



Sustainable Finance Disclosure Regulation – Principal Adverse Sustainability Impacts Statement

Macquarie Asset Management

June 2023

Important information

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In preparing this document, MAM has used a variety of data sources, including data it has gathered itself directly from investee companies and/or publicly available sources, and data provided by third party data providers. Any data source used may not be comprehensive, may use estimations or may involve a qualitative assessment, for example by a third-party data provider. Further, there may be discrepancies between data sources, as well as data gaps, lags or limitations in the methodology for a particular data source. Divergent ESG-related views, approaches, methodologies and disclosure standards exist in the market, including among data providers, with respect to the identification, assessment, disclosure or determination of “ESG” factors, indicators or principal

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The data providers or sources that have been used for the preparation of this document, may differ from the data providers or sources that are used by specific investment teams in their management of MAM's funds and products (including, without limitation, for the purposes of meeting or monitoring the environmental or social characteristics or sustainability objectives of such products).

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The following disclosures are made by each of the following entities pursuant to Article 4 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (“SFDR”):

- Macquarie Investment Management Europe S.A. (“MIME SA”) (LEI: 222100BG2FQQTASJ7290)
- Macquarie Investment Management Austria Kapitalanlage AG (“MIMAK”) (LEI: 529900ABVEUZ22YQG259)
- Macquarie Asset Management Europe S.à r.l. (“MAMES”) (LEI: 2221008OZQM47X2T599)
- GLL Real Estate Partners Kapitalverwaltungsgesellschaft mbH (“GLL”) (LEI: 549300MDAFVIH9W88247)

(together, the “In-Scope Entities”).

The In-Scope Entities are part of Macquarie Asset Management (“MAM”).

Introduction

MAM is a global asset manager of more than \$US582 billion in assets globally¹, offering a diverse range of products including securities investment management, infrastructure and real asset management, and fund and equity-based structured products. MAM comprises two groups, Public Investments (equity, fixed income and multi asset solutions) and Private Markets (infrastructure, renewables, natural assets, real estate, private credit and asset finance). With a global team, we leverage our experience, diversity and culture of innovation to identify opportunities, mitigate risks and create long-term value for our clients and stakeholders.

MAM is part of Macquarie Group Limited (“Macquarie”), a global financial services group providing clients with asset management, finance, banking, advisory and risk and capital solutions across debt, equity, and commodities. Founded in 1969, Macquarie Group employs approximately 20,500² people in 34 markets and is listed on the Australian Securities Exchange.

Public Investments

The Public Investments business of MAM is conducted through MIME SA and MIMAK in Europe, which are authorised and regulated entities in the European Economic Area and act as the manager of certain financial products.

Our Public Investments business is a diversified, active investment management business focused on providing investment capabilities across a large range of asset classes on behalf of institutional investors, wholesale distributors and platforms, and financial advisors and their clients worldwide, across fixed income, currency, equities, listed real estate, listed infrastructure, hedge funds, and multi-asset solutions.

Our specialised, independent investment teams are focused on delivering long-term, consistent results for our clients. Each team has autonomy to execute on its own investment philosophy and process – to focus on investing – while benefiting from a comprehensive global operational support platform, structural oversight as well as a broad global distribution network. Our teams offer multiple strategies and all share several traits: independent thinking, global perspectives and conviction in their specialised investment philosophies.

We believe that well-managed companies will deliver long-term shareholder value and therefore it is important for a company to have high-quality risk management and governance with appropriate supervision through balanced controls. Typically, this means that the company has a strong and effective board, honours appropriate ownership and shareholder rights, implements effective remuneration structures in line with long-term performance, delivers transparent and high-quality reporting to its shareholders and other stakeholders, and considers its environmental and social footprint and exposure.

Our teams invest with long-term horizons and seek to minimise risk and maximise returns based on the investment objectives of our clients. We recognise that environmental, social and governance (“ESG”) factors are important for

¹ As at 31 March 2023.

² As at 31 March 2023. This figure includes staff employed in certain operationally segregated subsidiaries.

assessing investment risk and that positive ESG performance may be a potential indicator of management quality, operational performance, and the potential to create long-term value. Where we determine ESG factors to be relevant, we will consider them.

To supplement our investment teams' fundamental analysis, we provide them with access to specialised external ESG research, governance, and proxy analysis, as well as internal ESG resources including sustainability risk profiles and adverse sustainability impact metrics.

MAM's Public Investments business is governed by an ESG Policy ("**PI ESG Policy**") which is reviewed annually. The PI ESG Policy provides a framework for incorporating the consideration of ESG risks and opportunities into our processes for making investment decisions and providing investment advice across the public investments business.

Private Markets

The Private Markets business of MAM is conducted through MAMES and GLL in Europe, which are authorised and regulated entities in the European Economic Area and act as the manager of certain financial products.

MAM's Private Markets business is a leader in alternative asset management worldwide, specialising in infrastructure and renewables, real estate, agriculture, transportation finance and private credit via public and private funds, co-investments, partnerships and separately managed accounts. Investing regionally with expert local investment and asset management teams, its client base is primarily institutional investors, including global pension and superannuation funds, other institutions and governments.

Managing our portfolio for sustainable, long-term success is part of our broader responsibility to investors, the businesses in which we invest and the communities in which they operate. We believe the achievement of this contributes to the long-term profitability and durability of these businesses.

ESG considerations are embedded within our investment decision making approach and our asset management frameworks, through which we encourage portfolio companies and asset managers to assess and improve performance on ESG matters.

Our philosophy is to engage with our investors, portfolio companies, investments, asset managers, industry groups, regulators and other stakeholders on ESG matters, with the aim of promoting shared knowledge and experience and continuing to improve our own frameworks, and ultimately, performance on these important matters.

MAM's Private Markets business is also governed by an ESG Policy ("**PM ESG Policy**") which is reviewed annually. The PM ESG Policy provides a framework for the consideration of ESG risks and opportunities into our business activities and requires the identification and management of ESG risks and adverse impacts throughout the investment lifecycle, where appropriate and material.

Both MAM ESG Policies, which are each designed to reflect the specific nature of our different business structures, operations, investments and stakeholders, are aligned with the broader Macquarie Group approach³. In addition, MAM's Principal Adverse Sustainability Impacts Policy provides a framework for considering the principal adverse impacts of our investment decisions and investment advice on sustainability factors.

