 out of 5).



What are we focusing on?

Emissions reduction (Environmental)

What investment tools are we using?

Integration: ESG score
Stewardship: engagement and voting

NextEra is the largest US electric utility company by market value. It owns FPL, a regulated utility in its home state of Florida, and NextEra Energy Resources (or NEER). NEER is one of the largest developers of renewables and grid battery storage in the world, operating in almost all US states.

In 2022, NextEra unveiled ambitious decarbonisation targets as part of its 'Real Zero' plan. At the time, NextEra's carbon intensity was already less than half the average of US utilities⁴, but they set targets to reduce their carbon emissions rate by 82% by 2030 (from a 2005 baseline) and achieve zero operational emissions without carbon offsets by 2045.⁵

Since then, we have seen an inflection in US electricity demand driven by data centres to power AI, electrification and US efforts to reindustrialise. In this environment, gas-fired power has become relatively more attractive, since it can provide baseload power (which data centres require) and is dispatchable, helping to meet peak demand and offset intermittent renewables. This, together with less policy support for decarbonisation from the Trump administration, called into question whether NextEra would continue to pursue these goals.

We engaged twice with NextEra on these matters. In December 2025, they said that while they had not formally cancelled these targets, they underlined the new reality of more generation capacity being required and the dispatchable, baseload characteristics of gas. By May 2026, further engagement and the company's 2026 voting materials made it clear that the company was no longer pursuing the targets.

On balance, we consider their decision to step back from the targets pragmatic given the factors above. Also, if they don't build new gas generation in the US, others probably will.



⁴ Transition Pathway Initiative. (n.d.). NextEra Energy. Retrieved 18 August 2026, from <https://www.transitionpathwayinitiative.org/companies/nextera-energy>

⁵ NextEra Energy. (2022, June 14). NextEra Energy sets industry-leading Real Zero goal to eliminate carbon emissions from its operations, leverage low-cost renewables to drive energy affordability for customers [Press release]. <https://www.investor.nexteraenergy.com/news-and-events/news-releases/2022/06-14-2022-130240303>

In recent engagement, they emphasised that of the 77-108GW that NEER expect to develop over 2026–2032, only 4-8GW is gas generation, and the rest is renewable or carbon-free nuclear. Their latest disclosures also show that their emissions rate has decreased 62% in the 20 years to 2025 and remains less than half the US national average for utilities. Finally, BloombergNEF continues to classify more than half of their revenues as coming from clean energy. So, we still consider NextEra a strong performer.

However, we do think that some emissions reduction targets are a reasonable ask of utilities like NextEra – even if they're not as ambitious as before. On this basis, we voted in support of a shareholder proposal at the May 2026 AGM asking for emissions targets to be set. The proposal received support from over a third of the votes cast.⁶ We will continue our engagement.

Integration

In this section, we demonstrate how environmental, social and governance (ESG) issues have impacted our financial analysis, stock selection and portfolio construction.

At a glance

100%

Percentage of long positions in each strategy⁷ where Munro had completed an ESG score as at 30 June 2026.⁸

1 of 6

ESG factors are one of six equally weighted qualitative characteristics that Munro uses to help determine the premium or discount to the peer or market multiple to be applied.

3

Case studies included in this year's report.

⁶ NextEra Energy. (2026, May 21). Submission of matters to a vote of security holders: 2026 annual meeting voting results (Form 8-K). U.S. Securities and Exchange Commission. <https://www.sec.gov/ix?doc=/Archives/edgar/data/0000753308/000075330826000041/nee-20260521.htm>

⁷ The four Munro strategies are Munro Global Growth Long / Short Equity Strategy, Munro Global Growth Long Only Strategy, Munro Climate Change Leaders Strategy and Munro Global Growth Small and Mid Cap Strategy.

⁸ As explained in our ESG Policy, due to expediency requirements for new holdings, we may temporarily use a score informed by a third-party research provider's ESG score (for example, Bloomberg or MSCI ESG scores) as a substitute for our proprietary ESG score. We aim to have no more than 10% of long portfolio holdings with third-party ESG scores at any time. As at 30 June 2026, all holdings had a proprietary ESG score completed.

We continue to actively invest in companies that, in our view, are enabling or benefiting from decarbonisation. By way of example, these could include the following four sub-sectors or sub-themes:



Clean Energy

Companies benefiting from the demand for carbon-free and renewable energy including energy generation covering wind, solar, nuclear, renewable diesel and electrical grid equipment.



Clean Transport

Companies supporting the growth of electric vehicles, battery technology, and other low-carbon transportation methods.



