



PUBLIC TRANSPARENCY REPORT

2025

DNR Capital

Generated 24-11-2025

About this report

PRI reporting is the largest global reporting project on responsible investment.

It was developed with investors, for investors. PRI signatories are required to report publicly on their responsible investment activities each year. In turn, they receive a number of outputs, including a public and private Transparency Report.

The public Transparency Reports, which are produced using signatories' reported information, provide accountability and support signatories to have internal discussions about their practices and to discuss these with their clients, beneficiaries, and other stakeholders. This public Transparency Report is an export of the signatory's responses to the PRI Reporting Framework during the 2025 reporting period. It includes the signatory's responses to core indicators, as well as responses to plus indicators that the signatory has agreed to make public.

In response to signatory feedback, the PRI has not summarised signatories' responses – the information in this document is presented exactly as it was reported.

For each of the indicators in this document, all options selected by the signatory are presented, including links and qualitative responses. In some indicators, all applicable options are included for additional context.

Disclaimers

Legal Context

PRI recognises that the laws and regulations to which signatories are subject differ by jurisdiction. We do not seek or require any signatory to take an action that is not in compliance with applicable laws. All signatory responses should therefore be understood to be subject to and informed by the legal and regulatory context in which the signatory operates.

Responsible investment definitions

Within the PRI Reporting Framework Glossary, we provide definitions for key terms to guide reporting on responsible investment practices in the Reporting Framework. These definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and changing legislative landscapes. Users of this report should be aware of these variations, as they may impact interpretations of the information provided.

Data accuracy

This document presents information reported directly by signatories in the 2025 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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SENIOR LEADERSHIP STATEMENT (SLS)

SENIOR LEADERSHIP STATEMENT

SENIOR LEADERSHIP STATEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1	CORE	N/A	N/A	PUBLIC	Senior Leadership Statement	GENERAL

Section 1. Our commitment

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment, and what major responsible investment commitment(s) have you made?

DNR Capital recognises that ESG factors are financially material and that companies with good ESG practices can enhance shareholder returns. Quality companies with strong ESG capabilities are more likely to make better business decisions across the company, which drive long-term returns. Furthermore, DNR Capital believes that including ESG issues in its investment process is consistent with its objectives as an active investment manager.

DNR Capital has adopted an ESG integration and engagement investment strategy. This strategy is complementary to our investment philosophy, and paired with our research capability, enhances investment decision-making. Our ESG score is one of five components of our proprietary 'quality web', which is used to assess the quality of companies. ESG risks, where material, are also factored into our view on company valuation and or position sizing. The outcomes of these assessments inform investment decision-making and portfolio construction. The integration of ESG factors into investment decision-making is supplemented by our corporate stewardship program, including company engagement and proxy voting. We consider a material impact being an expected impact of 10% or more of our assessed value of the stock.

DNR Capital has a long-term investment horizon and takes a long term view on ESG factors. DNR Capital engage with companies for the long term benefit of our clients. Our often long term relationships with the Board and management of portfolio companies generally facilitates a high quality of corporate engagement. ESG is a firm wide undertaking. Our Board and Socially Responsible Investment Committee oversee our ESG capability, our CIO is responsible for the firm's ESG policies and strategy, and we have a well-resourced, in-house investment team who conduct ESG analysis. Our ESG investment capability is led by a senior, dedicated ESG investment analyst, who is responsible for the delivery and implementation of DNR Capital's ESG policies and strategy. Together with a second ESG investment analyst, they work with stock analysts and portfolio managers to identify and assess material ESG risks and deliver our stewardship initiatives. Continued investment in our ESG resourcing has been a key enabler for the continued improvement in our ESG capabilities.

In early 2025, DNR Capital undertook a strategic review of our ESG capabilities. The Board endorsed the following initiatives, for continued investment in our ESG capabilities, including:

- Outline a plan to prepare DNR Capital to meet its reporting obligations under Australian Sustainability Reporting Standards (ASRS);
- Review ESG strategy for Australian Emerging Companies Strategy;
- Determine DNR Capital's strategic position within PRI's proposed "Progression Pathways"; and
- Enhanced ownership of ESG performance by portfolio managers and stock analysts.

The review recommended a phased implementation of these initiatives with progress delivery monitored by the Board.

Section 2. Annual overview

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. Details might include, for example, outlining your single most important achievement or describing your general progress on topics such as the following (where applicable):
 - refinement of ESG analysis and incorporation
 - stewardship activities with investees and/or with policymakers
 - collaborative engagements
 - attainment of responsible investment certifications and/or awards

The Australian Sustainability Reporting Standards (ASRS) were legislated in 2024 and require eligible companies to report mandatory climate disclosure from 2026. DNR Capital has followed the development of this legislation and during the year took the following initiatives:

- Reviewed the reporting guidelines and conducted a gap analysis of DNR Capital's capabilities against the guidelines;
- Reviewed a sample of Climate Statements prepared by New Zealand investment managers under New Zealand mandatory climate-related disclosure (CRD);
- Formed a Corporate Sustainability team with responsibility to deliver DNR Capital's ASRS reporting requirements; and
- Board requested preparation of organisational plan to prepare DNR Capital to report against the requirements.

Whilst climate risk has long been assessed and included in DNR Capital's stock analysis and investment decision making process, during the year we made significant progress preparing to report under the recently legislated ASRS. DNR Capital's Australian Equities High Conviction Fund and Australian Emerging Companies Fund will be required to report as registered managed investment schemes for the period FY2028. In preparation for this, DNR Capital has established a Corporate Sustainability team which has Board delegated responsibility for delivering DNR Capital's ASRS reporting requirements. The committee membership includes senior management from across the organisation including the CEO, COO, Head of Finance, Head Risk & Compliance and Senior ESG Investment Analyst. DNR Capital also conducted a gap analysis which made recommendations for further detailed work streams. This report has been presented to the Board, the Socially Responsible Investment Committee (SRIC) and the Corporate Sustainability team. DNR Capital are currently preparing a plan to address these work streams. The preparation to report under ASRS discussed above is just one example of the progress made against DNR Capital's 2024 ESG strategic goals. We are pleased to report delivery of the additional key ESG initiatives:

- Achieved Responsible Investment Association Australasia (RIAA) recertification for Australian Equities Socially Responsible Strategy;
- Enhanced our modern slavery risk assessment capability by increasing third party modern slavery data subscription, conducting portfolio level risk assessment and prioritising modern slavery company engagements;
- Board approved corporate ESG policy;
- Enhanced corporate governance with the appointment of additional independent non-executive director to DNR Capital's board; and
- Comprehensive proxy voting and Chair engagement program.

We report further detail on these initiatives in the body of the PRI Assessment Framework.

Section 3. Next steps

- What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

In early 2025, DNR Capital undertook a strategic review of our ESG capabilities. The Board endorsed the following initiatives, for continued investment in our ESG capabilities, including:

- Outline a plan to prepare DNR Capital to meet its reporting obligations under Australian Sustainability Reporting Standards (ASRS);
- Review ESG strategy for Australian Emerging Companies Strategy;
- Determine DNR Capital's strategic position within PRI's proposed "Progression Pathways"; and
- Enhanced ownership of ESG performance by portfolio managers and investment analysts.

The review recommended a phased implementation of these initiatives with progress delivery monitored by the Board.

Section 4. Endorsement

'The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment'.

Name

Jamie Nicol

Position

Chief Investment Officer

Organisation's Name

DNR Capital

A

'This endorsement applies only to the Senior Leadership Statement and should not be considered an endorsement of the information reported by the above-mentioned organisation in the various modules of the Reporting Framework. The Senior Leadership Statement serves as a general overview of the above-mentioned organisation's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such. Further, it is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions'.

B

OTHER RESPONSIBLE INVESTMENT REPORTING OBLIGATIONS (ORO)

OTHER RESPONSIBLE INVESTMENT REPORTING OBLIGATIONS

OTHER RESPONSIBLE INVESTMENT REPORTING OBLIGATIONS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ORO 1	CORE	N/A	N/A	PUBLIC	Other Responsible Investment Reporting Obligations	6

During the reporting year, to which international or regional ESG-related legislation(s) and/or regulation(s) did your organisation report?

- (A) Corporate Sustainability Reporting Directive (CSRD) [European Union]
- (B) Directive on AIFM (2011/61/EU) [European Union]
- (C) Enhancing climate-related disclosures by asset managers, life insurers and FCA-regulated pension providers (PS21/24) [United Kingdom]
- (D) EU Taxonomy Regulation [European Union]
- (E) Improving shareholder engagement and increasing transparency around stewardship (PS19/13) [United Kingdom]
- (F) IORP II (Directive 2016/2341) [European Union]
- (G) Law on Energy and Climate (Article 29) [France]
- (H) MiFID II (2017/565) [European Union]
- (I) Modern Slavery Act [United Kingdom]
- (J) PEPP Regulation (2019/1238) [European Union]
- (K) PRIIPS Regulation (2016/2340 and 2014/286) [European Union]
- (L) Regulation on the Integration of Sustainability Risks in the Governance of Insurance and Reinsurance Undertakings (2021/1256) [European Union]
- (M) SFDR Regulation (2019/2088) [European Union]
- (N) SRD II (Directive 2017/828) [European Union]
- (O) The Occupational Pension Schemes Regulation on Climate Change Governance and Reporting [United Kingdom]
- (P) Climate Risk Management (Guideline B-15) [Canada]
- (Q) Continuous Disclosure Obligations (National Instrument 51-102) [Canada]
- (R) Disposiciones de Carácter General Aplicables a los Fondos de Inversión y a las Personas que les Prestan Servicios (SIEFORE) [Mexico]
- (S) Instrucciones para la Integración de Datores ASG en Los Mecanismos de Revelación de Información para FIC (External Circular 005, updated) [Colombia]
- (T) Provides for the creation, operation, and disclosure of information of investment funds, as well as the provision of services for the funds, and revokes the regulations that specifies (CVM Resolution No. 175) [Brazil]
- (U) SEC Expansion of the Names Rule [United States of America]
- (V) SEC Pay Ratio Disclosure Rule [United States of America]
- (W) ASIC RG65 Section 1013DA Disclosure Guidelines [Australia]
- (X) Circular to Licensed Corporations: Management and Disclosure of Climate-related Risks by Fund Managers [Hong Kong SAR]
- (Y) Financial Investment Services and Capital Markets Act (FSCMA) [Republic of Korea]
- (Z) Financial Instruments and Exchange Act (FIEA) [Japan]
- (AA) Financial Markets Conduct Act [New Zealand]
- (AB) Guiding Opinions on Regulating the Asset Management Business of Financial Institutions [China]
- (AC) Guidelines on Environmental Risk Management for Asset Managers [Singapore]
- (AD) Guidelines on Sustainable and Responsible Investment Funds [Malaysia]
- (AE) Modern Slavery Act (2018) [Australia]

- (AF) Stewardship Code for all Mutual Funds and All Categories of AIFs [India]
- (AG) ADGM Sustainable Finance Regulatory Framework [United Arab Emirates]
- (AH) JSE Limited Listings Requirements [South Africa]

(AI) Other

Specify:

The product disclosure documents for the DNR Capital's funds are required to meet ASIC RG65 Section 1013DA Disclosure Guidelines.

- (AJ) Other
- (AK) Other
- (AL) Other
- (AM) Other
- (AN) Not applicable; our organisation did not report to any ESG-related legislation and/or regulation during the reporting year.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ORO 2	CORE	N/A	N/A	PUBLIC	Other Responsible Investment Reporting Obligations	6

During the reporting year, to which voluntary responsible investment/ESG frameworks did your organisation report?

- (A) Asset Owners Stewardship Code [Australia]
- (B) Código Brasileiro de Stewardship [Brazil]
- (C) New Zealand Stewardship Code
- (D) Principles for Responsible Institutional Investors (Stewardship Code) [Japan]
- (E) Stewardship Code [United Kingdom]
- (F) Stewardship Framework for Institutional Investors [United States of America]
- (G) CFA Institute ESG Disclosure Standards for Investment Products [Global]
- (H) Guidelines on Funds' Names using ESG or Sustainability-related Terms [European Union]
- (I) Luxflag ESG Label [Luxembourg]
- (J) RIAA Responsible Investment Certification Program [Australia]**
- (K) SRI Label [France]
- (L) ANBIMA Code of Regulation and Best Practices of Investment Funds [Brazil]
- (M) Code for Institutional Investors 2022 [Malaysia]
- (N) Code for Responsible Investing in South Africa (CRISA 2) [South Africa]
- (O) Corporate Governance Guidelines [Canada]
- (P) Defined Contribution Code of Practice [United Kingdom]
- (Q) European Association for Investors in Non-Listed Real Estate Vehicles (INREV) Guidelines [Global]
- (R) Global ESG Benchmark for Real Assets (GRESB) [Global]
- (S) Global Impact Investing Network (GIIN) Impact Reporting and Investment Standards (IRIS+) [Global]
- (T) OECD Guidelines for MNES - Responsible Business Conduct for Institutional Investors [Global]
- (U) UN Guiding Principles (UNGP) on Business and Human Rights [Global]
- (V) Net Zero Asset Managers (NZAM) Initiative [Global]
- (W) Net-Zero Asset Owner Alliance (NZAOA) [Global]
- (X) Recommendations of the Taskforce for Climate-related Financial Disclosure (TCFD) [Global]
- (Y) The Net Zero Investment Framework (NZIF) 2.0 [Global]
- (Z) Recommendations of the Taskforce for Nature-related Financial Disclosure (TNFD) [Global]
- (AA) Global Reporting Initiative (GRI) Standards [Global]
- (AB) IFC Performance Standard [Global]
- (AC) International Sustainability Standards Board (ISSB) Standards [Global]
- (AD) Sustainability Accounting Standards Board (SASB) Standards [Global]
- (AE) Other
- (AF) Other
- (AG) Other
- (AH) Other
- (AI) Other

- (AJ) Not applicable; our organisation did not report to any voluntary responsible investment/ESG frameworks during the reporting year.