³ A summary of Macquarie Group's Environmental and Social Risk Policy is publicly available at <http://www.macquarie.com>.

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant

Macquarie Investment Management Europe S.A (LEI: 222100BG2FQQTASJ7290) (“MIME SA”)

Macquarie Investment Management Austria Kapitalanlage AG (LEI: 529900ABVEUZ22YQG259) (“MIMAK”)

Macquarie Asset Management Europe S.à r.l. (LEI: 2221008OZQM47X2T599) (“MAMES”)

GLL Real Estate Partners Kapitalverwaltungsgesellschaft mbH (LEI: 549300MDAFVIH9W88247) (“GLL”)

Summary

Macquarie Asset Management (“MAM”) considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of each of MIME SA, MIMAK, MAMES and GLL.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2022.

MAM prioritises addressing those principal adverse impact indicators (“PAI Indicators”) which align with its strategic priorities, including climate change and diversity, equity and inclusion (“DEI”).

In 2020, MAM made a public commitment to invest and manage its portfolio in line with global net zero greenhouse gas (“GHG”) emissions by 2040. In line with this commitment, where we exercise control or significant influence over our underlying investments, we will seek to measure the GHG emissions of our investments, identify pathways to reduce emissions and develop business plans that contribute to a net zero economy by 2040 or sooner, and, for assets acquired after December 2020, target completion of these steps within 24 months of acquisition. Where we do not have significant influence, we will seek to support the goals of the Paris Agreement in a manner consistent with our client-guided fiduciary and regulatory responsibilities. MAM is actively monitoring and measuring GHG emissions and associated metrics such as GHG intensity, energy consumption and production, and exposure to fossil fuels in order to make progress against this commitment year on year. There are still parts of MAM’s portfolio where GHG emissions data is not yet available. MAM is actively engaging with investee companies to try and improve GHG emissions reporting in line with market standard methodologies. MAM’s involvement in organisations such as the Net Zero Asset Managers initiative, Climate Action 100+, the Transition Pathway Initiative and the Climate Pledge supports these goals.

Another priority area for MAM is with respect to DEI. In our Private Markets Real Assets portfolio, we support new portfolio companies in implementing board-approved DEI strategies within the first 18 months of acquisition and provide additional support for existing companies who do not yet have strategies in place through improving data collection, sharing best practices across the portfolio, and sponsoring the appropriate allocation of resources to drive progress. We ask portfolio companies to provide data on workforce diversity demographics (e.g., gender, race, sexual orientation) and practices, and upskill portfolio company nominee directors, Human Resources Directors, and investor facing teams to enhance the progress of DEI strategies/efforts, including through various toolkits we have created to help our portfolio companies make progress on their DEI goals.

In our Public Investments business, MAM’s Proxy Voting Guidelines support improvement on various DEI and human rights-related issues:

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- **Human Rights Proposals** (related PAI Indicator: Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)

General Recommendation: Generally vote for proposals requesting a report on company or company supplier labour and/or human rights standards and policies unless such information is already publicly disclosed.

General Recommendation: Generally vote for proposals to implement company or company supplier labour and/or human rights standards and policies.

General Recommendation: Generally vote for proposals requesting that a company conduct an assessment of the human rights risks in its operations or in its supply chain, or report on its human rights risk assessment process.

- **Board Diversity** (related PAI Indicator: Board gender diversity)

General Recommendation: Generally vote for requests for reports on a company's efforts to diversify the board, unless: (i) the gender and racial minority representation of the company's board is reasonably inclusive in relation to companies of similar size and business; and (ii) the board already reports on its nominating procedures and gender and racial minority initiatives on the board and within the company.

- **Gender Pay Gap** (related PAI Indicator: Unadjusted gender pay gap)

General Recommendation: Generally vote for disclosure of a company's pay data by gender, or a report on a company's policies and goals to reduce any gender pay gap, taking into account the specific metrics and scope of the information requested.

With respect to our portfolio's exposure to controversial weapons, the zero exposure⁴ across our portfolio, according to available data, reflects our position on such investments. In our Public Investments business, in support of international conventions such as the Convention on Cluster Munitions, the Anti-Personnel Landmines Treaty, the Chemical Weapons Convention, and the Biological Weapons Convention, we exclude investments in any companies identified as having direct involvement with cluster munitions, anti-personnel landmines, and/or biological and chemical weapons. For weapons providers that are not specifically excluded according to these parameters, we may conduct engagements and monitoring to ensure that proper policies and procedures are in place to ensure that they do not do business in countries or sell products to customers where the risk to human rights is too significant.

In general, MAM has sought to source data for its Public Investments business through a third-party data provider and for its Private Markets business through direct collection from investee companies or estimation. There remain significant difficulties in obtaining data for many of the PAI Indicators such as unadjusted gender pay gap and emissions to water. MAM's priority is to engage with our investee companies to encourage better disclosure on these issues.

⁴ Available data reflects no exposure across investments of MIMAK and MIME SA MAMES, GLL, however, MAM has not been able to achieve 100% data coverage for this PAI Indicator.

Description of the principal adverse impacts on sustainability factors⁵

Table 1

Adverse sustainability indicator	Metric	Impact 2022 MIME SA	Impact 2022 MIMAK	Impact 2022 MAMES	Impact 2022 GLL	Explanation ⁶	Actions taken, and actions planned and targets set for the next reference period
Indicators applicable to investments in investee companies							
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS							
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	118,973.64	79,227.12	1,775,560.07	n/a ⁷	<p>Expressed as: tCO₂e</p> <p>Coverage: 94%</p> <p>Data source:</p> <p>Direct: 50%</p> <p>Indirect: 50%</p> <p>Refer endnote 1, 2</p> <p>In December 2020, MAM announced its commitment to invest and manage its portfolio in line with global net zero emissions by 2040. In March 2021, MAM became a signatory to the Net Zero Asset Managers (“NZAM”) initiative and in 2022, MAM disclosed it would initially commit 43% of its assets under management (“AUM”)⁸ to be managed in line with NZAM methodologies (specifically the Net Zero Investment Framework (“NZIF”). Targets have been established for this committed AUM as set out below:</p> <p>Public Investments</p> <p>By 2030, Public Investments is targeting 50% of its committed listed equity and corporate bonds to have net zero targets in place.</p>
			Scope 2 GHG emissions	154,467.43	10,874.90	473,063.87	

⁵ Please see end notes for further information regarding how the principal adverse impacts have been determined.