Energy Efficiency

Companies offering energy-efficient solutions such as insulation, electrical switches, lighting, metering, and other related technologies.



Circular Economy

Companies positioned to benefit from advancements in recycling, alternative packaging, waste and wastewater management, agricultural technologies, and other resource-conserving services.

We have a dedicated Munro Climate Change Leaders Strategy which invests exclusively in companies within these sub-themes. Additionally, many of these companies are also invested in our other strategies.

As of 30 June 2026, investments in companies that, in our view, are enabling decarbonisation were:

28%

Munro Global Growth Long/Short Equity Strategy:

Munro Global Growth Fund

CI Munro Alternative Global Growth Fund

26%

Munro Concentrated Global Growth Long Only Strategy:

Munro Concentrated Global Growth Fund

CI Munro Global Growth Equity Fund

100%
(excluding cash)

Munro Climate Change Leaders Strategy:

Munro Climate Change Leaders Fund

CI Global Climate Leaders Fund

Munro Global Growth Climate Leaders PIE Fund

20%

Munro Global Growth Small & Mid Cap Strategy:

Munro Global Growth Small & Mid Cap Fund

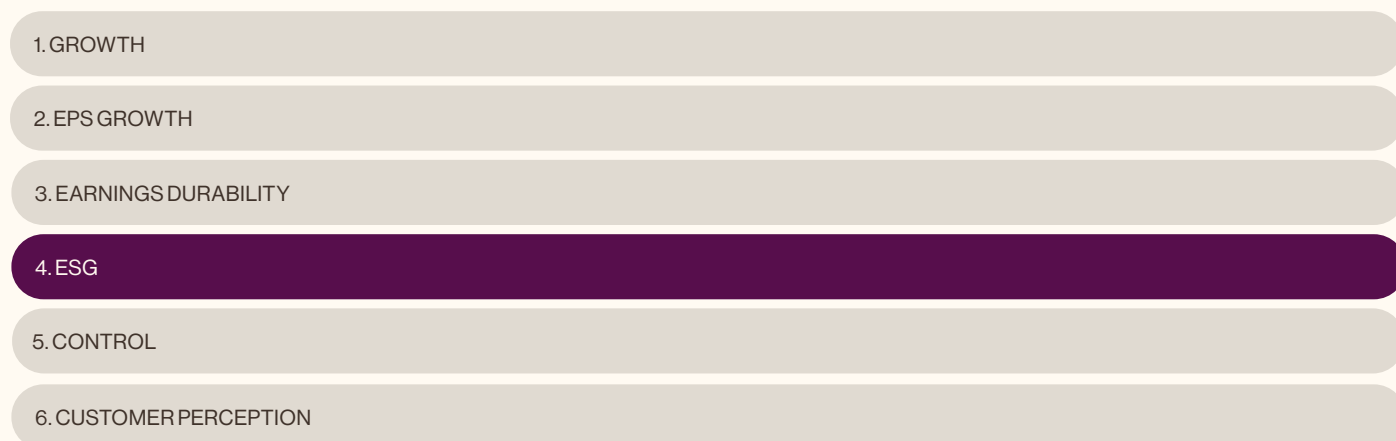
For all but the Munro Global Growth Small & Mid Cap Strategy, we publicly disclose all holdings on a monthly lag on our website. Additionally, in our [quarterly report](#) for the Climate Change Leaders Strategy, we continue to include an explanation on how we decide whether a company enables or benefits from decarbonisation and provide examples.

How we integrate the factors of ESG

Separate to investing in companies that enable decarbonisation, our belief remains that managing exposure to ESG issues contributes to achieving superior, sustainable long-term investment returns on behalf of our clients.

To that end, several years ago we adopted a new proprietary framework for evaluating companies on ESG factors. An explanation of the framework and its impact on valuation is detailed in our ESG Policy, available [here](#).

This is one of six qualitative factors we use to determine the premium or discount to the peer or market multiple to be applied and so influences the valuation of the portfolio position.



The chart below shows the distribution of ESG scores among the positions in the Munro Global Growth Long Only Strategy as at 30 June 2026 – the higher the score, the bigger the potential premium due to ESG (all else being equal). As explained in our ESG Policy, we use the SASB framework to help guide our decision as to which issues are material to each holding.