ORGANISATIONAL OVERVIEW (OO)

ORGANISATIONAL INFORMATION

REPORTING YEAR

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

What is the year-end date of the 12-month period you have chosen to report for PRI reporting purposes?

	Date	Month	Year
Year-end date of the 12-month period for PRI reporting purposes:	31	12	2024

SUBSIDIARY INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries?

- (A) Yes
- (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2.1	CORE	OO 2	OO 2.2	PUBLIC	Subsidiary information	GENERAL

Are any of your organisation's subsidiaries PRI signatories in their own right?

- (A) Yes
- (B) No

ASSETS UNDER MANAGEMENT

ALL ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 3	N/A	PUBLIC	All asset classes	GENERAL

What are your total assets under management (AUM) at the end of the reporting year, as indicated in [OO 1]?

USD

(A) AUM of your organisation, including subsidiaries not part of row (B), and excluding the AUM subject to execution, advisory, custody, or research advisory only

US\$ 7,261,214,617.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission, as indicated in [OO 2.2]

US\$ 0.00

(C) AUM subject to execution, advisory, custody, or research advisory only

US\$ 0.00

ASSET BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	OO 3	Multiple indicators	PUBLIC	Asset breakdown	GENERAL

Provide a percentage breakdown of your total AUM at the end of the reporting year as indicated in [OO 1].

	(1) Percentage of Internally managed AUM	(2) Percentage of Externally managed AUM
(A) Listed equity	>75%	>0-10%
(B) Fixed income	>0-10%	>0-10%
(C) Private equity	0%	0%
(D) Real estate	0%	0%
(E) Infrastructure	0%	0%
(F) Hedge funds	0%	0%
(G) Forestry	0%	0%
(H) Farmland	0%	0%
(I) Other	0%	0%
(J) Off-balance sheet	0%	>0-10%

(J) Off-balance sheet - (2) Percentage of Externally managed AUM - Specify:

DNR Capital's allocation to other includes cash. Cash is held by DNR Capital's clients' custodians, we have no influence over which institution the cash is held.

ASSET BREAKDOWN: EXTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.1	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Externally managed assets	GENERAL

Provide a further breakdown of your organisation's externally managed listed equity and/or fixed income AUM.

	(1) Listed equity	(2) Fixed income - SSA	(3) Fixed income - corporate	(4) Fixed income - securitised	(5) Fixed income - private debt
(A) Active	>75%	>10-50%	>50-75%	>0-10%	0%
(B) Passive	0%	0%	0%		

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.2	CORE	OO 5, OO 5.1	SAM 3, SAM 8	PUBLIC	Asset breakdown: Externally managed assets	GENERAL

Provide a breakdown of your organisation's externally managed AUM between segregated mandates and pooled funds or investments.

	(1) Segregated mandate(s)	(2) Pooled fund(s) or pooled investment(s)
(A) Listed equity - active	0%	>75%
(C) Fixed income - active	0%	>75%

ASSET BREAKDOWN: INTERNALLY MANAGED LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 LE	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Internally managed listed equity	GENERAL

Provide a further breakdown of your internally managed listed equity AUM.

(A) Passive equity 0%

(B) Active – quantitative 0%

(C) Active – fundamental >75%

(D) Other strategies 0%

ASSET BREAKDOWN: INTERNALLY MANAGED FIXED INCOME

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 FI	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Internally managed fixed income	GENERAL

Provide a further breakdown of your internally managed fixed income AUM.

(A) Passive – SSA 0%

(B) Passive – corporate 0%

(C) Active – SSA 0%

(D) Active – corporate >75%

(E) Securitised 0%

(F) Private debt 0%

MANAGEMENT BY PRI SIGNATORIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6	CORE	OO 5	N/A	PUBLIC	Management by PRI signatories	GENERAL

What percentage of your organisation's externally managed assets are managed by PRI signatories?

>75%

GEOGRAPHICAL BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 7	CORE	Multiple, see guidance	N/A	PUBLIC	Geographical breakdown	GENERAL

How much of your AUM in each asset class is invested in emerging markets and developing economies?

AUM in Emerging Markets and Developing Economies

(A) Listed equity	(2) >0 to 10%
(B) Fixed income – SSA	(1) 0%
(C) Fixed income – corporate	(1) 0%
(D) Fixed income – securitised	(1) 0%

STEWARDSHIP

STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 8	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship	GENERAL

Does your organisation conduct stewardship activities, excluding (proxy) voting, for any of your assets?

	(1) Listed equity - active	(3) Fixed income - active
(A) Yes, through internal staff	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>	<input type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>	<input type="checkbox"/>
(D) We do not conduct stewardship	<input type="radio"/>	<input checked="" type="radio"/>

STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship: (Proxy) voting	GENERAL

Does your organisation conduct (proxy) voting activities for any of your listed equity holdings?

	(1) Listed equity - active
(A) Yes, through internal staff	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>
(D) We do not conduct (proxy) voting	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9.1	CORE	OO 9	PGS 10.1, PGS 31	PUBLIC	Stewardship: (Proxy) voting	GENERAL

For each asset class, on what percentage of your listed equity holdings do you have the discretion to vote?

Percentage of your listed equity holdings over which you have the discretion to vote

(A) Listed equity – active

(10) >80 to 90%

STEWARDSHIP NOT CONDUCTED

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 10	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship not conducted	2

Describe why your organisation does not currently conduct stewardship and/or (proxy) voting.

Stewardship, excluding (proxy) voting
(C) Fixed income – active

DNR Capital's asset allocation to externally managed fixed income is less than 1% of its total FUM. DNR Capital prioritise our ESG resources toward our internally managed active equity exposure (98% total FUM), where we have the greatest ability to effect ESG related outcomes.

ESG INCORPORATION

INTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 11	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Internally managed assets	1

For each internally managed asset class, does your organisation incorporate ESG factors, to some extent, into your investment decisions?

	(1) Yes, we incorporate ESG factors into our investment decisions	(2) No, we do not incorporate ESG factors into our investment decisions
(C) Listed equity - active - fundamental	<input checked="" type="radio"/>	<input type="radio"/>
(F) Fixed income - corporate	<input type="radio"/>	<input checked="" type="radio"/>

EXTERNAL MANAGER SELECTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 12	CORE	OO 5, OO 5.1	Multiple indicators	PUBLIC	External manager selection	1

For each externally managed asset class, does your organisation incorporate ESG factors, to some extent, when selecting external investment managers?

	(1) Yes, we incorporate ESG factors when selecting external investment managers	(2) No, we do not incorporate ESG factors when selecting external investment managers
(A) Listed equity - active	<input type="radio"/>	<input checked="" type="radio"/>
(C) Fixed income - active	<input type="radio"/>	<input checked="" type="radio"/>

EXTERNAL MANAGER APPOINTMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 13	CORE	OO 5, OO 5.1	Multiple indicators	PUBLIC	External manager appointment	1

For each externally managed asset class, does your organisation incorporate ESG factors, to some extent, when appointing external investment managers?

	(1) Yes, we incorporate ESG factors when appointing external investment managers	(2) No, we do not incorporate ESG factors when appointing external investment managers
(A) Listed equity - active	<input type="radio"/>	<input checked="" type="radio"/>
(C) Fixed income - active	<input type="radio"/>	<input checked="" type="radio"/>

EXTERNAL MANAGER MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 14	CORE	OO 5, OO 5.1	Multiple indicators	PUBLIC	External manager monitoring	1

For each externally managed asset class, does your organisation incorporate ESG factors, to some extent, when monitoring external investment managers?

	(1) Yes, we incorporate ESG factors when monitoring external investment managers	(2) No, we do not incorporate ESG factors when monitoring external investment managers
(A) Listed equity - active	<input type="radio"/>	<input checked="" type="radio"/>
(C) Fixed income - active	<input type="radio"/>	<input checked="" type="radio"/>

ESG NOT INCORPORATED

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 16	CORE	OO 11, OO 12–14	N/A	PUBLIC	ESG not incorporated	1

Describe why your organisation does not currently incorporate ESG factors into your investment decisions and/or in the selection, appointment and/or monitoring of external investment managers.

Internally managed
(F) Fixed income – corporate

DNR Capital's asset allocation to internally managed fixed income is less than 1% of its total FUM. DNR Capital prioritise our ESG resources toward our internally managed active equity exposure (98% total FUM), where we have the greatest ability to effect ESG related outcomes.

Externally managed
(P) Listed equity – active

DNR Capital's asset allocation to externally managed listed equity is less than 1% of its total FUM. DNR Capital prioritise our ESG resources toward our internally managed active equity exposure (98% total FUM), where we have the greatest ability to effect ESG related outcomes.

(R) Fixed income – active

DNR Capital's asset allocation to externally managed fixed income is less than 1% of its total FUM. DNR Capital prioritise our ESG resources toward our internally managed active equity exposure (98% total FUM), where we have the greatest ability to effect ESG related outcomes.

ESG STRATEGIES

LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17 LE	CORE	OO 11	OO 17.1 LE, LE 12	PUBLIC	Listed equity	1

Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active listed equity?

Percentage out of total internally managed active listed equity

(A) Screening alone	0%
(B) Thematic alone	0%
(C) Integration alone	>75%
(D) Screening and integration	>0-10%

(E) Thematic and integration	0%
(F) Screening and thematic	0%
(G) All three approaches combined	0%
(H) None	0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17.1 LE	CORE	OO 17 LE	LE 9	PUBLIC	Listed equity	1

What type of screening does your organisation use for your internally managed active listed equity assets where a screening approach is applied?

Percentage coverage out of your total listed equity assets where a screening approach is applied

(A) Positive/best-in-class screening only	0%
(B) Negative screening only	>75%
(C) A combination of screening approaches	0%

ESG/SUSTAINABILITY FUNDS AND PRODUCTS

LABELLING AND MARKETING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	OO 11–14	OO 18.1	PUBLIC	Labelling and marketing	1

Do you explicitly market any of your products and/or funds as ESG and/or sustainable?

- (A) Yes, we market products and/or funds as ESG and/or sustainable
Provide the percentage of total AUM that your ESG and/or sustainability-marketed products or funds represent:
>0-10%
- (B) No, we do not offer products or funds explicitly marketed as ESG and/or sustainable
- (C) Not applicable; we do not offer products or funds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.1	CORE	OO 18	OO 18.2	PUBLIC	Labelling and marketing	1

Do any of your ESG and/or sustainability-marketed products and/or funds hold formal ESG and/or RI certification(s) or label(s) awarded by a third party?

(A) Yes, our ESG and/or sustainability-marketed products and/or funds hold formal labels or certifications

Provide the percentage of total AUM that your labelled and/or certified products and/or funds represent:

>0-10%

(B) No, our ESG and/or sustainability-marketed products and/or funds do not hold formal labels or certifications

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.2	CORE	OO 18.1	N/A	PUBLIC	Labelling and marketing	1

Which ESG/RI certifications or labels do you hold?

- (A) Commodity type label (e.g. BCI)
- (B) GRESB
- (C) Austrian Ecolabel (UZ49)
- (D) B Corporation
- (E) BREEAM
- (F) CBI Climate Bonds Standard
- (G) DDV-Nachhaltigkeitskodex-ESG-Strategie
- (H) DDV-Nachhaltigkeitskodex-ESG-Impact
- (I) EU Ecolabel
- (J) EU Green Bond Standard
- (K) Febelfin label (Belgium)
- (L) Finansol
- (M) FNG-Siegel Ecolabel (Germany, Austria and Switzerland)
- (N) Greenfin label (France)
- (O) Grüner Pfandbrief
- (P) ICMA Green Bond Principles
- (Q) ICMA Social Bonds Principles
- (R) ICMA Sustainability Bonds Principles
- (S) ICMA Sustainability-linked Bonds Principles
- (T) Kein Verstoß gegen Atomwaffensperrvertrag
- (U) Le label ISR (French government SRI label)
- (V) Luxflag Climate Finance
- (W) Luxflag Environment
- (X) Luxflag ESG
- (Y) Luxflag Green Bond
- (Z) Luxflag Microfinance
- (AA) Luxflag Sustainable Insurance Products
- (AB) National stewardship code
- (AC) Nordic Swan Ecolabel
- (AD) Other SRI label based on EUROSIF SRI Transparency Code (e.g. Novethic)
- (AE) People's Bank of China green bond guidelines
- (AF) RIAA (Australia)
- (AG) Towards Sustainability label (Belgium)

(AH) Other

SUMMARY OF REPORTING REQUIREMENTS

SUMMARY OF REPORTING REQUIREMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 21	CORE	Multiple indicators	Multiple indicators	PUBLIC	Summary of reporting requirements	GENERAL

The following table shows which modules are mandatory or voluntary to report on in the separate PRI asset class modules. Where a module is voluntary, indicate if you wish to report on it.

Applicable modules	(1) Mandatory to report (pre-filled based on previous responses)	(2.1) Voluntary to report. Yes, I want to opt-in to reporting on the module	(2.2) Voluntary to report. No, I want to opt-out of reporting on the module
Policy, Governance and Strategy	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Confidence Building Measures	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(C) Listed equity – active – fundamental	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

SUBMISSION INFORMATION

REPORT DISCLOSURE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 32	CORE	OO 3, OO 31	N/A	PUBLIC	Report disclosure	GENERAL

How would you like to disclose the detailed percentage figures you reported throughout the Reporting Framework?