⁶ Note, “Coverage” refers to the proportion of the aggregated portfolios of MIME SA, MIMAK, MAMES and GLL for which we have been able to obtain data for the PAI Indicator. “Data source” refers to the proportion of data that has been sourced either directly from investee companies or assets, or indirectly by carrying out additional research, cooperating with third party data providers or external experts or making reasonable assumptions, to calculate the corresponding PAI Indicator. Please see the end notes for further details on how these figures have been calculated.

⁷ GLL only makes investments in real estate assets. Please see PAI Indicators under the headings “Indicators applicable to investments in real estate assets” below for details of the principal adverse impacts of GLL’s portfolio.

⁸ Note, this is 43% of MAM’s total AUM, not the AUM managed by MIMAK, MIME SA, MAMES and GLL.

Adverse sustainability indicator		Metric	Impact 2022 MIME SA	Impact 2022 MIMAK	Impact 2022 MAMES	Impact 2022 GLL	Explanation ⁶	Actions taken, and actions planned and targets set for the next reference period
		Scope 3 GHG emissions	925,417.67	378,361.17	984,793.30	n/a	Expressed as: tCO ₂ e Coverage: 88% Data source: Direct: 48% Indirect: 52%	Through engagement and proxy voting, investment teams ensure that corporate management teams are monitored and held accountable for their actions. When assessing investments, investment teams seek to understand how management teams acknowledge, manage, and reduce ESG-related risks and engage with portfolio companies on how these risks are being managed. It is MAM's belief that active engagement with portfolio companies is the most effective means of expressing to company management our concerns with those products and services that may deliver negative externalities to their stakeholders and encouraging company management to limit, reduce, or eliminate their exposure to these issues. We exercise this by regularly engaging with portfolio companies to discuss their net zero commitment and participate in collaborative engagements, such as Climate Action 100+, which works with the world's largest corporate greenhouse gas emitters to take the necessary action on climate change. During the reporting period, investment teams in MIMAK and MIME SA conducted over 60 engagements where climate change mitigation, climate change adaptation and/or net zero topics were discussed. The total across the whole Public Investments business was 433 engagements on these topics.
		Total GHG emissions	1,199,482.62	468,317.79	3,233,417.24	n/a	Expressed as: tCO ₂ e Coverage: 94% Data source: Direct: 50% Indirect: 50%	
	2. Carbon footprint	Carbon footprint	319.47	58.12	230.17	n/a	Expressed as: tCO ₂ e/EURm Coverage: 94% Data source: Direct: 50% Indirect: 50%	
	3. GHG intensity of	GHG intensity of investee companies	681.98	177.22	1,751.62	n/a	Expressed as: tCO ₂ e/EURm	

Adverse sustainability indicator	Metric	Impact 2022 MIME SA	Impact 2022 MIMAK	Impact 2022 MAMES	Impact 2022 GLL	Explanation ⁶	Actions taken, and actions planned and targets set for the next reference period
	investee companies					Coverage: 86% Data source: Direct: 54% Indirect: 46%	<p>change to provide short-, medium-, and long-term GHG emissions reduction targets and their progress towards those targets and that these targets be scaled and ultimately aim towards net zero emissions.</p> <p>In line with the NZIF methodology, we are targeting that by 2030 at least 90% of our financed emissions in material sectors⁹ are either assessed as net zero, aligned or aligning with a net zero pathway or subject to engagement either directly or as part of a collaborative effort.</p> <p>Private Markets</p> <p>By 2030 MAM aims to have 100% of portfolio companies, where it exercises significant influence or control, to be aligned or aligning with net zero using the NZIF Infrastructure and Real Estate methodologies.</p> <p>During the reporting period, for Infrastructure assets where MAM exercised control or significant influence, it continued to work closely with portfolio companies, to measure and verify their baseline year Scope 1 and 2 emissions, set near term GHG emissions reduction targets for 2030 or sooner and develop board-approved business plans that align with global net zero by 2040 or sooner. These targets</p>

⁹ "Financed emissions in material sectors" means emissions derived from investments in sectors which fall under NACE code categories A-H and J-L

Adverse sustainability indicator		Metric	Impact 2022 MIME SA	Impact 2022 MIMAK	Impact 2022 MAMES	Impact 2022 GLL	Explanation ⁶	Actions taken, and actions planned and targets set for the next reference period
								<p>initially cover scope 1 and 2 emissions. MAM continues to work with portfolio companies towards improving scope 3 data availability and will include this over time.</p> <p>For Real Estate investments, our target aligns with the NZIF methodology to track whole building emissions (Scopes 1, 2, and 3) for direct property investment.</p> <p>Where significant influence or control is not exercised (for example, in MAM's Private Credit business or where MAM has a minority equity stake), MAM has sought to obtain GHG emissions performance data from the portfolio companies, developed GHG emissions estimates or collaborated with industry initiatives to promote GHG emissions disclosure.</p> <p>Engagement to measure emissions and implement the net zero stewardship program are at different stages for each investee company.</p>
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0.02	0.01	0.21	n/a	<p>Expressed as: value between 0-1 (representing a percentage)</p> <p>Coverage: 96%</p> <p>Data source: Direct: 50% Indirect: 50%</p>	<p>Public Investments</p> <p>As outlined above, MAM uses engagement and proxy voting to reduce adverse impacts and manage ESG risks relating to its investments. MAM regularly engages with investee companies with exposure to the fossil fuel sector to encourage them to transition to a low carbon economy in line with the goals of the Paris Agreement. Please see the greenhouse gas emissions indicators above for further details of</p>