ESG SCORES - MUNRO GLOBAL GROWTH LONG ONLY STRATEGY



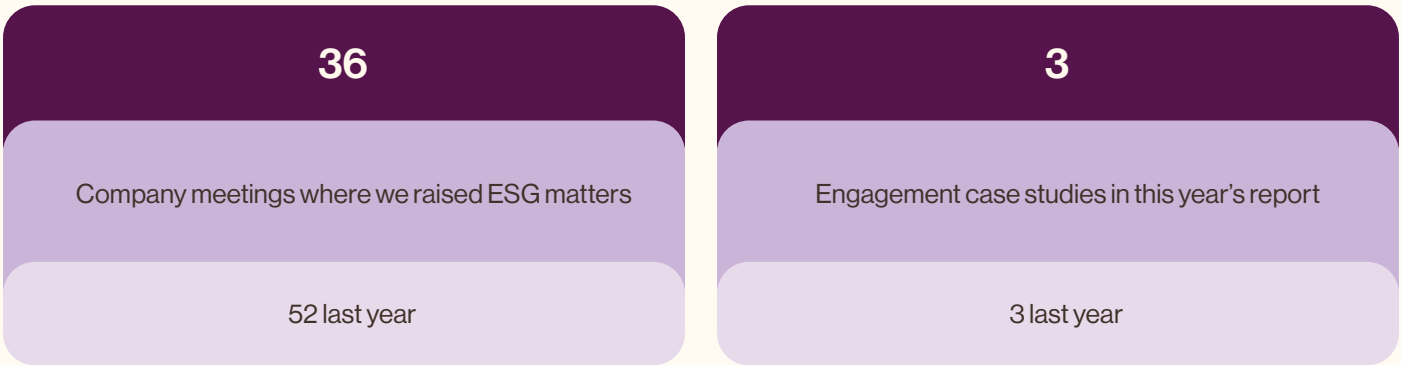
Source: Munro Partners. ESG scored holdings in the Munro Global Growth Long Only Strategy as at 30 June 2026.

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

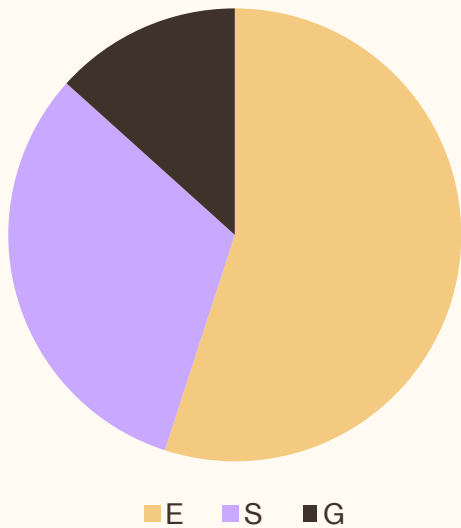
Below we explain how we do this through engagement, voting and advocacy.

Engagement

At a glance



Split of topics on which we engaged



- Environmental (E) issues include climate change and the circular economy
- Social (S) issues include workforce issues, human rights, lobbying and safety
- Governance (G) issues include board composition and independence, and remuneration

Priority engagements

Three years ago, we introduced Munro’s company engagement priorities: three ESG topics where we identified improvements that specific companies could make with respect to their disclosures or performance.

We chose these issues because we consider each material for several companies in our portfolios. The underlying companies were chosen because of the materiality of the issue and because of gaps identified in their performance, or our understanding.



At the beginning of the year, we set the following topics, objectives and companies:

Climate Change	Safety	Human Rights
We are seeking to better understand companies' approach to managing physical climate change risks and climate change related targets.	Where material, we are seeking disclosure of safety performance and explicit disclosure of fatalities.	Where material, we are seeking to better understand human rights standards.
Constellation Energy Clean Harbors TSMC	TKO Group GE Vernova	NextEra Energy TSMC

Our progress with these companies is as follows:

Climate Change: We have improved our understanding of two companies' practices and consider the issue resolved at the third one.	Safety: We have directly engaged with one company and improved our understanding of the other company's practices.	Human rights: We have improved our understanding of one company's practices and consider the issue resolved at the other.
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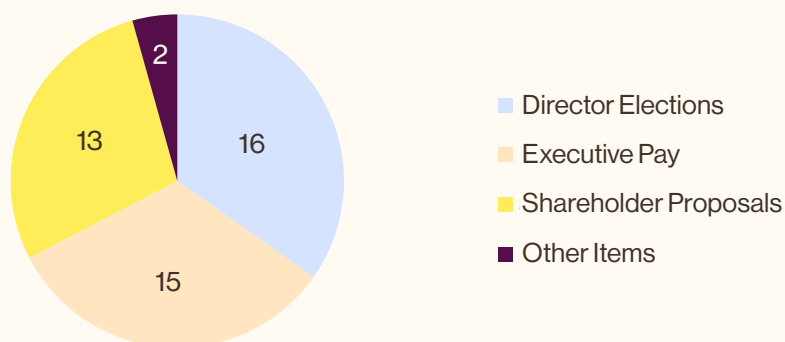
Successful engagement often takes many years, so we carry over some priority companies and issues. In some cases, the above includes progress made in past years.