- (A) Publish as absolute numbers
- (B) Publish as ranges

POLICY, GOVERNANCE AND STRATEGY (PGS)

POLICY

RESPONSIBLE INVESTMENT POLICY ELEMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 1	CORE	OO 8, OO 9	Multiple indicators	PUBLIC	Responsible investment policy elements	1, 2

Which elements are covered in your formal responsible investment policy(ies)?

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors
- (E) Guidelines on sustainability outcomes
- (F) Guidelines tailored to the specific asset class(es) we hold
- (G) Guidelines on exclusions
- (H) Guidelines on managing conflicts of interest related to responsible investment
- (I) Stewardship: Guidelines on engagement with investees
- (J) Stewardship: Guidelines on overall political engagement
- (K) Stewardship: Guidelines on engagement with other key stakeholders
- (L) Stewardship: Guidelines on (proxy) voting
- (M) Other responsible investment elements not listed here
- (N) Our organisation does not have a formal responsible investment policy and/or our policy(ies) do not cover any responsible investment elements

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 2	CORE	PGS 1	Multiple, see guidance	PUBLIC	Responsible investment policy elements	1

Does your formal responsible investment policy(ies) include specific guidelines on systematic sustainability issues?

- (A) Specific guidelines on climate change (may be part of guidelines on environmental factors)
- (B) Specific guidelines on human rights (may be part of guidelines on social factors)
- (C) Specific guidelines on other systematic sustainability issues
- (D) Our formal responsible investment policy(ies) does not include guidelines on systematic sustainability issues

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 3	CORE	PGS 1, PGS 2	N/A	PUBLIC	Responsible investment policy elements	6

Which elements of your formal responsible investment policy(ies) are publicly available?

(A) Overall approach to responsible investment

Add link:

<https://dnrcapital.com.au/wp-content/uploads/2025/03/2025-03-DNR-Capital-ESG-Policy-FINAL.pdf>

(B) Guidelines on environmental factors

Add link:

<https://dnrcapital.com.au/wp-content/uploads/2025/03/2025-03-DNR-Capital-ESG-Policy-FINAL.pdf>

(C) Guidelines on social factors

Add link:

<https://dnrcapital.com.au/wp-content/uploads/2025/03/2025-03-DNR-Capital-ESG-Policy-FINAL.pdf>

(D) Guidelines on governance factors

Add link:

<https://dnrcapital.com.au/wp-content/uploads/2025/03/2025-03-DNR-Capital-ESG-Policy-FINAL.pdf>

(F) Specific guidelines on climate change (may be part of guidelines on environmental factors)

Add link:

<https://dnrcapital.com.au/wp-content/uploads/2025/03/2025-03-DNR-Capital-ESG-Policy-FINAL.pdf>

(G) Specific guidelines on human rights (may be part of guidelines on social factors)

Add link:

<https://dnrcapital.com.au/wp-content/uploads/2025/03/2025-03-DNR-Capital-ESG-Policy-FINAL.pdf>

(L) Stewardship: Guidelines on engagement with investees

Add link:

<https://dnrcapital.com.au/wp-content/uploads/2025/06/2025-05-DNR-Capital-Corporate-Engagement-Policy-v1.5.pdf>

(O) Stewardship: Guidelines on (proxy) voting

Add link:

<https://dnrcapital.com.au/wp-content/uploads/2025/06/2025-05-DNR-Capital-Proxy-Voting-Policy-v1.15.pdf>

- (Q) No elements of our formal responsible investment policy(ies) are publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 4	PLUS	PGS 1	N/A	PUBLIC	Responsible investment policy elements	1 – 6

Does your formal responsible investment policy(ies) identify a link between your responsible investment activities and your fiduciary duties or equivalent obligations?

(A) Yes

Elaborate:

DNR Capital recognise that ESG factors have the potential to impact investment risks and returns. Quality companies with strong ESG capabilities are more likely to make better business decisions across the company, which drive long-term risk-adjusted returns. Furthermore, DNR Capital believes that including ESG issues in its investment process is consistent with its objectives as an active investment manager.

(B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 5	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

Which elements are covered in your organisation’s policy(ies) or guidelines on stewardship?

- (A) Overall stewardship objectives
- (B) Prioritisation of specific ESG factors to be advanced via stewardship activities
- (C) Criteria used by our organisation to prioritise the investees, policy makers, key stakeholders, or other entities on which to focus our stewardship efforts
- (D) How different stewardship tools and activities are used across the organisation
- (E) Approach to escalation in stewardship
- (F) Approach to collaboration in stewardship
- (G) Conflicts of interest related to stewardship
- (H) How stewardship efforts and results are communicated across the organisation to feed into investment decision-making and vice versa
- (I) Other
- (J) None of the above elements is captured in our policy(ies) or guidelines on stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 6	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

Does your policy on (proxy) voting include voting principles and/or guidelines on specific ESG factors?

- (A) Yes, it includes voting principles and/or guidelines on specific environmental factors
- (B) Yes, it includes voting principles and/or guidelines on specific social factors
- (C) Yes, it includes voting principles and/or guidelines on specific governance factors
- (D) Our policy on (proxy) voting does not include voting principles or guidelines on specific ESG factors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 7	CORE	OO 9	N/A	PUBLIC	Responsible investment policy elements	2

Does your organisation have a policy that states how (proxy) voting is addressed in your securities lending programme?

- (A) We have a publicly available policy to address (proxy) voting in our securities lending programme
- (B) We have a policy to address (proxy) voting in our securities lending programme, but it is not publicly available
- (C) We rely on the policy of our external service provider(s)
- (D) We do not have a policy to address (proxy) voting in our securities lending programme
- (E) Not applicable; we do not have a securities lending programme

RESPONSIBLE INVESTMENT POLICY COVERAGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 8	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy coverage	1

What percentage of your total AUM is covered by the below elements of your responsible investment policy(ies)?

Combined AUM coverage of all policy elements

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors

(6) >90% to <100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 9	CORE	PGS 2	N/A	PUBLIC	Responsible investment policy coverage	1

What proportion of your AUM is covered by your formal policies or guidelines on climate change, human rights, or other systematic sustainability issues?

AUM coverage

(A) Specific guidelines on climate change

(1) for all of our AUM

(B) Specific guidelines on human rights

(1) for all of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10	CORE	OO 8, OO 9, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

Per asset class, what percentage of your AUM is covered by your policy(ies) or guidelines on stewardship with investees?

(A) Listed equity

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%**
- (11) 100%

(2) If your AUM coverage is below 100%, explain why: (Voluntary)

DNR Capital's asset allocation to externally managed listed equity is 1% of its total listed equity FUM. DNR Capital prioritise our ESG resources toward our internally managed active equity exposure (98% total FUM), where we have the greatest ability to effect ESG related outcomes.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10.1	CORE	OO 9.1, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

What percentage of your listed equity holdings is covered by your guidelines on (proxy) voting?

(A) **Actively managed listed equity**

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) **100%**

GOVERNANCE

ROLES AND RESPONSIBILITIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11	CORE	N/A	Multiple indicators	PUBLIC	Roles and responsibilities	1

Which senior level body(ies) or role(s) in your organisation have formal oversight over and accountability for responsible investment?

- (A) **Board members, trustees, or equivalent**
- (B) **Senior executive-level staff, or equivalent**

Specify:

The Board and executive level management have formal oversight over and accountability for responsible investment at DNR Capital.

- (C) **Investment committee, or equivalent**

Specify:

DNR Capital's Socially Responsible Investment Committee (SRIC) was established in 2010 and oversees the implementation of DNR Capital's ESG strategy and policy suite. The SRIC is further responsible for overseeing the implementation of the SRI Portfolio's ESG related investment guidelines. The SRIC provides a mechanism of accountability by reviewing and monitoring the ESG data, investment processes, performance and outcomes of all investment strategies.

- (D) **Head of department, or equivalent**

Specify department:

DNR Capital's CIO is responsible for the firm's ESG policies and strategy. The CIO sits on the DNR Capital Board and is Chair of the SRIC. DNR Capital's ESG investment capability is led by a senior, dedicated ESG investment analyst, who reports directly to the CIO.

- (E) None of the above bodies and roles have oversight over and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.1	CORE	PGS 1, PGS 2, PGS 11	N/A	PUBLIC	Roles and responsibilities	1, 2

Does your organisation's senior level body(ies) or role(s) have formal oversight over and accountability for the elements covered in your responsible investment policy(ies)?

	(1) Board members, trustees, or equivalent	(2) Senior executive-level staff, investment committee, head of department, or equivalent
(A) Overall approach to responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Guidelines on environmental, social and/or governance factors	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Specific guidelines on climate change (may be part of guidelines on environmental factors)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Specific guidelines on human rights (may be part of guidelines on social factors)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(J) Stewardship: Guidelines on engagement with investees	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(M) Stewardship: Guidelines on (proxy) voting	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(N) This role has no formal oversight over and accountability for any of the above elements covered in our responsible investment policy(ies)	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.2	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1 – 6

Does your organisation have governance processes or structures to ensure that your overall political engagement is aligned with your commitment to the principles of PRI, including any political engagement conducted by third parties on your behalf?

- (A) Yes
- (B) No

(C) Not applicable, our organisation does not conduct any form of political engagement directly or through any third parties

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 12	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1

In your organisation, which internal or external roles are responsible for implementing your approach to responsible investment?

(A) Internal role(s)

Specify:

DNR Capital's CIO is responsible for the firm's ESG policies and strategy. DNR Capital's ESG investment capability is led by a senior, dedicated ESG investment analyst, who is responsible for the delivery and implementation of DNR Capital's ESG policies and strategy. Together with a second ESG investment analyst, they work with stock analysts and portfolio managers to identify and assess material ESG risks and deliver DNR Capital's stewardship and proxy voting initiatives.

(B) External investment managers, service providers, or other external partners or suppliers

(C) We do not have any internal or external roles with responsibility for implementing responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 13	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

Does your organisation use responsible investment KPIs to evaluate the performance of your board members, trustees, or equivalent?

(A) Yes, we use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent

(B) No, we do not use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent

Explain why: (Voluntary)

DNR Capital's Non-Executive Directors are paid a director's fee. There is no performance component to the fee payment, ESG or otherwise.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 14	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

Does your organisation use responsible investment KPIs to evaluate the performance of your senior executive-level staff (or equivalent), and are these KPIs linked to compensation?

(A) Yes, we use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

Indicate whether these responsible investment KPIs are linked to compensation

(1) KPIs are linked to compensation

(2) KPIs are not linked to compensation as these roles do not have variable compensation

(3) KPIs are not linked to compensation even though these roles have variable compensation

Describe: (Voluntary)

DNR Capital's primary ESG risk relates to investment risk. As such, ESG outcomes are included in remuneration outcomes for investment team professionals. DNR Capital are in the process of integrating ESG outcomes into non-investment executive management remuneration, with an initial focus on those executives who sit on the Corporate Sustainability Team.

- (B) No, we do not use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 15	PLUS	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

What responsible investment competencies do you regularly include in the training of senior-level body(ies) or role(s) in your organisation?

	(1) Board members, trustees or equivalent	(2) Senior executive-level staff, investment committee, head of department or equivalent
(A) Specific competence in climate change mitigation and adaptation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Specific competence in investors' responsibility to respect human rights	<input type="checkbox"/>	<input type="checkbox"/>
(C) Specific competence in other systematic sustainability issues	<input type="checkbox"/>	<input type="checkbox"/>
(D) The regular training of this senior leadership role does not include any of the above responsible investment competencies	<input checked="" type="radio"/>	<input type="radio"/>

EXTERNAL REPORTING AND DISCLOSURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 16	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

What elements are included in your regular reporting to clients and/or beneficiaries for the majority of your AUM?

- (A) Any changes in policies related to responsible investment
- (B) Any changes in governance or oversight related to responsible investment
- (C) Stewardship-related commitments
- (D) Progress towards stewardship-related commitments
- (E) Climate-related commitments

- (F) Progress towards climate-related commitments
- (G) Human rights-related commitments
- (H) Progress towards human rights-related commitments
- (I) Commitments to other systematic sustainability issues
- (J) Progress towards commitments on other systematic sustainability issues
- (K) We do not include any of these elements in our regular reporting to clients and/or beneficiaries for the majority of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 17	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose climate-related information in line with the Task Force on Climate-Related Financial Disclosures' (TCFD) recommendations?

- (A) Yes, including governance-related recommended disclosures
 - (B) Yes, including strategy-related recommended disclosures
 - (C) Yes, including risk management-related recommended disclosures
 - (D) Yes, including applicable metrics and targets-related recommended disclosures
 - (E) None of the above
- Explain why: (Voluntary)

During the reporting year, DNR Capital did not report under TCFD framework. However, DNR Capital's Australian Equities High Conviction Fund and Australian Emerging Companies Fund will be required to report in Group 3 as registered managed investment schemes under the Australian Sustainability Reporting Standards (Climate) (ASRS). DNR Capital's Board has committed to preparing to report under this framework with the following initiatives:

- Established Corporate Sustainability team which comprises CEO, COO, Head of Finance, Head of Risk & Compliance and Senior ESG Investment Analyst, with responsibility for delivering DNR Capital's ASRS report;
- Conducted ASRS gap analysis; and
- Developing business plan for meeting ASRS reporting requirements.

DNR Capital have a strong foundation in assessing investment related climate risk, including:

- Support for the global ambition to limit global warming through reduced carbon emissions;
- Board approved stand-alone Climate Change Policy which outlines DNR Capital's approach to climate governance and climate risk identification, strategy and management;
- Subscription to third party climate data to identify and assess climate risk at stock and portfolio level, including scenario analysis;
- Developed a database of company and portfolio level climate change related indicators that is monitored and tracked over time;
- Fundamental climate stock research including an assessment of climate governance, transition planning, adequacy of net zero commitments, physical climate risk and disclosure; and
- Climate change related company engagement program.