Adverse sustainability indicator		Metric	Impact 2022 MIME SA	Impact 2022 MIMAK	Impact 2022 MAMES	Impact 2022 GLL	Explanation ⁶	Actions taken, and actions planned and targets set for the next reference period
							<p>engagement activities being taken across Public Investments.</p> <p>For all portfolios managed under our NZAM commitment, we have set a milestone of eliminating all investments in companies deriving revenue from direct extraction of thermal coal or providing coal-fired power generation by 2030. To encourage potential development of new solutions, any company that has adopted an accepted net zero framework by that time will not be excluded from investment.</p> <p>Private Markets</p> <p>MAM adopts a number of approaches to mitigate potential adverse impacts of fossil fuel exposure, including as part of its net zero program as described above.</p> <p>In addition, since 2019, new investments are subject to a policy restricting investments in businesses with exposure to coal: No further investments will be made in standalone coal fired generation or in any asset for which more than 25% revenue is dependent on coal. For businesses with a smaller exposure to coal, the investment case must incorporate a transition away from that dependency. This policy was also adopted during the reporting period.</p>	
	5. Share of non-renewable energy	Share of non-renewable energy consumption	0.73	0.06	0.36	n/a	Expressed as: value between 0-1	<p>Public Investments</p> <p>We evaluate how companies are consuming or producing energy from non-renewable</p>

Adverse sustainability indicator		Metric	Impact 2022 MIME SA	Impact 2022 MIMAK	Impact 2022 MAMES	Impact 2022 GLL	Explanation ⁶	Actions taken, and actions planned and targets set for the next reference period
	consumption and production	and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources: Non-renewable energy consumption					(representing a percentage) Coverage: 62% Data source: Direct: 68% Indirect: 32%	sources and engage when necessary to understand a company's plans to transition to renewable energy sources. Because of the current reliance on thermal coal for electricity generation, we have not adopted a blanket exclusion of investing in companies deriving revenue from thermal coal extraction or coal-fired electricity generation but will rather seek to phase-out our investments in these areas over time, as described under the PAI Indicator above. This approach was followed during the reporting period. Private Markets MAM's net zero and emissions reduction initiatives include but are not limited to initiatives which seek to improve investments' energy efficiency and transition from non-renewable energy to renewable energy sources. Please see the greenhouse gas emissions indicators above for further details of actions being taken across both Public Investments and Private Markets to reduce emissions, including from non-renewable energy consumption and production.
		Non-renewable energy production	0.44	0.01	0.07	n/a	Expressed as: value between 0-1 (representing a percentage) Coverage: 33% Data source: Direct: 83%	

Adverse sustainability indicator	Metric	Impact 2022 MIME SA	Impact 2022 MIMAK	Impact 2022 MAMES	Impact 2022 GLL	Explanation ⁶	Actions taken, and actions planned and targets set for the next reference period
						Indirect: 17%	
6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector: Agriculture, Forestry & Fishing	Nil ¹⁰	0.00	Nil	n/a	Expressed as: GWh/EURm Coverage (Total High Impact Sector): 58% Data source: Direct: 67% Indirect: 33% Refer endnote 3	Please see the greenhouse gas emissions indicators above for further details of actions being taken across both Public Investments and Private Markets to reduce emissions, including from energy consumption in high impact sectors.
	Construction	Nil	0.00	Nil	n/a	"High impact climate sector" has been defined by Regulation (EC) No 1893/2006, which are associated with NACE Codes A-H and L.	
	Electricity, Gas, Steam & Air Conditioning Supply	Nil	0.05	0.69	n/a		
	Manufacturing	0.94	0.03	Nil	n/a		
	Mining & Quarrying	Nil	0.02	Nil	n/a		
	Real Estate Activities	Nil	0.00	0.01	n/a		

¹⁰ Where a PAI indicator is reported as "Nil" this means the result for the indicator is zero. Where a PAI indicator is reported as 0.00 this means the result for the indicator is a number greater than zero, which rounds to zero when presented to two decimal places.

Adverse sustainability indicator		Metric	Impact 2022 MIME SA	Impact 2022 MIMAK	Impact 2022 MAMES	Impact 2022 GLL	Explanation ⁶	Actions taken, and actions planned and targets set for the next reference period
		Transportation & Storage	Nil	0.01	0.83	n/a		
		Water Supply, Sewage, Waste Management & Remediation Activities	Nil	0.00	0.14	n/a		
		Wholesale & Retail Trade & Repair of Motor Vehicles and Motorcycles	0.08	0.00	Nil	n/a		
		Total	1.02	0.11	1.67	n/a		
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively	0.15	0.01	0.25	n/a	Expressed as: value between 0-1 (representing a percentage) Coverage: 76% Data source: Direct: 42% Indirect: 58%	MAM is represented as one of 35 global founding members of the Taskforce on Nature-related Financial Disclosure (“TNFD”) through which it advocates for improved management and disclosure of nature-related risks and opportunities. Public Investments Effects on biodiversity are addressed, where applicable, by investment teams as part of ongoing, regular analysis of all material risks associated with a given investment. Through third party data resources and company engagement, teams review a companies impact on nature as it relates to

Adverse sustainability indicator		Metric	Impact 2022 MIME SA	Impact 2022 MIMAK	Impact 2022 MAMES	Impact 2022 GLL	Explanation ⁶	Actions taken, and actions planned and targets set for the next reference period
		affect those areas						<p>biodiversity loss. This approach was followed during the reporting period.</p> <p>We utilise biodiversity metrics for our proprietary UN SDG Database, actively engaging with organisations and entities responsible for developing and implementing biodiversity related metrics so we can better understand the overall impact and alignment of our portfolio to the SDGs. All investment teams have access to our database and can utilise it as an initial screening mechanism when making investments for certain sustainability-themed products.</p> <p>Through the World Benchmarking Alliance, MAM has engaged with companies in the Food & Agricultural sector held across various portfolios to encourage them to make a commitment towards a more sustainable food system in accordance with the G7's initiative.</p> <p>Private Markets</p> <p>MAM's PM ESG Policy and supporting guidance set out a framework for systematic due diligence, management and reporting of material ESG risks and opportunities associated with the operations of our Private Markets portfolio.</p> <p>Through this framework and associated tools, ESG considerations are embedded in our investment decision-making process and integrated throughout the investment lifecycle. This includes the consideration of</p>