Of course, any improvement is likely a result of many investors' engagement efforts and a range of other factors. We are simply measuring whether engagement occurs, and an improvement in company practices or our understanding is made subsequently.

We have included three case studies in this year's report, of which two relate to engagements with these priority companies: [Managing fighter safety at TKO Group](#) and [Preserving water and managing energy at TSMC's chip fabs](#). We are happy to discuss these in more detail with investors.



In FY26, we continued to exercise our voting rights in line with the principles outlined in our ESG Policy. The chart below shows the number of resolutions by type where we opposed management's recommendation:⁹



We present one voting case study in this report: [Rethinking climate change targets at NextEra Energy](#).

Advocacy and thought leadership

We remain actively engaged with the investment community on climate change, including as part of our longstanding membership of the Investor Group on Climate Change (IGCC). IGCC an industry organisation connecting, collaborating, and advocating on behalf of investor members including Munro Partners to responsibly manage climate risks and opportunities.

Our Responsible Investment Manager, Mike Harut, continues to co-chair the IGCC's Climate Solutions Working Group, leading a range of investors, including Australian superannuation and public sector funds, on the topic to help drive more responsible investment. We are proud to also continue to host IGCC's monthly member meetings in Melbourne.

Our thought leadership work includes:

The 'Investing in Climate Change Leaders Miniseries', part of the Munro Invest in the Journey podcast (available [here](#));

'Investing in Climate: A Defining Theme for the Next Generation' (available [here](#));

⁹ Last year, 20 director elections, 18 executive pay items, 11 shareholder proposals, 12 other items were opposed. In past years, we have shared the full list of these companies but believe this pie chart is more useful disclosure. We can share the full list with investors on request.

The impact of US political changes on the climate change investment opportunity in the Canadian Responsible Investment Association magazine (available [here](#));

Providing a case study on investing in climate change solutions to IGCC's 2023 State of Net Zero Investment Report (available [here](#)); and

Authoring 'Investor climate action: not just about portfolio emissions' in 2022, explaining why we think investors should not focus solely on portfolio emissions (available [here](#)).

We are also proud members of the Responsible Investment Association in Canada and have been Principles for Responsible Investment (PRI) signatories since 2020.

Our PRI transparency reports are available [here](#).

TCFD Disclosures

We are committed to transparently disclosing our approach to climate change, outlined in our Climate Policy. In our policy, we commit to both engaging with companies to encourage the adoption of frameworks like the Task Force on Climate-related Financial Disclosures (TCFD) framework and aligning our own reporting to the framework.

We present our disclosures against its four pillars below.

Governance

Munro's board maintains oversight of climate-related risks and opportunities through periodic reports on responsible investment.

Munro's primary exposure to climate change is through its investments. The investment team led by Nick Griffin, Chief Investment Officer (CIO), is responsible for managing climate-related risks and opportunities, while Mike Harut, Munro's Responsible Investment Manager and Senior Analyst, reports to the CIO and has additional responsibilities in managing the portfolios' exposure to climate-related risks.

Munro's operational footprint is also important and is managed by the Chief Executive Officer (CEO), Ronald Calvert, with support from the operations team.

The CEO oversees both the investment and operational functions.

Strategy

Munro's strategy regarding climate change is outlined in the Climate Policy, available [here](#). In summary, our strategy includes:

- investing in climate change leaders ([see above](#));
- assessing climate-related risk as part of the ESG score process outlined above, where it is material;
- engaging with companies on how they manage climate-related risks and opportunities ([see case study above](#)); and
- managing our operational footprint and being a carbon neutral business, in terms of operating emissions.

We continue to monitor the exposure of our strategies to the transition to a low carbon economy via our investments in companies that offer climate change solutions and carbon intensity (detailed below).

Risk Management

For all Munro strategies, climate-related risk management is done primarily via the ESG score process outlined above and in our [ESG Policy](#). Where that process identifies climate-related risk as material, it is assessed, and a quantitative score is assigned.

A lower ESG score (due to higher risk or poor management) reduces the overall qualitative company score and therefore the company valuation, which affects the investment decision.

Engagement is also used to understand how companies manage climate risk and encourage targets and disclosure. As detailed above, over half of the topics discussed in FY26 were about environmental issues including climate change and one case study - [rethinking climate change targets at NextEra Energy](#) - is provided.