DNR Capital's database of company and portfolio level climate change related indicators, coupled with output from ISS' Climate Impact Report has facilitated the monitoring of climate risk at the stock and portfolio level over time. This quantitative approach complements our fundamental climate stock research.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 19	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose its membership in and support for trade associations, think tanks or similar bodies that conduct any form of political engagement?

(A) Yes, we publicly disclosed all of our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement

Add link(s):

<https://dnrcapital.com.au/about/socially-responsible-investing/>
<https://dnrcapital.com.au/wp-content/uploads/2024/08/DNR-Capital-Stewardship-Report-2024-FINAL.pdf>

- (B) Yes, we publicly disclosed some of our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- (C) No, we did not publicly disclose our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- (D) Not applicable, we were not members in or supporters of any trade associations, think tanks, or similar bodies that conduct any form of political engagement during the reporting year

STRATEGY

CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 20	CORE	N/A	N/A	PUBLIC	Capital allocation	1

Which elements do your organisation-level exclusions cover?

- (A) Exclusions based on our organisation's values or beliefs regarding particular sectors, products or services
- (B) Exclusions based on our organisation's values or beliefs regarding particular regions or countries
- (C) Exclusions based on minimum standards of business practice aligned with international norms such as the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, UN Security Council sanctions or the UN Global Compact
- (D) Exclusions based on our organisation's climate change commitments
- (E) Other elements
- (F) Not applicable; our organisation does not have any organisation-level exclusions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 21	CORE	N/A	N/A	PUBLIC	Capital allocation	1

How does your responsible investment approach influence your strategic asset allocation process?

- (A) We incorporate ESG factors into our assessment of expected asset class risks and returns

- (B) We incorporate climate change–related risks and opportunities into our assessment of expected asset class risks and returns
- (C) We incorporate human rights–related risks and opportunities into our assessment of expected asset class risks and returns
- (D) We incorporate risks and opportunities related to other systematic sustainability issues into our assessment of expected asset class risks and returns
- (E) We do not incorporate ESG factors, climate change, human rights or other systematic sustainability issues into our assessment of expected asset class risks and returns
- (F) Not applicable; we do not have a strategic asset allocation process

STEWARDSHIP: OVERALL STEWARDSHIP STRATEGY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 22	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

For the majority of AUM within each asset class, which of the following best describes your primary stewardship objective?

(1) Listed equity

(A) Maximise our portfolio-level risk-adjusted returns. In doing so, we seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.

(B) Maximise our individual investments' risk-adjusted returns. In doing so, we do not seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 23	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

How does your organisation, or the external service providers or external managers acting on your behalf, prioritise the investees or other entities on which to focus its stewardship efforts?

DNR Capital conduct a program of dedicated ESG meetings which focus on the key issues of climate change, modern slavery, plastics and waste, conduct and culture, social licence, cybersecurity and corporate and ESG governance, amongst other issues. We engage with portfolio companies with exposure to these risks, to understand their engagement and risk identification and management strategies and to advocate for best practice. These issues are prioritised with consideration to the following factors:

- materiality of ESG factors on financial and/or operational performance;
- the systematic impact of the issue, i.e. climate change;
- the ESG score of the company;
- the adequacy of public disclosure on ESG factors / performance;
- active weight of holding and other portfolio construction factors;
- diversity of ESG factors across engagement program; and
- representation of companies held in each investment strategy.

Where appropriate, we also consult clients and their ESG corporate engagement priorities.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

Which of the following best describes your organisation's default position, or the position of the external service providers or external managers acting on your behalf, concerning collaborative stewardship efforts?

- (A) We recognise the value of collective action, and as a result, we prioritise collaborative stewardship efforts wherever possible
- (B) We collaborate on a case-by-case basis
- (C) Other
- (D) We do not join collaborative stewardship efforts

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24.1	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

Elaborate on your organisation’s default position on collaborative stewardship, or the position of the external service providers or external investment managers acting on your behalf, including any other details on your overall approach to collaboration.

DNR Capital's default position on collaborative stewardship is that, where appropriate, we will collaborate with other investors as an escalation strategy. Where we have conducted corporate stewardship and are unsatisfied with a company's delivery against its undertakings, we may undertake the following:

- seek engagement with other company representatives;
- use alternative communication mediums;
- divest or implement an exit plan;
- use proxy voting to vote against the re-election of a Director or remuneration report; and
- where appropriate, collaborate with other shareholders.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 25	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

Rank the channels that are most important for your organisation in achieving its stewardship objectives.

- (A) Internal resources, e.g. stewardship team, investment team, ESG team, or staff**
Select from the list:
 1
- (B) External investment managers, third-party operators and/or external property managers, if applicable**
Select from the list:
 4
- (C) External paid specialist stewardship services (e.g. engagement overlay services or, in private markets, sustainability consultants) excluding investment managers, real assets third-party operators, or external property managers**
Select from the list:
 5
- (D) Informal or unstructured collaborations with investors or other entities**
Select from the list:
 2
- (E) Formal collaborative engagements, e.g. PRI-coordinated collaborative engagements, Climate Action 100+, or similar**
Select from the list:
 3
- (F) We do not use any of these channels

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 27	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

How are your organisation's stewardship activities linked to your investment decision making, and vice versa?

DNR Capital's ESG capability, including ESG integration and stewardship, is conducted in-house by our investment team. This enables ESG issues identified in the investment decision-making process to be prioritised for stewardship initiatives, and conversely, enables real time feedback from stewardship initiatives to be incorporated into the investment decision-making process. DNR Capital monitor progress against company undertakings and have an escalation strategy where we are unsatisfied with progress. The use of a protest proxy vote, divestment or collaborative engagement strategies are considered on a case by case basis, with decisions made collaboratively between the underlying stock investment analyst, ESG investment analysts, relevant portfolio managers and the CIO.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 28	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

If relevant, provide any further details on your organisation's overall stewardship strategy.

Given the systematic impact of climate change risk and the materiality of modern slavery risk, these issues are a core focus of DNR Capital's corporate engagement program. Our approach to climate change and modern slavery engagement is consistent with our approach to corporate engagement more generally, with a focus on the following factors, where relevant:

- governance: remuneration alignment with achievement of climate/modern slavery related outcomes, adequacy of climate/modern slavery experience at the Board level, climate/modern slavery strategy and integration in capital allocation decisions and capex budget;
- disclosure: TCFD/Modern Slavery Statement compliance;
- risk identification: adequacy of data, systems and processes to identify climate/modern slavery risk, including depth of supply chain mapping, climate scenario analysis (financial impact and granularity of climate scenario analysis at asset level), stranded asset risk, risk rating system;
- transition and physical climate risk management: climate transition action plan, signpost analysis and view on current transition trajectory, net zero commitment including Science Based Targets initiative (SBTi), ambition of medium and long term targets, inclusion of scope 1, 2 and 3 emissions, strategy, plan and resourcing to achieve targets, reliance on offsets to achieve targets and physical climate asset resilience;
- modern slavery risk management: supplier due diligence and contractual operational expectations, compliance with international standards, frequency and outcomes of supplier visits and audits; and
- modern slavery remediation: resources and process for overseeing remediation, timeframe for remedial actions, incorporation of learnings into modern slavery risk identification and management practices.

STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 29	CORE	OO 9, PGS 1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

When you use external service providers to give recommendations, how do you ensure those recommendations are consistent with your organisation's (proxy) voting policy?

(A) Before voting is executed, we review external service providers' voting recommendations for controversial and high-profile votes

Select from the below list:

- (1) in all cases**
- (2) in a majority of cases
- (3) in a minority of cases

(B) Before voting is executed, we review external service providers' voting recommendations where the application of our voting policy is unclear

Select from the below list:

- (1) in all cases**
- (2) in a majority of cases
- (3) in a minority of cases
- (D) We do not review external service providers' voting recommendations
- (E) Not applicable; we do not use external service providers to give voting recommendations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 30	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

How is voting addressed in your securities lending programme?

- (A) We recall all securities for voting on all ballot items
- (B) When a vote is deemed important according to pre-established criteria (e.g. high stake in the company), we recall all our securities for voting
- (C) Other
- (D) We do not recall our securities for voting purposes
- (E) Not applicable; we do not have a securities lending programme**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 31	CORE	OO 9.1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

For the majority of votes cast over which you have discretion to vote, which of the following best describes your decision making approach regarding shareholder resolutions (or that of your external service provider(s) if decision making is delegated to them)?

- (A) We vote in favour of resolutions expected to advance progress on our stewardship priorities, including affirming a company's good practice or prior commitment
- (B) We vote in favour of resolutions expected to advance progress on our stewardship priorities, but only if the investee company has not already publicly committed to the action(s) requested in the proposal
- (C) We vote in favour of shareholder resolutions only as an escalation measure**

- (D) We vote in favour of the investee company management's recommendations by default
- (E) Not applicable; we do not vote on shareholder resolutions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 32	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

During the reporting year, how did your organisation, or your external service provider(s), pre-declare voting intentions prior to voting in annual general meetings (AGMs) or extraordinary general meetings (EGMs)?

- (A) We pre-declared our voting intentions publicly through the PRI's vote declaration system on the Resolution Database
- (B) We pre-declared our voting intentions publicly by other means, e.g. through our website
- (C) We privately communicated our voting decision to investee companies prior to the AGM/EGM
- (D) We did not privately or publicly communicate our voting intentions prior to the AGM/EGM
- (E) Not applicable; we did not cast any (proxy) votes during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33	CORE	OO 9	PGS 33.1	PUBLIC	Stewardship: (Proxy) voting	2

After voting has taken place, do you publicly disclose your (proxy) voting decisions or those made on your behalf by your external service provider(s), company by company and in a central source?

- (A) Yes, for all (proxy) votes

Add link(s):

https://dnrcapital.com.au/wp-content/uploads/2024/09/FY24-Proxy-Voting_Website-data_Formatted.pdf

- (B) Yes, for the majority of (proxy) votes
- (C) Yes, for a minority of (proxy) votes
- (D) No, we do not publicly report our (proxy) voting decisions company-by-company and in a central source

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33.1	CORE	PGS 33	N/A	PUBLIC	Stewardship: (Proxy) voting	2

In the majority of cases, how soon after an investee's annual general meeting (AGM) or extraordinary general meeting (EGM) do you publish your voting decisions?

- (A) Within one month of the AGM/EGM
- (B) Within three months of the AGM/EGM
- (C) Within six months of the AGM/EGM
- (D) Within one year of the AGM/EGM
- (E) More than one year after the AGM/EGM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 34	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

After voting has taken place, did your organisation, and/or the external service provider(s) acting on your behalf, communicate the rationale for your voting decisions during the reporting year?

	(1) In cases where we abstained or voted against management recommendations	(2) In cases where we voted against an ESG-related shareholder resolution
(A) Yes, we publicly disclosed the rationale		
(B) Yes, we privately communicated the rationale to the company	(2) for a majority of votes	(3) for a minority of votes
(C) We did not publicly or privately communicate the rationale, or we did not track this information	○	○
(D) Not applicable; we did not abstain or vote against management recommendations or ESG-related shareholder resolutions during the reporting year	○	○

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 35	PLUS	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

How does your organisation ensure vote confirmation, i.e. that your votes have been cast and counted correctly?

DNR Capital use the voting platforms ProxyEdge, ISS ProxyExchange and Proxymity. DNR Capital use the functionality within these platforms to ensure vote confirmation. Each platform provides voting status and confirmation within the interface (Not Voted/Voted etc) and within that, a vote count per stock per portfolio. DNR Capital also download proxy voting summary reports to ensure vote confirmation. ProxyEdge has additional functionality that provides notification of volume related proxy voting changes. Where DNR Capital may trade a stock after it has submitted its proxy voting, ProxyEdge will automatically update the proxy vote count and provide email confirmation of the final count.

STEWARDSHIP: ESCALATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 36	CORE	OO 8, OO 9 HF, OO 9	N/A	PUBLIC	Stewardship: Escalation	2

For your listed equity holdings, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?

(1) Listed equity

(A) Joining or broadening an existing collaborative engagement or creating a new one



(B) Filing, co-filing, and/or submitting a shareholder resolution or proposal



(C) Publicly engaging the entity, e.g. signing an open letter



(D) Voting against the re-election of one or more board directors



(E) Voting against the chair of the board of directors, or equivalent, e.g. lead independent director



(F) Divesting



(G) Litigation



(H) Other



(I) In the past three years, we did not use any of the above escalation measures for our listed equity holdings



STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39	CORE	OO 8, OO 9	PGS 39.1, PGS 39.2	PUBLIC	Stewardship: Engagement with policy makers	2

Did your organisation, or the external investment managers or service providers acting on your behalf, engage with policy makers as part of your responsible investment approach during the reporting year?

- (A) Yes, we engaged with policy makers directly
- (B) Yes, we engaged with policy makers through the leadership of or active participation in working groups or collaborative initiatives, including via the PRI
- (C) Yes, we were members of, supported, or were in another way affiliated with third party organisations, including trade associations and non-profit organisations, that engage with policy makers, excluding the PRI
 - (D) We did not engage with policy makers directly or indirectly during the reporting year beyond our membership in the PRI

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.1	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, what methods did you, or the external investment managers or service providers acting on your behalf, use to engage with policy makers as part of your responsible investment approach?

- (A) We participated in 'sign-on' letters
- (B) We responded to policy consultations
- (C) We provided technical input via government- or regulator-backed working groups
- (D) We engaged policy makers on our own initiative
- (E) Other methods

Describe:

Whilst DNR Capital do not directly engage with public policy makers, we are members of the industry association Responsible Investment Association Australasia (RIAA) that conduct policy advocacy work on our behalf. DNR Capital review RIAA's Policy Platform to ensure that it is aligned with DNR Capital's commitment to the principles of PRI.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.2	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, did your organisation publicly disclose details of your engagement with policy makers conducted as part of your responsible investment approach, including through external investment managers or service providers?