Adverse sustainability indicator		Metric	Impact 2022 MIME SA	Impact 2022 MIMAK	Impact 2022 MAMES	Impact 2022 GLL	Explanation ⁶	Actions taken, and actions planned and targets set for the next reference period
								impacts on biodiversity where applicable, consistent with the International Finance Corporation (“IFC”) performance standard. This approach was followed during the reporting period.
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.14	0.00	0.00	n/a	Expressed as: t/EURm Coverage: 43% Data source: Direct: 90% Indirect: 10%	<p>Public Investments</p> <p>Emissions to water is addressed, where applicable, by investment teams as part of ongoing, regular analysis of material risks associated with a given investment. Through third party data resources, teams review and monitor water quality impacts and when applicable, engage with relevant companies to encourage better policies and practices related to water management. This approach was also followed during the reporting period.</p> <p>Private Markets</p> <p>As noted above, the PM ESG Policy and supporting guidance set out a framework for systematic due diligence, management and reporting of material ESG risks and opportunities associated with the operations of our Private Markets portfolio. This includes the consideration of impacts on water quality, including emissions to water, where applicable. This approach was also followed during the reporting period.</p>
Waste	9. Hazardous waste and	Tonnes of hazardous waste and	0.19	0.57	1.23	n/a	Expressed as: t/EURm	<p>Public Investments</p> <p>Hazardous waste is addressed, where applicable, by investment teams as part of</p>

Adverse sustainability indicator		Metric	Impact 2022 MIME SA	Impact 2022 MIMAK	Impact 2022 MAMES	Impact 2022 GLL	Explanation ⁶	Actions taken, and actions planned and targets set for the next reference period
	radioactive waste ratio	radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average					Coverage: 55% Data source: Direct: 76% Indirect: 24%	<p>ongoing, regular analysis of material risks associated with a given investment. Given that many industries generate hazardous waste, which can create significant pollution when not properly disposed of, we review third party data resources and actively engage with companies as needed to address their policies and practices related to waste management. This approach was also followed during the reporting period.</p> <p>Private Markets</p> <p>As noted above, the PM ESG Policy and supporting guidance set out a framework for systematic due diligence, management and reporting of material ESG risks and opportunities associated with the operations of our Private Markets portfolio. This includes the consideration of hazardous or radioactive waste where applicable. This approach was also followed during the reporting period.</p>
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS								
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD)	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD	Nil	0.00	Nil	n/a	Expressed as: value between 0-1 (representing a percentage) Coverage: 77% Data source: Direct: 37%	MAM supports fundamental human rights as set out in the Universal Declaration of Human Rights and core International Labour Organization conventions. In line with the United Nations (“UN”) Guiding Principles on Business and Human Rights, we recognise the duty of states to protect human rights and the fundamental responsibility of businesses to respect these rights.

Adverse sustainability indicator		Metric	Impact 2022 MIME SA	Impact 2022 MIMAK	Impact 2022 MAMES	Impact 2022 GLL	Explanation ⁶	Actions taken, and actions planned and targets set for the next reference period
	Guidelines for Multinational Enterprises	Guidelines for Multinational Enterprises					Indirect: 63%	MAM looks at the broader adverse impacts resulting from breaches of environmental and social norms. We acknowledge that there are investee companies within our portfolio that are working to improve their environmental and social performance for which any deficiencies may not be deemed to be a violation of the UNGC principles or OECD Guidelines for Multinational Enterprises. As outlined below, we take account of these issues throughout the investment lifecycle and engage with investee companies to improve performance. Public Investments MAM's proprietary UN Sustainable Development Goals ("SDG") Database applies UN Global Compact violations as an element of the harm factor, indicating a negative impact which would result in an exclusion of securities for portfolios that utilize the database as an initial screen. Harm factors are indicators of the negative impacts of a company on the environment or society such as through products they offer (e.g. thermal coal, alcohol, and tobacco) or their actions (e.g. high level of environmental, social, or governance controversies). In addition, we conduct quarterly Good Governance meetings with investment teams to review company controversy flags and ensure proper steps are being taken to address human rights violations.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.47	0.13	0.15	n/a	Expressed as: value between 0-1 (representing a percentage) Coverage 85% Data source: Direct: 45% Indirect: 55% Refer endnote 4	

Adverse sustainability indicator	Metric	Impact 2022 MIME SA	Impact 2022 MIMAK	Impact 2022 MAMES	Impact 2022 GLL	Explanation ⁶	Actions taken, and actions planned and targets set for the next reference period
							<p>Our Proxy Voting Guidelines recommend to generally vote for proposals requesting a report on company or company supplier labour and/or human rights standards and policies unless such information is already publicly disclosed.</p> <p>These steps were also taken during the reporting period (where appropriate).</p> <p>Private Markets</p> <p>As noted above, the PM ESG Policy and supporting guidance set out a framework for systematic due diligence, management and reporting of material ESG risks and opportunities associated with the operations of our Private Markets portfolio.</p> <p>These considerations include, but are not limited to, applicable factors considered by the UN Global Compact principles and OECD guidelines such as human rights, employee relations, labour considerations and the freedom of association and collective bargaining, the environment, anti-bribery, corruption and fraud, cyber security, data, protection and privacy, the interest of local communities, and laws and regulations of the markets we operate in. We require notification from portfolio companies of any breaches of licenses and/or permits or material ESG-related issues.</p> <p>These steps were also taken during the reporting period (where appropriate).</p>

Adverse sustainability indicator	Metric	Impact 2022 MIME SA	Impact 2022 MIMAK	Impact 2022 MAMES	Impact 2022 GLL	Explanation ⁶	Actions taken, and actions planned and targets set for the next reference period	
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	No data	0.00	0.05	n/a	<p>Expressed as: value between 0-1 (representing a percentage)</p> <p>Coverage: 23%</p> <p>Data source: Direct: 99% Indirect: 1%</p> <p>Figures for this indicator are low because the average has been calculated with reference to the current value of all assets (which includes cash and other assets, such as receivables).</p>	<p>Public Investments</p> <p>We support disclosure by investee companies on workplace diversity.</p> <p>Our Proxy Voting Guidelines recommend to generally vote for a company's pay data by gender, or a report on a company's policies and goals to reduce any gender pay gap, taking into account the specific metrics and scope of the information requested. This approach was also followed during the reporting period.</p> <p>Private Markets</p> <p>MAM Private Markets started proactively collecting unadjusted gender pay gap data from its portfolio companies in 2022, where available.</p> <p>Data availability remains a challenge, and we have therefore in 2023 engaged a third party to provide education to its companies on unadjusted pay gap and pay equity. MAM is also introducing a standardised methodology and approach for companies to collect unadjusted gender pay gap data, with a corresponding toolkit on best practice.</p> <p>This is only applicable to MAM's equity businesses where MAM has significant influence or control.</p>