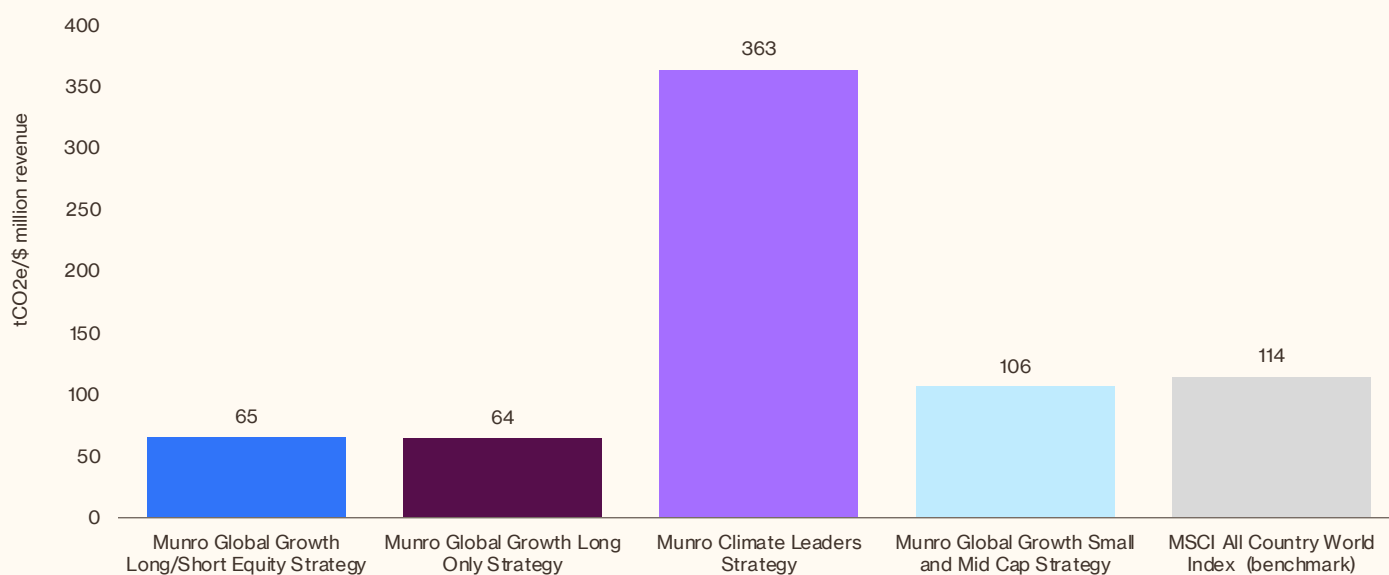
Metrics and targets

We present three metrics in this report which we track on a portfolio basis:

1. Investments in climate change leaders (defined and explained [here](#))
2. Engagement on climate change ([here](#))
3. Weighted average carbon intensity (WACI) (below)

WACI is used to compare company emissions across industries. Carbon intensity is absolute scope 1 and 2 emissions (in t CO₂e) divided by \$US1m revenue, and this is weighted by the proportionate holdings.

In some cases, the emissions data is estimated by third-party research providers given the absence of company reporting.



Source: Bloomberg, Munro Partners estimates, 30 June 2026.

As in past years, all but one of our strategies has a lower WACI than the MSCI All Country World Index (MSCI ACWI).¹¹

As we have noted in previous reports, it may seem counterintuitive that our Climate Change Leaders Strategy has a higher WACI than our other strategies or the benchmark. This is because rather than being a strategy that simply invests in companies with low emission operations, its focus is on companies enabling or benefiting from decarbonisation via their products and services. The focus is products and services, not operations.

¹¹ Data for past years is included in past Responsible Investment Reports. All MSCI data is the property of MSCI. No use or distribution without written consent. Data provided "as is" without any warranties. MSCI assumes no liability for or in connection with the data.

Given the nature of what is required to decarbonise the economy, this leads naturally to a greater weighting to utilities and industrials, which are generally higher emitters, and away from sectors like financials and technology, which are generally lower emitters.

The measure also doesn't consider the emissions avoided from the use of their products.

In the case of our Climate Change Leaders Strategy, nearly 35% of the strategy's WACI was driven by NextEra Energy, which has over 50% exposure to Clean Energy per BloombergNEF and is one of the biggest developers of renewable energy globally.¹² Our engagement with NextEra Energy on their climate change targets is [here](#).

More details on why we think investors should not focus solely on portfolio emissions is explained in our whitepaper 'Investor climate action: not just about portfolio emissions' (available [here](#)).

¹² Bloomberg New Energy Finance (BNEF) data, extracted July 2026.