- (A) We publicly disclosed all our policy positions
- (B) We publicly disclosed details of our engagements with policy makers

● (C) No, we did not publicly disclose details of our engagement with policy makers conducted as part of our responsible investment approach during the reporting year

Explain why:

DNR Capital recognises and supports the public policy engagement initiatives conducted by RIAA but does not take individual accountability, nor see fit to report, on its outcomes.

STEWARDSHIP: EXAMPLES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 40	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Examples	2

Provide examples of stewardship activities that you conducted individually or collaboratively during the reporting year that contributed to desired changes in the investees, policy makers or other entities with which you interacted.

(A) Example 1:

Title of stewardship activity:

Advocate for restructured remuneration policy and Chairperson succession at Lendlease (LLC)

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

As a long-term shareholder of Lendlease (LLC) LLC, DNR Capital has conducted comprehensive engagement with the Chairperson regarding governance and in recent years, to advocate for:

- improved alignment of LLC's remuneration outcomes with the share price experience of minority shareholders; and
- Chair succession.

In 2023 LLC incurred a "first strike", being a >25% vote against its remuneration report. In 2024, and in consultation with DNR Capital, LLC restructured its remuneration strategy. The restructured remuneration strategy includes the grant of share options subject to absolute share price performance, in place of the short-term incentive (STI) plan. This structure improves the alignment between the share price experience of minority shareholders and executive remuneration outcomes. The options will vest in 2 years, following the release of the FY26 financial results, with the two-year term designed to incentivise sustained share price performance. The options have an absolute share price hurdle of 10%pa over the two-year period. With respect to LLC's long-term incentive (LTI) plan, LLC has changed the metrics used to assess the vesting of the zero exercise price options (ZEPOs) to include relative total shareholder return (TSR) and statutory return on equity (ROE), both weighted at 50%. Hence, the STI, and half of the LTI, which forms the largest component of executive remuneration, will also be aligned with LLC's share price performance.

Following investor pressure, LLC's Chairperson, Michael Ulmer, resigned, and was replaced by John Gillam in November 2024. There is strong investor support for the new Chairperson and the company's strategy. He will challenge the management team to complete the restructure program in 18 months, and to work simultaneously on its growth strategy as the reset tails off. The new Chairperson will also assess the merit of reducing the number of Directors who sit on the Board and begin the recruitment process to appoint a new Chairperson of the Audit Committee. DNR Capital will continue to monitor LLC for delivery of its restructuring strategy and governance initiatives and will engage with the company as required.

(B) Example 2:

Title of stewardship activity:

Advocate for improved corporate governance and compliance at Steadfast Group (SDF)

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Steadfast Group (SDF) In September 2024, the ABC's Four Corners conducted a review of the strata insurance industry and raised concerns regarding the transparency and disclosure of remuneration arrangements between insurers and strata managers to the policy holder, being owners' corporations. The Four Corners documentary also alleged that SDF improperly channeled business to its related entities. Following the documentary, the SDF Board undertook a review of existing customer protocols, which found no instances of wrong-doing or non-compliance. DNR Capital engaged with the company to understand its response to the allegations and to advocate for continued investment in governance and compliance.

SDF has been an industry leader in initiating industry reform and governance and maintain that the media allegations are unsubstantiated and noted the following.

- In 2022 SDF engaged industry expert John Trowbridge to conduct an industry review. SDF implemented many of the recommendations and made the reports available to Federal and State governments and to regulators.
- It has appointed an external risk consultant to review and improve SDF risk frameworks.
- In 2021 SDF acquired Gold Seal to strengthen its capabilities in compliance, training customer experience and HR management. Consolidating on this work, and in response to the 2024 Four Corners allegations, the SDF Board requested a review of existing customer protocols and recommissioned John Trowbridge to conduct an independent review. Whilst no instances of wrong-doing or non-compliance were found, SDF has undertaken the following initiatives:
 - SDF have requested that strata managers improve the disclosure of fee arrangements between insurers and strata managers to owners' corporations, including disclosure of every quote received and requested, and a breakdown of all fee types.
 - Simplified fee and commission structures.
 - Expanded on SDF internal audit and governance functions, including the recruitment of newly created role of Chief Risk Officer and increased resourcing within internal audit function, Gold Seal.
 - Created comprehensive Group Conflicts of Interest Policy and Framework separate from Group Code of Conduct.

DNR Capital concluded that SDF has maintained its position as industry leader in initiating industry reform and governance, both before and after the media allegations. DNR Capital are satisfied that the media allegations are likely unsubstantiated and that no evidence has been provided to support that there have been instances of:

- Channeling of incentives between SDF and related entities; nor
- Evidence of deliberate actions or inactions relating to non-compliance with regulatory or legislative obligations.

Following industry engagement, SDF has committed to continuing to invest in its governance and compliance capabilities, under the stewardship of the newly created role of Chief Risk Officer. DNR Capital will continue to monitor SDF for implementation of its operational expectations and conduct engagement as required.

(C) Example 3:

Title of stewardship activity:

Advocate for continued investment in Aristocrat's (ALL) modern slavery risk identification and management practices.

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Aristocrat Leisure (ALL) is categorized as "high risk" under ISS' Modern Slavery Risk Overall Classification given exposure in its hardware business to the information technology sector in high-risk geographies. DNR Capital engaged with ALL to advocate for continued investment in its modern slavery risk identification and management practices.

Operating in the highly regulated gaming industry, ALL have a strong compliance culture and seek to be industry leaders. ALL has strong modern slavery related governance, its strong policy framework is supported by adequate resourcing, reporting, training, compliance processes and remuneration alignment.

ALL take a risk-based approach to managing modern slavery. Its primary focus has been developing risk identification and management capability within its higher risk hardware business where it has strong supplier relationships and good supply chain visibility. ALL is currently adapting this approach for implementation in its digital business. For tier one suppliers, ALL has a comprehensive supplier due diligence program which includes a supplier self-assessment questionnaire, compliance probity and supplier visits and audits. Modern slavery is included in ALL's supplier code of conduct. ALL is building its audit capability, initially conducting audits in conjunction with a third-party expert. It targets to increase its audit coverage and frequency and to integrate modern slavery observations into ALL's more frequent supplier visits. Whilst currently small in scale, supplier engagement has been positive.

ALL has engaged an independent data provider to enhance transparency and identify modern slavery risks within the deeper tiers of its supply chain. ALL acknowledge the requirement for continued investment in its modern slavery risk management capability and have undertaken to:

- implement its modern slavery processes in its digital business;
- build its internal audit capability to increase the coverage and frequency of its audit program; and
- improve visibility of modern slavery issues in lower tiers of its supply chain.

DNR Capital will continue to monitor ALL for delivery against its modern slavery undertakings.

(D) Example 4:

Title of stewardship activity:

Assess the adequacy of Treasure Wine estate's (TWE) physical climate and water risk management strategy and to advocate for continued investment in physical climate resilience.

- (1) Led by
- (1) Internally led
 - (2) External service provider led
 - (3) Led by an external investment manager, real assets third-party operator and/or external property manager
- (2) Primary focus of stewardship activity
- (1) Environmental factors
 - (2) Social factors
 - (3) Governance factors
- (3) Asset class(es)
- (1) Listed equity
 - (2) Fixed income
 - (3) Private equity
 - (4) Real estate
 - (5) Infrastructure
 - (6) Hedge funds
 - (7) Forestry
 - (8) Farmland
 - (9) Other
- (4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

As an agricultural company, Treasure Wine Estate (TWE) is exposed to physical climate and water risks. DNR Capital met with TWE's Head of Sustainability, to assess the adequacy of its physical climate and water risk management strategy and to advocate for continued investment in physical climate resilience.

TWE is an exceptional case study where we observe transparent financial returns on sustainable investment and a strong cultural alignment of sustainability implementation.

TWE is exposed to physical climate and water risks. Viticulture is highly sensitive to changes in weather patterns, aggregate changes such as total rainfall, and inter-seasonal changes like the timing of the rainfall. TWE's water risk is exacerbated by the fact that the Barossa Valley does not have a natural water source. Social factors, such as the community share of water resources also impact this risk. Given these factors, there is a strong commitment from the Board and executive management to invest in risk management strategies.

TWE has invested in its data analytics capability and is building three climate models, reflecting 1.5°C, 2.5°C and 4°C warming outcomes. Insight and predictive capability gained in this process will be used to inform investment decisions in climate and water management practices. TWE is currently conducting a trial of a vineyard canopy and of a dam lining and covering. These projects have met internal return hurdles, given their ability to improve grape yield and reduce costs.

Separately, with some of the oldest grape stocks in the world, TWE is conducting a genetic engineering study to understand vine resilience to climate events such as drought. TWE may be able to use a rapid breeding program to improve the climate resilience of its vine stock. This would have the additional environmental benefit of requiring less pesticides.

TWE has a strong physical climate and water risk management strategies. TWE is an exceptional case study where we observe transparent financial returns on sustainable investment and a strong cultural alignment of sustainability implementation. TWE will continue to invest to improve its resilience to physical climate impacts.

- (E) Example 5:
Title of stewardship activity:

Assess the adequacy of National Australia Bank's (NAB) customer transition plan (CTP) assessment framework, being the systems and processes through which NAB will implement, and deliver, its financed emissions targets.

- (1) Led by
- (1) Internally led
 - (2) External service provider led
 - (3) Led by an external investment manager, real assets third-party operator and/or external property manager
- (2) Primary focus of stewardship activity
- (1) Environmental factors
 - (2) Social factors
 - (3) Governance factors
- (3) Asset class(es)
- (1) Listed equity
 - (2) Fixed income
 - (3) Private equity
 - (4) Real estate
 - (5) Infrastructure

- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

DNR Capital has a long history of engagement with National Australia Bank (NAB) on its climate strategy and financed emissions reduction ambition. Our most recent engagement focused on the implementation of its customer transition plan (CTP) assessment framework, being the systems and processes through which NAB will implement, and deliver, its financed emissions targets. NAB first disclosed its framework to assess the integrity of its customers' transition plans in June 2024. Since then, NAB has conducted an external review of the framework, with key refinements including:

- Quantified assessment of performance against interim emissions targets.
- Weighted average factor inputs, the weight of each factor differs by sector and may differ over time.
- Four tier rating system.

NAB will implement this assessment framework for in-scope Corporate and Institutional (C&I) customers, including power generation, oil & gas and metallurgical coal ahead of the 1 October 2025 implementation date. From that time, where an in-scope customer does not have a Customer Transition Plan in place or is unable to demonstrate progress beyond an overall rating of "Limited" NAB will not provide renewed corporate or trade financing facilities or facilitate capital market transactions. This is in line with the other major banks, with CBA's implementation date starting 1 January 2025, and ANZ and Westpac's implementation date 4Q25.

Given NAB's work to date understanding the transition maturity of its largest 100 emitting customers, most of the in-scope customers do already have transition plans. The indicative ratings of these customers are roughly bell-curved, with a slight skew towards the "Limited" rating.

NAB has invested in upskilling its C&I bankers to conduct the initial framework assessment, however, they will be supported by NAB's Climate Office that will review and challenge the initial assessment.

NAB will review its assessment framework annually for continuous improvement and to align with reporting regimes such as Australian Sustainability Reporting Standards (ASRS).

DNR Capital will continue to monitor NAB for progress against its climate targets and for announcement of its agricultural financed emissions target.

CLIMATE CHANGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41	CORE	N/A	PGS 41.1	PUBLIC	Climate change	General

Has your organisation identified climate-related risks and opportunities affecting your investments?

(A) Yes, within our standard planning horizon

Specify the risks and opportunities identified and your relevant standard planning horizon:

DNR Capital invests over a 3 to 5 year horizon. DNR Capital considers the key climate change risks and opportunities over our investment horizon to include:

- increased climate policies and regulation such as tougher emissions and energy efficiency standards and the impost of carbon pricing;
- increased climate related financial disclosure requirements;
- inefficient capital allocation towards energy transition;
- slower deployment of renewable energy (delays in approvals, shortages in future facing commodities etc) supporting medium term demand for fossil fuels;
- emergence of "green premiums";
- decreasing capital and operating costs of climate transition enabling technology, including renewable energy, electric vehicles, battery storage etc;
- changing patterns of consumer demand, investment, production, demand and growth; and
- near term physical impacts of acute weather events such as physical damage to assets and infrastructure, operating and supply chain interruptions, destruction of inventory and other such financial impacts.

(B) Yes, beyond our standard planning horizon

Specify the risks and opportunities identified and your relevant standard planning horizon:

Beyond DNR Capital's investment horizon of 3 to 5 years, there is a large spectrum of climate related outcomes, ranging from, in the best case scenario, an orderly transition to a low carbon economy, to, in the worst case scenario, social, political and economic disorder from the failure to mitigate climate change risks and incurring the full impost of physical climate change. DNR Capital allows for a range of outcomes when assessing impact on long term value.

- (C) No, we have not identified climate-related risks and/or opportunities affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41.1	CORE	PGS 41	N/A	PUBLIC	Climate change	General

Does your organisation integrate climate-related risks and opportunities affecting your investments in its overall investment strategy, financial planning and (if relevant) products?

● (A) Yes, our overall investment strategy, financial planning and (if relevant) products integrate climate-related risks and opportunities

Describe how climate-related risks and opportunities have affected or are expected to affect your investment strategy, financial planning and (if relevant) products:

DNR Capital supports the global ambition to limit global warming through reduced carbon emissions. Climate change has been identified by the Board as a material risk and is included in DNR Capital's enterprise risk register. DNR Capital's primary climate change risk relates to investment risk. As such, DNR Capital's climate change risk management strategy focuses on identifying, assessing and managing climate change related investment risk. This is consistent with our investment philosophy and ESG integration and engagement strategy.