Adverse sustainability indicator		Metric	Impact 2022 MIME SA	Impact 2022 MIMAK	Impact 2022 MAMES	Impact 2022 GLL	Explanation ⁶	Actions taken, and actions planned and targets set for the next reference period
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	0.37	0.04	0.16	n/a	<p>Expressed as: value between 0-1 (representing a percentage)</p> <p>Coverage: 71%</p> <p>Data source: Direct: 63% Indirect: 37%</p>	<p>Public Investments</p> <p>We look for at least 30% of total directors being female and support disclosure surrounding workplace diversity. Proxy Voting Guidelines recommend that MAM consider not supporting the Chair of the Nominating Committee, or other members of the Committee, when we conclude there is insufficient representation of women directors, and the board does not adequately describe its approach to creating and maintaining its gender diversity. We expect disclosures to address a commitment and either a goal or target for the board's gender diversity. This approach was also followed during the reporting period.</p> <p>Private Markets</p> <p>MAM Real Assets is proactively looking to increase its levels of board diversity within its investee companies through the following:</p> <ul style="list-style-type: none"> • aiming for year-on-year increase in levels of board diversity, targeting those boards where diversity is currently lowest (for example, any boards without a diverse member); • revising its governance framework around board appointments to ensure that a diverse slate of candidates are considered; and • actively engaging with executive search and sourcing partners to ensure diverse pipelines of board candidate when

Adverse sustainability indicator		Metric	Impact 2022 MIME SA	Impact 2022 MIMAK	Impact 2022 MAMES	Impact 2022 GLL	Explanation ⁶	Actions taken, and actions planned and targets set for the next reference period
								replacing or appointing new board members. Note this is only applicable to MAM's equity businesses where MAM has significant influence or control.
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	Nil	Nil	Nil	n/a	Expressed as: value between 0-1 (representing a percentage) Coverage: 97% Data source: Direct: 50% Indirect: 50%	<p>Public Investments</p> <p>In support of international conventions such as the Convention on Cluster Munitions, the Anti-Personnel Landmines Treaty, the Chemical Weapons Convention, and the Biological Weapons Convention, we exclude investments in any companies identified as having direct involvement with cluster munitions, anti-personnel landmines, and/or biological and chemical weapons.</p> <p>For weapons providers that are not specifically excluded according to the above listed parameters, we may conduct engagements and monitoring to ensure that proper policies and procedures are in place to ensure that they do not do business in countries or sell products to customers where the risk to human rights is too significant.</p> <p>Our Public Investments Controversial Industries Policy is available here.</p> <p>The approach outlined above was also followed during the reporting period.</p> <p>Private Markets</p> <p>Not applicable. MAM's Private Markets business is focused on real assets and real estate and as such does not and is not</p>

Adverse sustainability indicator		Metric	Impact 2022 MIME SA	Impact 2022 MIMAK	Impact 2022 MAMES	Impact 2022 GLL	Explanation ⁶	Actions taken, and actions planned and targets set for the next reference period
								expected to have exposure to controversial weapons.
Indicators applicable to investments in sovereigns and supranationals								
Environmental	15. GHG intensity	GHG intensity of investee countries	n/a ¹¹	0.24	n/a	n/a	Expressed as: KtonCO2e/EURm Coverage: 100% Data source: Direct: 0% Indirect: 100% Refer endnote 5	Public Investments We review investee countries on the following environmental indicators: CO2 emissions per 1000 USD GDP in ton, CO2 emissions per capita in ton, CH4 emissions per capita, as well as different environmental performance indexes. We use the latest data and five-year changes (to consider direction), and we income adjust (in line with our methodology for Sovereign ESG and the approach advocated by the World Bank research study). Based on the results of our analysis, we will initiate an engagement to gain additional insight surrounding environmental performance. If we cannot get comfort that an issue is being addressed, we will divest from the holding. This approach was followed during the reporting period.
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations	n/a	1.00	n/a	n/a	Absolute number expressed as: absolute number	Public Investments We review potential investee countries through a variety of social indicators such as, energy equity, political rights, civil liberties, personal freedom, economic

¹¹ MIME SA, MAMES and GLL do not have any investments in sovereigns and/or supranationals

Adverse sustainability indicator		Metric	Impact 2022 MIME SA	Impact 2022 MIMAK	Impact 2022 MAMES	Impact 2022 GLL	Explanation ⁶	Actions taken, and actions planned and targets set for the next reference period
		(absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law Absolute number					Relative number expressed as: relative number, represented as value between 0-1 Calculated as: number of investee countries subject to social violations divided by the total number of investee countries Coverage: 100% Data source: Direct: 0% Indirect: 100%	freedom, and a 'Land Grab' variable to capture incursions into foreign territory with the aim of taking control. We use the latest available data and look at five-year changes (to consider direction), and we income adjust (in line with our methodology to assess the ESG performance of sovereign issuers and the approach advocated by the World Bank research study). We also consider governance indicators such as corruption perception, control of corruption, government effectiveness, political stability and absence of violence, regulatory quality, rule of law, and voice and accountability. Based on the results of our analysis, where appropriate, we will initiate an engagement to gain additional insight surrounding social violations. If we cannot gain comfort that an issue is being addressed, we will divest from the holding. This approach was followed during the reporting period.
		Relative number	n/a	0.02	n/a	n/a		

Indicators applicable to investments in real estate assets

Adverse sustainability indicator		Metric	Impact 2022 MIME SA	Impact 2022 MIMAK	Impact 2022 MAMES	Impact 2022 GLL	Explanation ⁶	Actions taken, and actions planned and targets set for the next reference period
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	n/a ¹²	n/a	Nil	Nil	Expressed as: value between 0-1 (representing a percentage) Coverage: 69% Data source: Direct: 8% Indirect: 92%	Private Markets MAM does not currently have exposure to real estate assets which are involved in the extraction, storage, transport or manufacture of fossil fuels.
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	n/a	n/a	0.44	0.74	Expressed as: value between 0-1 (representing a percentage) Coverage: 33% Data source: Direct: 100% Indirect: 0% Refer endnote 6, 7, 8	Private Markets As part of asset management operations for direct property, we keep records of the Energy Performance Certificates (“EPCs”) associated with each building. In line with our 2040 net zero commitment, we are actively identifying opportunities to improve the technical energy efficiency of our direct property portfolio. Where we are invested into a real estate platform, we partner with the asset to establish design and construction standards which are equivalent with high energy efficiency performance and/or action plans to address assets requiring improvement. We take this approach regardless of market / applicability of the EPC system. This approach was also taken during the reporting period.

