



**MAPLE-BROWN ABBOTT**

# **Engagement Policy**

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## 1. Introduction

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As an investment manager focussed on listed equities, Maple-Brown Abbott recognises that responsible investment enhances investment decision making. Our approach to responsible investment includes environmental, social and governance (ESG) integration and engagement with investment stewardship a key component of this approach.

Maple-Brown Abbott engages with company boards and management to contribute to better environmental and social outcomes, and to drive more sustainable long-term benefit for our clients. Our approach to engagement activities is aligned with the United Nations-supported Principles of Responsible Investment (PRI) and has been designed to optimise our ability to affect outcomes and enhance our investment decision-making.

This Engagement Policy outlines Maple-Brown Abbott's commitment and approach to company engagement and summarises the environmental, social and governance (ESG) factors that are considered in our engagement activities. This Engagement Policy should be read in association with our Responsible Investment, Proxy Voting and Climate Change Policies. Each of our Responsible Investment, Proxy Voting, Climate Change and Engagement Policies has been approved by the Maple-Brown Abbott Ltd Board (the "Board") and can be found on our website ([www.maple-brownabbott.com](http://www.maple-brownabbott.com)). Where applicable, the policy relates both to Maple-Brown Abbott's pooled investment vehicles and separately managed accounts, collectively referred to herein as "Clients", the respective rights of whom are as set out in the Disclosure Documents and Constitution and the Investment Mandate Agreement, respectively.

## 2. Governance

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Our approach to company engagement is aligned with the PRI and has been designed to optimise our ability to affect outcomes and enhance our investment decision-making. More specifically, the approach is premised on the following:

- Maple-Brown Abbott's ESG strategy and policies, including Engagement Policy, have been approved by the Board. The Head of ESG and ESG investment analysts are responsible for co-ordinating the implementation of the firm's Engagement Policy and initiatives.
- Maple-Brown Abbott's Engagement Policy applies to equities that are directly managed by Maple-Brown Abbott. Given this asset class comprises the majority of our funds under management we have greater ability to implement our Engagement Policy and affect change.
- Maple-Brown Abbott considers ESG capabilities, including engagement policies, in the appointment and evaluation of external fund managers appointed to manage assets on behalf of Maple-Brown Abbott.
- The integration of ESG, including engagement, is factored into the variable remuneration of Maple-Brown Abbott's investment professionals.
- To ensure that we continually improve our ESG capabilities, Maple-Brown Abbott sets and reviews objectives for its engagement activities every year.
- Maple-Brown Abbott will work with Clients to understand and incorporate their engagement objectives.
- Maple-Brown Abbott will report on its engagement activities to stakeholders, through our quarterly report, our annual Stewardship Reports, marketing presentations, bespoke Client requests and on our website ([www.maple-brownabbott.com](http://www.maple-brownabbott.com)).

### 3. Our approach

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- Maple-Brown Abbott's engagement program is organised by each investment strategy with input from the strategy portfolio manager(s), investment analysts and ESG analysts. Material ESG issues identified in the research and investment decision-making process, or in subsequent company actions, are prioritised for engagement. These material issues are considered alongside the company's ESG performance, proxy voting outcomes and/or Client consultation. In addition to these considerations, collaborative engagement initiatives are prioritised where we believe we can add value to the collaboration, have the ability to contribute to greater impact on ESG issues, have the potential to enhance and gain from the knowledge of other investors and the jurisdiction of the companies targeted by the collaboration.
- Maple-Brown Abbott defines suitable engagement priorities and objectives to help improve the outcomes of our engagement activities and help track and monitor companies' progress over time. Specific engagement objectives will vary by company, industry, geography and thematic, but overarching objectives often include the intent to gain an enhanced understanding of corporate ESG strategy or management, influence corporate ESG practices, improve ESG disclosures and drive pre-defined ESG outcomes.
- Our engagement program is prioritised around material ESG risks and opportunities identified in the investment decision-making process. It is implemented through company meetings and calls, written communications, on-site visits and participation in collaborative engagement initiatives.
- Engagement targets vary by strategy and are agreed between portfolio managers and the relevant ESG analyst. Dedicated ESG engagements are conducted in addition to routine management meetings, and a forum to discuss the ESG performance of the company and encourage further improvement in their ESG performance and disclosure.
- When it is in our Clients' long term interest to do so, Maple-Brown Abbott may also engage with companies and collaborate with peers outside of scheduled engagement meetings. For example:
  - From time to time, an issue may arise with a portfolio company that may warrant company engagement. The issue may be governance-related, for instance, in the case of entitlement of a majority shareholder to directorships, board composition and takeover offers.
  - Broker and company sponsored ESG presentations and conferences, where companies seek feedback on their ESG performance and disclosure.
- Given Maple-Brown Abbott's engagement program is undertaken by the individual investment teams, information obtained in these activities is systematically incorporated into our investment analysis and decision making. In addition, each analyst keeps a detailed record of their engagement activities that is accessible by all investment team members, including the portfolio manager(s) relevant to that strategy.
- Maple-Brown Abbott may also participate in initiatives to engage public policy makers regarding various ESG-related public policies, for example, on governance standards, climate change and industrial relations reform.

#### Escalation

- Maple-Brown Abbott tracks and monitors progress against pre-defined engagement objectives and company undertakings. Where initial or subsequent engagement has not met these objectives or shown satisfactory progress, Maple-Brown Abbott has an escalation strategy. This may involve one of several of the following:
  - seeking engagement with other company officers;
  - using alternative communication mediums;
  - leveraging proxy voting outcomes;
  - collaborating with other shareholders or stakeholders; and/or
  - leveraging our membership in industry governance associations.
- Where engagement is escalated, Maple-Brown Abbott will also reflect the issue in our assessment of company valuation which may ultimately impact the size of our portfolio holding or in some instances, result in full divestment of the stock.

## Engagement: Factors

Maple-Brown Abbott engages with companies on a range of factors, which may include, but are not limited to the following:

### Environmental

- Climate-related risks, such as exposure and resiliency to acute and chronic weather events, and climate transition risks, such as potential exposure to stranded assets. For more detail on our approach to climate risk, please refer to the [Climate Change Policy](#).
- Environmental degradation, including biodiversity, deforestation and land use, environmental pollution including water, air and plastic waste management, and resource scarcity.
- Quality of environmental-related disclosure.

### Social

- Health and safety, human rights (including modern slavery), labour practices and supply chain management, employee engagement, diversity, customer and stakeholder relationships, changing demographics and conflict zones and controversial weapons.
- Quality of social-related disclosure.

### Governance

- Quality and composition of board and management, executive remuneration and shareholder rights.
- Anti-bribery and corruption, cyber security, accounting and auditing, political spending and lobbying, aggressive tax planning and technological disruption.
- Quality of governance-related disclosure.

## Review

This policy will be reviewed every three years.