DNR Capital assess climate risk at the stock level and at the aggregate portfolio level. At the stock level, this includes:

- Climate change is one of nine factors assessed in DNR Capital's ESG score. Our ESG score is one of five components of our proprietary 'quality web', which is used to assess the quality of companies.
- Once a company is assessed to meet DNR Capital's quality criteria, detailed company analysis and valuation work is conducted to determine whether sufficient return upside exists. Consistent with DNR Capital's ESG integration and engagement investment strategy, climate change risks and opportunities are also factored into this assessment, our framework for this assessment is discussed in more detail below.
- Where material climate change risks are identified, DNR Capital will conduct a dedicated ESG engagement with the company.

At the aggregate portfolio level we track and monitor:

- portfolio emission exposure analysis (carbon footprint and carbon intensity contributors and attribution);
- climate scenario analysis (portfolio compliance with emission budgets and by sector);
- net zero analysis (assessment of quality and alignment of commitments);
- fossil fuel involvement and physical climate risk assessment;
- assessment of portfolio climate risk using ISS' proprietary "Carbon Risk Rating" (portfolio distribution of scores, top/bottom 5 rated holdings and sector attribution).

We assess a stock's transition plan using the following framework:

- climate governance: remuneration alignment with achievement of climate related outcomes, adequacy of climate experience at the Board level, climate strategy and integration of climate in capital allocation decisions and capex budget;
- climate disclosure: TCFD compliance;
- risk identification: adequacy of data, systems and processes to identify climate risk, including depth of supply chain mapping, climate scenario analysis (financial impact and granularity of climate scenario analysis at asset level), stranded asset risk, risk rating system;
- transition risk management: climate transition action plan, signpost analysis and view on current transition trajectory, net zero commitment including Science Based Targets initiative (SBTi), ambition of medium and long term targets, inclusion of scope 1, 2 and 3 emissions, strategy, plan and resourcing to achieve targets, reliance on offsets to achieve targets; and
- physical climate risk management: asset resilience and capex budget.

DNR Capital conduct comprehensive climate related engagement initiatives, advocating for:

- climate governance;
- climate disclosure;
- quality net zero commitment; and
- physical climate risk management.

The outcomes of these climate change assessments informs investment decision-making and portfolio construction.

- (B) No, our organisation has not yet integrated climate-related risks and opportunities into its investment strategy, financial planning and (if relevant) products

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 42	PLUS	N/A	N/A	PUBLIC	Climate change	General

Which sectors are covered by your organisation's strategy addressing high-emitting sectors?

(A) Coal

Describe your strategy:

In accordance with DNR Capital's ESG integration and engagement strategy, DNR Capital do not limit the investable universe for coal stocks, unless directed to do so by a client. Consistent with our quality investment philosophy, a company must meet our quality criteria including ESG, earnings strength, balance sheet strength, industry structure and management quality to be eligible to be held in the portfolio. As per DNR Capital's climate assessment framework outlined in PGS 41.1, we assess the quality of coal assets using a carbon adjusted cost curve, or similar.

(B) Gas

Describe your strategy:

In accordance with DNR Capital's ESG integration and engagement strategy, DNR Capital do not limit the investable universe for gas stocks, unless directed to do so by a client. Consistent with our quality investment philosophy, a company must meet our quality criteria including ESG, earnings strength, balance sheet strength, industry structure and management quality to be eligible to be held in the portfolio. As per DNR Capital's climate assessment framework outlined in PGS 41.1, we assess the quality of gas assets using a carbon adjusted cost curve, or similar. We also assess the company's transition plan with a particular focus on scope 3 emissions and its investment in new energy technologies.

(C) Oil

Describe your strategy:

In accordance with DNR Capital's ESG integration and engagement strategy, DNR Capital do not limit the investable universe for oil stocks, unless directed to do so by a client. Consistent with our quality investment philosophy, a company must meet our quality criteria including ESG, earnings strength, balance sheet strength, industry structure and management quality to be eligible to be held in the portfolio. As per DNR Capital's climate assessment framework outlined in PGS 41.1, we assess the quality of oil assets using a carbon adjusted cost curve, or similar. We also assess the company's transition plan with a particular focus on scope 3 emissions and its investment in new energy technologies.

(D) Utilities

Describe your strategy:

In accordance with DNR Capital's ESG integration and engagement strategy, DNR Capital do not limit the investable universe for utilities stocks, unless directed to do so by a client. Consistent with our quality investment philosophy, a company must meet our quality criteria including ESG, earnings strength, balance sheet strength, industry structure and management quality to be eligible to be held in the portfolio. As per DNR Capital's climate assessment framework outlined in PGS 41.1, we assess utility assets for stranded asset risk and exposure to renewable power generation and supporting infrastructure. We also assess the company's transition plan with a particular focus on scope 3 emissions and its investment in new energy technologies.

(E) Cement

Describe your strategy:

In accordance with DNR Capital's ESG integration and engagement strategy, DNR Capital do not limit the investable universe for cement stocks, unless directed to do so by a client. Consistent with our quality investment philosophy, a company must meet our quality criteria including ESG, earnings strength, balance sheet strength, industry structure and management quality to be eligible to be held in the portfolio. As per DNR Capital's climate assessment framework outlined in PGS 41.1, we assess cement assets using a carbon adjusted cost curve, or similar. We also assess the company's transition plan with a particular focus on scope 1 & 2 emissions and its investment in new technologies.

(F) Steel

Describe your strategy:

In accordance with DNR Capital's ESG integration and engagement strategy, DNR Capital do not limit the investable universe for steel stocks, unless directed to do so by a client. Consistent with our quality investment philosophy, a company must meet our quality criteria including ESG, earnings strength, balance sheet strength, industry structure and management quality to be eligible to be held in the portfolio. As per DNR Capital's climate assessment framework outlined in PGS 41.1, we assess steel assets using a carbon adjusted cost curve, or similar. We also assess the company's transition plan with a particular focus on scope 1 & 2 emissions and its investment in new low emissions technologies.

(G) Aviation

Describe your strategy:

In accordance with DNR Capital's ESG integration and engagement strategy, DNR Capital do not limit the investable universe for aviation stocks, unless directed to do so by a client. Consistent with our quality investment philosophy, a company must meet our quality criteria including ESG, earnings strength, balance sheet strength, industry structure and management quality to be eligible to be held in the portfolio. As per DNR Capital's climate assessment framework outlined in PGS 41.1, we assess aviation stocks for the financial impact of the assessed climate risk. We also assess the company's transition plan with a particular focus on scope 1 emissions and its investment in low carbon fuel technologies.

(H) Heavy duty road

Describe your strategy:

In accordance with DNR Capital's ESG integration and engagement strategy, DNR Capital do not limit the investable universe for heavy duty road transportation stocks, unless directed to do so by a client. Consistent with our quality investment philosophy, a company must meet our quality criteria including ESG, earnings strength, balance sheet strength, industry structure and management quality to be eligible to be held in the portfolio. As per DNR Capital's climate assessment framework outlined in PGS 41.1, we assess heavy duty road transport stocks for the financial impact of climate risk. We also assess the company's transition plan with a particular focus on scope 1 emissions and its investment in low carbon fuel technologies or alternative modes of transportation.

(I) Light duty road

Describe your strategy:

In accordance with DNR Capital's ESG integration and engagement strategy, DNR Capital do not limit the investable universe for light duty road transportation stocks, unless directed to do so by a client. Consistent with our quality investment philosophy, a company must meet our quality criteria including ESG, earnings strength, balance sheet strength, industry structure and management quality to be eligible to be held in the portfolio. As per DNR Capital's climate assessment framework outlined in PGS 41.1, we assess light duty road transport stocks for the financial impact of climate risk. We also assess the company's transition plan with a particular focus on scope 1 emissions and its investment in low carbon fuel technologies or alternative modes of transportation.

(J) Shipping

Describe your strategy:

In accordance with DNR Capital's ESG integration and engagement strategy, DNR Capital do not limit the investable universe for shipping transportation stocks, unless directed to do so by a client. Consistent with our quality investment philosophy, a company must meet our quality criteria including ESG, earnings strength, balance sheet strength, industry structure and management quality to be eligible to be held in the portfolio. As per DNR Capital's climate assessment framework outlined in PGS 41.1, we assess shipping stocks for the financial impact of climate risk. We also assess the company's transition plan with a particular focus on scope 1 emissions and its investment in low carbon fuel technologies or alternative modes of transportation.

(K) Aluminium

Describe your strategy:

In accordance with DNR Capital's ESG integration and engagement strategy, DNR Capital do not limit the investable universe for aluminium stocks, unless directed to do so by a client. Consistent with our quality investment philosophy, a company must meet our quality criteria including ESG, earnings strength, balance sheet strength, industry structure and management quality to be eligible to be held in the portfolio. As per DNR Capital's climate assessment framework outlined in PGS 41.1, we assess aluminium stocks using a carbon adjusted cost curve. We also assess the company's transition plan with a particular focus on scope 1 & 2 emissions and its investment in low carbon refining and smelting technologies.

(L) Agriculture, forestry, fishery

Describe your strategy:

In accordance with DNR Capital's ESG integration and engagement strategy, DNR Capital do not limit the investable universe for agriculture stocks, unless directed to do so by a client. Consistent with our quality investment philosophy, a company must meet our quality criteria including ESG, earnings strength, balance sheet strength, industry structure and management quality to be eligible to be held in the portfolio. As per DNR Capital's climate assessment framework outlined in PGS 41.1, we assess agriculture stocks for the financial impact of climate change. We also assess the company's transition plan with a particular focus on physical climate risk management.

(M) Chemicals

Describe your strategy:

In accordance with DNR Capital's ESG integration and engagement strategy, DNR Capital do not limit the investable universe for chemical stocks, unless directed to do so by a client. Consistent with our quality investment philosophy, a company must meet our quality criteria including ESG, earnings strength, balance sheet strength, industry structure and management quality to be eligible to be held in the portfolio. As per DNR Capital's climate assessment framework outlined in PGS 41.1, we assess chemicals stocks for the financial impact of climate change. We also assess the company's transition plan with a particular focus on scope 1 & 2 emissions and its investment in low carbon processing technologies.

(N) Construction and buildings

Describe your strategy:

In accordance with DNR Capital's ESG integration and engagement strategy, DNR Capital do not limit the investable universe for construction and building stocks, unless directed to do so by a client. Consistent with our quality investment philosophy, a company must meet our quality criteria including ESG, earnings strength, balance sheet strength, industry structure and management quality to be eligible to be held in the portfolio. As per DNR Capital's climate assessment framework outlined in PGS 41.1, we assess construction stocks for the financial impact of climate change. We also assess the company's transition plan with a particular focus on its embodied carbon footprint and its investment in low carbon construction materials.

(O) Textile and leather

Describe your strategy:

In accordance with DNR Capital's ESG integration and engagement strategy, DNR Capital do not limit the investable universe for textile stocks, unless directed to do so by a client. Consistent with our quality investment philosophy, a company must meet our quality criteria including ESG, earnings strength, balance sheet strength, industry structure and management quality to be eligible to be held in the portfolio. As per DNR Capital's climate assessment framework outlined in PGS 41.1, we assess textile stocks for the financial impact of climate change. We also assess the company's transition plan with a particular focus on scope 1 & 2 emissions.

(P) Water

Describe your strategy:

In accordance with DNR Capital's ESG integration and engagement strategy, DNR Capital do not limit the investable universe for water related stocks, or stocks with high water risk, unless directed to do so by a client. Consistent with our quality investment philosophy, a company must meet our quality criteria including ESG, earnings strength, balance sheet strength, industry structure and management quality to be eligible to be held in the portfolio. As per DNR Capital's climate assessment framework outlined in PGS 41.1, we assess water stocks for the financial impact of climate change. We also assess the company's transition plan with a particular focus on physical climate water risk management.

(Q) Other

- (R) We do not have a strategy addressing high-emitting sectors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 43	CORE	N/A	N/A	PUBLIC	Climate change	General

Has your organisation assessed the resilience of its investment strategy in different climate scenarios, including one in which the average temperature rise is held to below 2 degrees Celsius (preferably to 1.5 degrees Celsius) above pre-industrial levels?

- (A) Yes, using the Inevitable Policy Response Forecast Policy Scenario (FPS) or Required Policy Scenario (RPS)
- (B) Yes, using the One Earth Climate Model scenario
- (C) Yes, using the International Energy Agency (IEA) Net Zero scenario**
- (D) Yes, using other scenarios

- (E) No, we have not assessed the resilience of our investment strategy in different climate scenarios, including one that holds temperature rise to below 2 degrees

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 44	CORE	N/A	N/A	PUBLIC	Climate change	General

Does your organisation have a process to identify, assess, and manage the climate-related risks (potentially) affecting your investments?

(A) Yes, we have a process to identify and assess climate-related risks

(1) Describe your process

DNR Capital assess climate risk at the stock level and at the aggregate portfolio level. At the stock level, this includes:

- Climate change is one of nine factors assessed in DNR Capital's ESG score. Our ESG score is one of five components of our proprietary 'quality web', which is used to assess the quality of companies.
- Once a company is assessed to meet DNR Capital's quality criteria, detailed company analysis and valuation work is conducted to determine whether sufficient return upside exists. Consistent with DNR Capital's ESG integration and engagement investment strategy, climate change risks and opportunities are also factored into this assessment, our framework for this assessment is discussed in more detail below.
- Where material climate change risks are identified, DNR Capital will conduct a dedicated ESG engagement with the company.

At the aggregate portfolio level this includes:

- DNR Capital conduct a biannual ISS Climate Impact Assessment Report to assess aggregate climate risk at the portfolio level, including scenario analysis.
- DNR Capital maintain a database of company and portfolio level climate related indicators that is monitored and tracked over time.