¹² MIME SA and MIMAK do not have any investments in real estate assets

Adverse sustainability indicator		Metric	Impact 2022 MIME SA	Impact 2022 MIMAK	Impact 2022 MAMES	Impact 2022 GLL	Explanation ⁶	Actions taken, and actions planned and targets set for the next reference period
								Documentation of the relevant EPC is kept on file with our asset management teams. Following the definition of “energy inefficient assets” outlined by the SFDR, MAM is tracking this indicator for assets which fall under the EPC scheme (e.g. Europe, UK), and has excluded other jurisdictions from this assessment and not currently made any equivalence determinations.

Table 2

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

Adverse sustainability indicator		Metric	Impact 2022 MIME SA	Impact 2022 MIMAK	Impact 2022 MAMES	Impact 2022 GLL	Explanation	Actions taken, and actions planned and targets set for the next reference period
Indicators applicable to investments in investee companies								
Emissions	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with	0.34	0.13	0.13	n/a	Expressed as: value between 0-1 (representing a percentage) Coverage: 97% Data source:	Public Investments By 2030, MAM is targeting 50% of its committed listed equity and corporate bonds to have net zero targets in place. As outlined above, MAM regularly engages with investee companies to encourage them to adopt carbon emission reduction initiatives in line with the goals of the Paris Agreement.

Adverse sustainability indicator		Metric	Impact 2022 MIME SA	Impact 2022 MIMAK	Impact 2022 MAMES	Impact 2022 GLL	Explanation	Actions taken, and actions planned and targets set for the next reference period
		the Paris Agreement					Direct: 50% Indirect: 50%	<p>Our Proxy Voting Guidelines recommend that we encourage companies that have material emissions contributing to climate change to provide short-, medium-, and long-term GHG emissions reduction targets, report on their progress towards those targets, that these targets should be scaled over time and ultimately aim towards net zero emissions.</p> <p>This approach was followed during the reporting period.</p> <p>Private Markets</p> <p>Consistent with MAM's commitment to invest and manage its portfolio in line with global net zero emissions by 2040, for investments where MAM exercises significant influence or control, MAM works with investments with the aim of implementing emission reduction initiatives supporting the minimisation of PAI Indicators 1-4. MAM is increasing its engagement with other investments, including those where MAM has no significant influence or control, to better understand emissions performance and mitigating actions in place. This approach was also followed during the reporting period.</p>
Indicators applicable to investments in sovereigns and supranationals								

Adverse sustainability indicator		Metric	Impact 2022 MIME SA	Impact 2022 MIMAK	Impact 2022 MAMES	Impact 2022 GLL	Explanation	Actions taken, and actions planned and targets set for the next reference period
Green securities	17. Share of bonds not issued under Union legislation on environmentally sustainable bonds	Share of bonds not issued under Union legislation on environmentally sustainable bonds	n/a ¹³	No data	n/a	n/a	Expressed as: value between 0-1 (representing a percentage) Coverage: 0% Data source: No data	Public Investments The EU Green Bond Standard has not yet been finalised and therefore we cannot assess investments in green or sustainable bonds against the Standard. We will monitor progress of the Standard and adoption by the market.
Indicators applicable to investments in real estate assets								
Greenhouse gas emissions	18. GHG emissions	Scope 1 GHG emissions generated by real estate assets	n/a ¹⁴	n/a	1,775.46	4,170.37	Expressed as: tCO2e Coverage: 15% Data source: Direct: 100% Indirect: 0% Refer endnote 10	Private Markets For direct property investments, in line with MAM's net zero commitment, we are establishing asset level action plans informed by the investment's performance profile. These action plans focus on three areas of opportunity: 1) technical energy efficiency, 2) green energy procurement, and 3) green leases. To identify technical efficiency opportunities, including the potential cost and emissions impact, we work with our portfolio to undertake decarbonisation audits to produce bespoke recommendations per building. On green
		Scope 2 GHG emissions generated by	n/a	n/a	45,708.78	5,538.51	Expressed as: tCO2e Coverage:	

¹³ MIME SA, MAMES and GLL do not have any investments in sovereigns and/or supranationals

¹⁴ MIME SA and MIMAK do not have any investments in real estate assets

Adverse sustainability indicator		Metric	Impact 2022 MIME SA	Impact 2022 MIMAK	Impact 2022 MAMES	Impact 2022 GLL	Explanation	Actions taken, and actions planned and targets set for the next reference period
		real estate assets					22% Data source: Direct: 100% Indirect: 0% Refer endnote 10	energy procurement, we ask our asset management teams to identify the timeline for contract renewal on controlled and potential cost impacts. For green leases, our baseline lease standard includes a requirement to share resource consumption data, which is critical to our ability to understand and calculate portfolio emissions. The aforementioned steps were also taken during the reporting period (as appropriate).
		Scope 3 GHG emissions generated by real estate assets	n/a	n/a	5,822.15	2,878.46	Expressed as: tCO ₂ e Coverage: 25% Data source: Direct: 100% Indirect: 0% Refer endnote 10	
		Total GHG emissions generated by real estate assets	n/a	n/a	53,306.39	12,587.34	Expressed as: tCO ₂ e Coverage: 40% Data source: Direct: 100% Indirect: 0% Refer endnote 10	

Table 3

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Adverse sustainability indicator	Metric	Impact 2022 MIME SA	Impact 2022 MIMAK	Impact 2022 MAMES	Impact 2022 GLL	Explanation	Actions taken, and actions planned and targets set for the next reference period
Indicators applicable to investments in investee companies							
Social and employee matters	1. Investments in companies without workplace accident prevention policies	Share of investments in investee companies without a workplace accident prevention policy	n/a	n/a	0.09	n/a	<p>Expressed as: value between 0-1 (representing a percentage)</p> <p>Coverage: 96%</p> <p>Data source:</p> <p>Direct: 75%</p> <p>Indirect: 25%</p> <p>Refer endnote 11</p> <p>Note, this PAI Indicator has been adopted as an optional indicator with respect to our Private Markets entities, GLL and MAMES, only.</p> <p>Private Markets</p> <p>For Private Market real assets equity investments, a key pillar of MAM's stewardship activities is its Safety Alignment Framework ("SAF"), which works to enhance safety in its portfolio companies.</p> <p>The SAF seeks to provide clarity, support, and aligned incentives to MAM employees in relevant portfolio company governance roles with work health and safety ("WHS") responsibilities.</p> <p>Key components of the SAF are the assessment of the portfolio and director engagement against MAM's WHS expectations. Assessment of the relevant funds' assets occurs every six months, providing data on progress against MAM WHS expectations, and allowing for the development of specific action plans where improvements are required.</p>