We assess a stock's transition plan using the following framework:

- climate governance: remuneration alignment with achievement of climate related outcomes, adequacy of climate experience at the Board level, climate strategy and integration of climate in capital allocation decisions and capex budget;
- climate disclosure: TCFD compliance;
- risk identification: adequacy of data, systems and processes to identify climate risk, including climate scenario analysis (financial impact and granularity of climate scenario analysis at asset level), stranded asset risk, risk rating system;
- transition risk management: climate transition action plan, signpost analysis and view on current transition trajectory, net zero commitment including Science Based Targets initiative (SBTi), ambition of medium and long term targets, inclusion of scope 1, 2 and 3 emissions, strategy, plan and resourcing to achieve targets, reliance on offsets to achieve targets; and
- physical climate risk management: asset resilience and capex budget.

At the aggregate portfolio level we track and monitor:

- portfolio emission exposure analysis (carbon footprint and carbon intensity contributors and attribution);
- climate scenario analysis (portfolio compliance with emission budgets and by sector);
- net zero analysis (assessment of quality and alignment of commitments);
- fossil fuel involvement and physical climate risk assessment;
- assessment of portfolio climate risk using ISS' proprietary "Carbon Risk Rating" (portfolio distribution of scores, top/bottom 5 rated holdings and sector attribution).

DNR Capital conduct comprehensive climate related engagement initiatives, advocating for:

- climate governance;
- climate disclosure;
- quality net zero commitment; and
- physical climate risk management.

The outcomes of these climate change assessments informs investment decision-making and portfolio construction.

(2) Describe how this process is integrated into your overall risk management

DNR Capital assess climate risk at the stock level and at the aggregate portfolio level.

At the stock level, consistent with DNR Capital's ESG investment philosophy, where we invest in a company with climate risks, the forecast return is sufficient to compensate for the risk. Climate risk is also considered in the portfolio construction phase through the use of DNR Capital's risk return matrix to determine stock position sizing.

At the portfolio level, aggregate climate risk is tracked and monitored over time. Deterioration in aggregate climate risk metrics may trigger a re-evaluation of underlying portfolio construction. Aggregate climate risk is considered in portfolio construction alongside other risk factors including liquidity risk, forecast risk and equity raising risk.

(B) Yes, we have a process to manage climate-related risks

(1) Describe your process

DNR Capital manage climate-related risks through portfolio construction and company engagement.

Climate risk is considered in the portfolio construction phase through the use of DNR Capital's risk return matrix to determine stock position sizing. Aggregate climate risk is also considered in portfolio construction alongside other risk factors including liquidity risk, forecast risk and equity raising risk. Aggregate portfolio climate risk is tracked and monitored over time. Deterioration in aggregate climate risk metrics may trigger a re-evaluation of underlying portfolio construction.

- climate governance: remuneration alignment with achievement of climate related outcomes, adequacy of climate experience at the Board level, climate strategy and integration of climate in capital allocation decisions and capex budget;
- climate disclosure: TCFD compliance;
- risk identification: adequacy of data, systems and processes to identify climate risk, including climate scenario analysis (financial impact and granularity of climate scenario analysis at asset level), stranded asset risk, risk rating system;
- transition risk management: climate transition action plan, signpost analysis and view on current transition trajectory, net zero commitment including Science Based Targets initiative (SBTi), ambition of medium and long term targets, inclusion of scope 1, 2 and 3 emissions, strategy, plan and resourcing to achieve targets, reliance on offsets to achieve targets; and
- physical climate risk management: asset resilience and capex budget.

Where material climate risk is identified in the investment decision making process, DNR Capital conduct comprehensive climate related engagement initiatives, advocating for:

- climate governance including: remuneration alignment with achievement of climate related outcomes, adequacy of climate experience at the Board level, climate strategy and integration of climate in capital allocation decisions and capex budget;
- climate disclosure including: TCFD compliance;
- risk identification: data, systems and processes to identify climate risk, including climate scenario analysis (financial impact and granularity of climate scenario analysis at asset level), stranded asset risk, risk rating system;
- transition risk management: climate transition action plan, net zero commitment including Science Based Targets initiative (SBTi), strategy, plan and resourcing to achieve targets, reliance on offsets to achieve targets; and
- physical climate risk management: asset resilience and capex budget.

Improvement in the climate strategy and risk management of underlying stock holdings reduces aggregate climate risk at the portfolio level.

(2) Describe how this process is integrated into your overall risk management

DNR Capital manage climate-related risks through portfolio construction and company engagement.

Climate risk is considered in the portfolio construction phase through the use of DNR Capital's risk return matrix to determine stock position sizing. Aggregate climate risk is also considered in portfolio construction alongside other risk factors including liquidity risk, forecast risk and equity raising risk. Aggregate portfolio climate risk is tracked and monitored over time. Deterioration in aggregate climate risk metrics may trigger a re-evaluation of underlying portfolio construction.

Where material climate risk is identified in the investment decision making process, DNR Capital conduct comprehensive climate related engagement initiatives, advocating for:

- climate governance including: remuneration alignment with achievement of climate related outcomes, adequacy of climate experience at the Board level, climate strategy and integration of climate in capital allocation decisions and capex budget;
- climate disclosure including: TCFD compliance;
- risk identification: data, systems and processes to identify climate risk, including climate scenario analysis (financial impact and granularity of climate scenario analysis at asset level), stranded asset risk, risk rating system;
- transition risk management: climate transition action plan, net zero commitment including Science Based Targets initiative (SBTi), strategy, plan and resourcing to achieve targets, reliance on offsets to achieve targets; and
- physical climate risk management: asset resilience and capex budget.

Improvement in the climate strategy and risk management of underlying stock holdings reduces aggregate climate risk at the portfolio level.

- (C) No, we do not have any processes to identify, assess, or manage the climate-related risks affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 45	CORE	N/A	N/A	PUBLIC	Climate change	General

During the reporting year, which of the following climate risk metrics or variables affecting your investments did your organisation use and publicly disclose?

- (A) Exposure to physical risk**
 - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used**
 - (2) Metric or variable used and disclosed
 - (3) Metric or variable used and disclosed, including methodology
- (B) Exposure to transition risk**
 - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used**
 - (2) Metric or variable used and disclosed
 - (3) Metric or variable used and disclosed, including methodology
- (C) Internal carbon price
- (D) Total carbon emissions**
 - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used
 - (2) Metric or variable used and disclosed**
 - (3) Metric or variable used and disclosed, including methodology
 - (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable
 - <https://dnrcapital.com.au/wp-content/uploads/2024/08/DNR-Capital-Stewardship-Report-2024-FINAL.pdf>
- (E) Weighted average carbon intensity**
 - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used
 - (2) Metric or variable used and disclosed**
 - (3) Metric or variable used and disclosed, including methodology
 - (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable
 - <https://dnrcapital.com.au/wp-content/uploads/2024/08/DNR-Capital-Stewardship-Report-2024-FINAL.pdf>
- (F) Avoided emissions
- (G) Implied Temperature Rise (ITR)**
 - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used**
 - (2) Metric or variable used and disclosed
 - (3) Metric or variable used and disclosed, including methodology
- (H) Non-ITR measure of portfolio alignment with UNFCCC Paris Agreement goals**
 - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used**
 - (2) Metric or variable used and disclosed
 - (3) Metric or variable used and disclosed, including methodology
- (I) Proportion of assets or other business activities aligned with climate-related opportunities**
 - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used**
 - (2) Metric or variable used and disclosed
 - (3) Metric or variable used and disclosed, including methodology
- (J) Other metrics or variables
 - (K) Our organisation did not use or publicly disclose any climate risk metrics or variables affecting our investments during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 46	CORE	N/A	N/A	PUBLIC	Climate change	General

During the reporting year, did your organisation publicly disclose its Scope 1, Scope 2, and/or Scope 3 greenhouse gas emissions?

(A) Scope 1 emissions

(1) Indicate whether this metric was disclosed, including the methodology

o (1) Metric disclosed

● (2) Metric and methodology disclosed

(2) Provide links to the disclosed metric and methodology, as applicable

<https://dnrcapital.com.au/wp-content/uploads/2024/08/DNR-Capital-Stewardship-Report-2024-FINAL.pdf>

(B) Scope 2 emissions

(1) Indicate whether this metric was disclosed, including the methodology

o (1) Metric disclosed

● (2) Metric and methodology disclosed

(2) Provide links to the disclosed metric and methodology, as applicable

<https://dnrcapital.com.au/wp-content/uploads/2024/08/DNR-Capital-Stewardship-Report-2024-FINAL.pdf>

(C) Scope 3 emissions (including financed emissions)

o (D) Our organisation did not publicly disclose its Scope 1, Scope 2, or Scope 3 greenhouse gas emissions during the reporting year

SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47	CORE	N/A	Multiple indicators	PUBLIC	Sustainability outcomes	1, 2

Has your organisation identified the intended and unintended sustainability outcomes connected to its investment activities?

● (A) Yes, we have identified one or more specific sustainability outcomes connected to our investment activities

o (B) No, we have not yet identified the sustainability outcomes connected to any of our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.1	CORE	PGS 47	N/A	PUBLIC	Sustainability outcomes	1, 2

Which widely recognised frameworks has your organisation used to identify the intended and unintended sustainability outcomes connected to its investment activities?

(A) The UN Sustainable Development Goals (SDGs) and targets

(B) The UNFCCC Paris Agreement

(C) The UN Guiding Principles on Business and Human Rights (UNGPs)

(D) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors

(E) The EU Taxonomy

- (F) Other relevant taxonomies
- (G) The International Bill of Human Rights
- (H) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- (I) The Convention on Biological Diversity
- (J) Other international framework(s)
- (K) Other regional framework(s)
- (L) Other sectoral/issue-specific framework(s)
- (M) Our organisation did not use any widely recognised frameworks to identify the intended and unintended sustainability outcomes connected to its investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.2	CORE	PGS 47	PGS 48	PUBLIC	Sustainability outcomes	1, 2

What are the primary methods that your organisation has used to determine the most important intended and unintended sustainability outcomes connected to its investment activities?

- (A) Identify sustainability outcomes that are closely linked to our core investment activities
- (B) Consult with key clients and/or beneficiaries to align with their priorities
- (C) Assess which actual or potential negative outcomes for people are most severe based on their scale, scope, and irreparable character
- (D) Identify sustainability outcomes that are closely linked to systematic sustainability issues
- (E) Analyse the input from different stakeholders (e.g. affected communities, civil society, trade unions or similar)
- (F) Understand the geographical relevance of specific sustainability outcome objectives
- (G) Other method
- (H) We have not yet determined the most important sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48	CORE	PGS 47.2	PGS 48.1, SO 1	PUBLIC	Sustainability outcomes	1, 2

Has your organisation taken action on any specific sustainability outcomes connected to its investment activities, including to prevent and mitigate actual and potential negative outcomes?

- (A) Yes, we have taken action on some of the specific sustainability outcomes connected to our investment activities
 - (B) No, we have not yet taken action on any specific sustainability outcomes connected to our investment activities
- Explain why not:

DNR Capital manage sustainability outcomes connected to its investment activities through company engagement and portfolio construction. Beyond these measures, DNR Capital has not taken any specific action on sustainability outcomes connected with its investment activities.

The key sustainability outcomes identified include climate change and poor employee performance practices, which may include modern slavery. Where climate change or modern slavery is identified as a sustainability outcome, DNR Capital conduct company engagement, advocating for:

- governance;
- disclosure;

- risk identification;
- transition and physical climate risk management;
- modern slavery risk management; and
- modern slavery remediation.

Improvement in the climate change and employee practices of underlying stock holdings reduces aggregate sustainability outcomes at the portfolio level. Climate and modern slavery risk is also considered in the portfolio construction phase through the use of DNR Capital's risk return matrix to determine stock position sizing. These risks are considered in portfolio construction alongside other risk factors including liquidity risk, forecast risk and equity raising risk. Aggregate portfolio climate and modern slavery risk is tracked and monitored over time. Deterioration in aggregate climate or modern slavery risk metrics may trigger a re-evaluation of underlying portfolio construction.

HUMAN RIGHTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49	PLUS	PGS 47	PGS 49.1	PUBLIC	Human rights	1, 2

During the reporting year, what steps did your organisation take to identify and take action on the actual and potential negative outcomes for people connected to your investment activities?

- (A) We assessed the country level context of our potential and/or existing investments to understand how this could connect our organisation to negative human rights outcomes
- (B) We assessed the sector context of our potential and/or existing investments to understand how this could connect our organisation to negative human rights outcomes
- (C) We assessed the human rights performance of our potential and/or existing investments to understand how this could connect our organisation to negative human rights outcomes
- (D) We monitored severe and emerging human rights controversies to understand how this could connect our organisation to negative human rights outcomes
- (E) We took other steps to assess and manage the actual and potentially negative outcomes for people connected to our investment activities
- (F) We did not identify and take action on the actual and potentially negative outcomes for people connected to any of our investment activities during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49.2	PLUS	PGS 47	N/A	PUBLIC	Human rights	1, 2

During the reporting year, what information sources did your organisation use to identify the actual and potential negative outcomes for people connected to its investment activities?

- (A) **Corporate disclosures**
Provide further detail on how your organisation used these information sources:

Corporate disclosures including the annual report, sustainability report, modern slavery statement, company shareholder briefings, news announcements and other disclosures are used to identify and assess modern slavery risk, including modern slavery governance, risk management policies and practices, grievance and remedy mechanisms and transparency. Where modern slavery is identified as a material risk, DNR Capital will also conduct company engagement.
- (B) **Media reports**

Provide further detail on how your organisation used these information sources:

Media reports are used to identify and assess modern slavery risk, including modern slavery risk management policies and practices, grievance and remedy mechanisms and transparency. Where modern slavery is identified as a material risk, DNR Capital will also conduct company engagement.

- (C) Reports and other information from NGOs and human rights institutions
- (D) Country reports, for example, by multilateral institutions, e.g. OECD, World Bank
- (E) **Data provider scores or benchmarks**

Provide further detail on how your organisation used these information sources:

DNR Capital's subscription to ISS' modern slavery indicators is used to identify instances of modern slavery or the potential for modern slavery. Where ISS data indicate modern slavery risk, DNR Capital conduct a more detailed desk top review using corporate disclosures, media reports and sell-side research. Where modern slavery is identified as a material risk, DNR Capital will also conduct company engagement.

- (F) Human rights violation alerts
- (G) **Sell-side research**

Provide further detail on how your organisation used these information sources:

Sell-side research is used to identify and assess modern slavery risk, including modern slavery governance, risk management policies and practices, grievance and remedy mechanisms and transparency. Where modern slavery is identified as a material risk, DNR Capital will also conduct company engagement.

- (H) Investor networks or other investors
- (I) Information provided directly by affected stakeholders or their representatives
- (J) Social media analysis
- (K) Other

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 50	PLUS	PGS 47	N/A	PUBLIC	Human rights	1, 2

During the reporting year, did your organisation, directly or through influence over investees, enable access to remedy for people affected by negative human rights outcomes connected to your investment activities?

- (A) Yes, we enabled access to remedy directly for people affected by negative human rights outcomes we caused or contributed to through our investment activities
- (B) Yes, we used our influence to ensure that our investees provided access to remedies for people affected by negative human rights outcomes we were linked to through our investment activities
- (C) **No, we did not enable access to remedy directly, or through the use of influence over investees, for people affected by negative human rights outcomes connected to our investment activities during the reporting year**

Explain why:

Where DNR Capital identified risk exposure or incidents of modern slavery, through its company engagement program, advocated for:

- governance;
- disclosure;
- risk identification;
- modern slavery risk management; and
- modern slavery remediation.

DNR Capital did not directly enable access or remedy for people affected by negative human rights outcomes connected to our investment activities.

LISTED EQUITY (LE)

OVERALL APPROACH

MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 1	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1

Does your organisation have a formal investment process to identify and incorporate material ESG factors across your listed equity strategies?

(3) Active - fundamental

(A) Yes, our investment process incorporates material governance factors

(1) for all of our AUM

(B) Yes, our investment process incorporates material environmental and social factors

(1) for all of our AUM

(C) Yes, our investment process incorporates material ESG factors beyond our organisation's average investment holding period

(1) for all of our AUM

(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their discretion

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(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors

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MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 2	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1

Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your listed equity strategies?

(3) Active - fundamental

(A) Yes, we have a formal process that includes scenario analyses

(B) Yes, we have a formal process, but it does not include scenario analyses

(C) We do not have a formal process for our listed equity strategies; our investment professionals monitor how ESG trends vary over time at their discretion



(D) We do not monitor and review the implications of changing ESG trends on our listed equity strategies



PRE-INVESTMENT

ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 3	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

How does your financial analysis and equity valuation or security rating process incorporate material ESG risks?

(2) Active - fundamental

(A) We incorporate material governance-related risks into our financial analysis and equity valuation or security rating process

(1) in all cases

(B) We incorporate material environmental and social risks into our financial analysis and equity valuation or security rating process

(1) in all cases

(C) We incorporate material environmental and social risks related to companies' supply chains into our financial analysis and equity valuation or security rating process

(3) in a minority of cases

(D) We do not incorporate material ESG risks into our financial analysis, equity valuation or security rating processes

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

What information do you incorporate when you assess the ESG performance of companies in your financial analysis, benchmark selection and/or portfolio construction process?

(3) Active - fundamental

(A) We incorporate qualitative and/or quantitative information on current performance across a range of material ESG factors	(1) in all cases
(B) We incorporate qualitative and/or quantitative information on historical performance across a range of material ESG factors	(1) in all cases
(C) We incorporate qualitative and/or quantitative information on material ESG factors that may impact or influence future corporate revenues and/or profitability	(1) in all cases
(D) We incorporate qualitative and/or quantitative information enabling current, historical and/or future performance comparison within a selected peer group across a range of material ESG factors	(3) in a minority of cases
(E) We do not incorporate qualitative or quantitative information on material ESG factors when assessing the ESG performance of companies in our financial analysis, equity investment or portfolio construction process	o

ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 5	PLUS	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

Provide an example of how you incorporated ESG factors into your equity selection and research process during the reporting year.

Macquarie Group (MQG) has been a core portfolio holding for DNR Capital. Over the period of holding we have conducted significant ESG research regarding MQG's climate change strategy and governance and risk culture, being the key ESG related investment risks and opportunities. This research has been supplemented by a comprehensive engagement program with the Board and executive and line management personnel. The outcomes of this process were documented and discussed with the investment team, portfolio manager and CIO and were reflected in changes to DNR Capital's active weight.

MQG's ability to deliver an investment return on its renewable energy assets portfolio has been a key consideration in MQG's investment thesis. MQG is one of the world's largest infrastructure managers with a renewable energy asset portfolio of >100GW comprising mature technologies including solar and offshore wind and emerging technologies including biomethane, energy efficiency solutions, energy storage, carbon offsets, e-mobility and behind-the-meter renewables. MQG's largest renewable energy exposures include:

- Corio Generation: A leading offshore wind developer with a pipeline exceeding 30GW across Europe, Asia-Pacific, and the Americas.
- Cero Generation: A specialist solar energy company operating across Europe, with over 370 solar and battery storage projects in development.

MQG has a climate transition action plan (CTAP) which commits to achieving operational net zero (Scope 1 and 2) by 2025 and net zero across financed emissions by 2050. MQG have set sector financed emissions targets for the oil and gas, coal mining, residential mortgage and motor vehicle sectors. However, it is DNR Capital's view that MQG's financed emissions reduction strategy is less mature than that of its Australian banking peers, both in its coverage and implementation. MQG's financed emission strategy covers fewer sectors, includes intensity-based targets and does not include facilitated emissions. MQG's implementation framework, being the systems and processes through which MQG will implement and deliver its financed emissions targets, is still in its infancy. MQG do not have a formal climate risk scorecard, nor do they require clients to have a formal CTAP, preferring instead to work with clients to reduce their emissions and ultimately, their impact on MQG's financed emissions portfolio.

The second key ESG risk relating DNR Capital's investment in MQG is compliance risk culture. MQG have incurred several notable compliance breaches in the Australian, US and UK markets primarily relating the transparency and disclosure of transactions. Through engagement we are satisfied that MQG are taking appropriate action to remedy the issues, including:

- Increased investment in compliance capability, including resourcing and systems.
- Reflection in remuneration outcomes for KMP including 5% reduction in CEO awarded profit share and 25% reduction in FY25 allocation of Performance Share Units (PSUs). Additionally, the Board have imposed additional qualifying conditions remedying the issues by the end of the four year performance period for any vesting of PSUs to occur.

Prudent risk management is reflected in remuneration outcomes for all employees. Employees are assessed and rewarded for what they achieve (against financial and non-financial factors) but also how these objectives are achieved, including their approach to risk management. MQG are well placed to deliver an attractive investment return on its renewable energy infrastructure portfolio. However, MQG's financed emissions risk exposure and compliance risk culture are considered in the determination of MQG's active weight.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

How do material ESG factors contribute to your stock selection, portfolio construction and/or benchmark selection process?

(3) Active - fundamental

(A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

(B) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

(C) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process

(D) Other ways material ESG factors contribute to your portfolio construction and/or benchmark selection process

(E) Our stock selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors

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POST-INVESTMENT

ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 9	CORE	OO 17.1 LE, OO 21	N/A	PUBLIC	ESG risk management	1

What compliance processes do you have in place to ensure that your listed equity assets subject to negative exclusionary screens meet the screening criteria?

- (A) We have internal compliance procedures that ensure all funds or portfolios that are subject to negative exclusionary screening have pre-trade checks
- (B) We have an external committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- (C) We have an independent internal committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
 - (D) We do not have compliance processes in place to ensure that we meet our stated negative exclusionary screens

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 10	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

For the majority of your listed equity assets, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?

(2) Active - fundamental

(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual listed equity holdings

(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for other listed equity holdings exposed to similar risks and/or incidents

(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for our stewardship activities

(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents

(E) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process; our investment professionals identify and incorporate material ESG risks and ESG incidents at their discretion

(F) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process

PERFORMANCE MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 11	PLUS	OO 21	N/A	PUBLIC	Performance monitoring	1

Provide an example of how the incorporation of ESG factors in your listed equity valuation or portfolio construction affected the realised returns of those assets.

DNR Capital used its multifaceted approach to assess climate risk and its impact on the return outlook for Woodside Energy (WDS). WDS' superior asset quality, including its low carbon adjusted position on the cost curve and low methane emissions, along with its attractive, climate adjusted valuation, make WDS DNR Capital's preferred gas exposure. This conclusion was documented and discussed with the investment team, portfolio manager and CIO and was reflected in changes to DNR Capital's active weight.

Gas will play an important role in the energy transition. IEA transition scenario analysis, including 1.5 degree scenario analysis, require investment in new gas production to offset natural field decline and meet implied net zero gas demand:

- Gas generation required to back up grids powered by renewables and batteries; and
- Gas, with half the lifecycle emissions as coal, will replace significant coal fired generation still in place in Asia (China (63%), India (55%) and Japan and South Korea (30%).

WDS has strong climate governance with 15% executive remuneration aligned to the delivery of its climate strategy. WDS' climate commitments include:

- 15% absolute reduction in Scope 1 and 2 emissions by 2025;
- 30% reduction in Scope 1 and 2 emissions by 2030;
- Aspiration of net zero scope 1 and 2 emissions by 2050;
- Investment US\$5bn in new energy products and lower carbon services by 2030; and
- Take FID on new energy products and lower carbon services by 2030, with total abatement capacity of 5mtpa.

WDS is on track to deliver against these commitments having made the following announcements:

- 2024 reduction in net equity Scope 1 and 2 emissions of 14%;
- Identified 28mt CO2e (cumulative to 2050) of emission reduction opportunities at cost <US\$80/t, 15mt CO2e implemented, remaining 13mt CO2e to be implemented by 2030;
- Methane emissions 0.1% production by volume (below industry benchmark of 0.2%); and
- Announced purchase of OCI Clean Ammonia, 2.2mt blue ammonia delivered over 2 tranches for US\$2.35bn, meeting >50% commitment to invest in new energy products and low carbon services by 2030.

DNR Capital have used several different valuation methodologies to assess the potential impact of climate on WDS' forecast return, with each methodology conducted separately to avoid double counting. The outcomes are summarised below:

- Incorporating US\$100/t real carbon price into RIO's DCF, yielding an impact of A\$4.64/share.
- Increasing equity risk premium 250bps, this equates to the valuation impact of carbon cost calculated above;
- Broker estimation of Australian regulatory SafeGuard mechanism impact <1% valuation; and
- Institutional Shareholder Services (ISS) value at risk 28%, which is greater than the carbon cost scenario.

WDS' share price trades at a discount to each of these valuation outcomes, implying that climate risk is factored into WDS' share price.

Further, climate scenario analysis was conducted to assess WDS' cashflow resilience under 3 different climate scenarios including 1.5C aligned scenario. Cashflow is forecast to remain positive through to 2040, impacted by capex spend over the period 2025 to 2030 and natural field decline over the period 2035 to 2040.

WDS' climate governance, superior asset quality, including its low carbon adjusted position on the cost curve and low methane emissions and its attractive, climate adjusted, valuation make it DNR Capital's preferred gas exposure.

DISCLOSURE OF ESG SCREENS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 12	CORE	OO 17 LE, OO 21	N/A	PUBLIC	Disclosure of ESG screens	6

For all your listed equity assets subject to ESG screens, how do you ensure that clients understand ESG screens and their implications?

- (A) We share a list of ESG screens
- (B) We share any changes in ESG screens
- (C) We explain any implications of ESG screens, such as their deviation from a benchmark or impact on sector weightings
- (D) We do not share the above information for all our listed equity assets subject to ESG screens

CONFIDENCE-BUILDING MEASURES (CBM)

CONFIDENCE-BUILDING MEASURES

APPROACH TO CONFIDENCE-BUILDING MEASURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 1	CORE	N/A	Multiple indicators	PUBLIC	Approach to confidence-building measures	6

How did your organisation verify the information submitted in your PRI report this reporting year?

- (A) We conducted independent third-party assurance of selected processes and/or data related to the responsible investment processes reported in our PRI report, which resulted in a formal assurance conclusion
- (B) We conducted a third-party readiness review and are making changes to our internal controls or governance processes to be able to conduct independent third-party assurance next year
- (C) We conducted an internal audit of selected processes and/or data related to the responsible investment processes reported in our PRI report
- (D) Our board, trustees (or equivalent), senior executive-level staff (or equivalent), and/or investment committee (or equivalent) signed off on our PRI report
- (E) Our responses in selected sections and/or the entirety of our PRI report were internally reviewed before submission to the PRI
- (F) We did not verify the information submitted in our PRI report this reporting year

INTERNAL REVIEW

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 6	CORE	CBM 1	N/A	PUBLIC	Internal review	6

Who in your organisation reviewed the responses submitted in your PRI report this year?

- (A) Board, trustees, or equivalent
 - Sections of PRI report reviewed
 - (1) the entire report
 - (2) selected sections of the report
- (B) Senior executive-level staff, investment committee, head of department, or equivalent
 - Sections of PRI report reviewed
 - (1) the entire report
 - (2) selected sections of the report
- (C) None of the above internal roles reviewed selected sections or the entirety of the responses submitted in our PRI report this year