								<p>The SAF was also followed during the reporting period for Private Markets infrastructure equity investments.</p> <p>In our Private Credit business, consideration of work health and safety is carried out in accordance with the PM ESG Policy and supporting guidance, which set out a framework for systematic due diligence, management and reporting of material ESG risks and opportunities associated with the operations of our Private Markets portfolio. This approach was also followed during the reporting period.</p>
Human Rights	11. Lack of processes and measures for preventing trafficking in human beings	Share of investments in investee companies without policies against trafficking in human beings	0.00	0.01	n/a	n/a	<p>Expressed as: value between 0-1 (representing a percentage)</p> <p>Coverage: 94%</p> <p>Data source:</p> <p>Direct: 0%</p> <p>Indirect: 100%</p> <p>Refer endnote 12</p>	<p>Note, this PAI Indicator has been adopted as an optional indicator with respect to our Public Investments entities, MIME SA and MIMAK, only.</p> <p>Public Investments</p> <p>We seek to understand how companies acknowledge, manage, and reduce risks related to human rights. Where applicable, we actively engage with companies that lack policies to prevent trafficking in human beings.</p> <p>We also utilize human rights metrics for our proprietary UN SDG Database, actively engaging with organisations and entities responsible for developing and implementing human rights related metrics so we can better understand the overall impact and alignment companies have towards the SDGs. All investment teams have access to our database and can utilise it as an initial screening mechanism when</p>

								<p>making investments for certain sustainability-themed products.</p> <p>In regard to Proxy Voting, we generally vote for proposals to implement company or company supplier labor and/or human rights standards and policies, and for proposals requesting that a company conduct an assessment of the human rights risks in its operations or in its supply chain, or report on its human rights risk assessment process.</p> <p>The aforementioned steps were also taken during the reporting period (as appropriate).</p>
Indicators applicable to investments in sovereigns and supranationals								
Human Rights	20. Average human rights performance	Measure of the average human right performance of investee countries using a quantitative indicator explained in the explanation column	n/a	0.57	n/a	n/a	<p>Expressed as: a score, with possible values between 0-1</p> <p>Coverage: 100%</p> <p>Data source: Direct: 0% Indirect: 100%</p>	<p>Public Investments</p> <p>We review investee countries based on human rights governance indicators such as, people's access to civil liberties, the level of peacefulness of a country, and people's access to political rights.</p> <p>Based on the results of our analysis, our approach is to initiate an engagement, where appropriate, to gain additional insight surrounding human rights performance. If we cannot get comfort that an issue is being addressed, we will divest from the holding. This approach was followed during the reporting period.</p>

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

MAM has a Principal Adverse Sustainability Impacts Policy (“**PASI Policy**”) which was put in place to comply with the requirements of Article 4 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the “**Sustainable Finance Disclosure Regulation**” or “**SFDR**”) and is reviewed annually. Pursuant to the PASI Policy, MAM will identify, prioritise and seek to mitigate, the principal adverse impacts of our investment decisions and investment advice on sustainability factors. This PASI Statement however is focused on MAM’s investment decisions, unless indicated otherwise. A revised version of the PASI Policy was approved by the board of directors of MIME SA on 28 June 2023, by the management board of MIMAK on 26 June 2023, by the board of directors of MAMES on 28 June 2023 and the management board of GLL on 28 June 2023. It is reviewed annually.

Methodology to select the indicators referred to in Article 6(1), points (a), (b) and (c), and to identify and assess the principal adverse impacts referred to in Article 6(1)

Pursuant to the PASI policy, the PAI Indicators that MAM has chosen to report on in this PASI Statement have been selected by having regard to the following factors:

- MAM’s sustainability strategy, focus areas and net zero commitment;
- MAM’s ability to obtain the data with respect to the indicator;
- MAM’s ability to take action with respect to the indicator;
- the probability of occurrence, including whether portfolios are showing adverse impacts or not; and
- the severity of the principal adverse impacts, including their potentially irremediable character.

There is no central body responsible for the implementation of the PASI Policy, rather investment teams are responsible for implementing the policy within their portfolios, in line with investment objectives and client guidelines.

Public Investments

As outlined above, we look at a number of factors when selecting PAI Indicators to assess and report on. Our Public Investments Global ESG Oversight Committee (the “**GEOC**”) has approved the principal adverse impact indicators (“**PAI Indicators**”) that are assessed by MAM Public Investments and will review them annually.

The indicators to be reported on by MIMAK and MIME SA are proposed by the MAM Sustainability team and the GEOC votes on whether they should be assessed and reported on at a firm level.

Once the PAI Indicators are selected, the GEOC will also determine which PAI Indicators should be prioritised in terms of mitigation efforts. MAM’s sustainability strategy and focus areas guide prioritisation of PAI Indicators at a manager level. At a fund level, principal adverse impacts are prioritised depending on the sustainability characteristics or objectives of the relevant fund.

We have appointed a third-party data provider to assist us with the collection of data on the PAI Indicators, see further details below under the heading “Data sources”. This data is reviewed at a manager level (i.e. in aggregate across all underlying portfolios of the entity) at least annually. Data may be reviewed more frequently for particular financial products subject to SFDR. The data provider that has been used for the preparation of this statement, may differ from the data providers or sources that are used by specific investment teams in their management of MAM’s fund and products (including, without limitation, for the purposes of meeting or monitoring the environmental or social characteristics or sustainability objectives of such products).

We address the sustainability impacts of our investment decisions via a number of established methods, a summary of which is outlined below. Investment teams may choose to take these into account when considering how to mitigate adverse impacts.

Internal policies

We have sought to address impacts on sustainability factors by embedding responsible business conduct into relevant policies and management systems. Below is a list of relevant key policies applicable to our Public Investments business:

- Public Investments ESG Policy

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- Public Investments Engagement Policy
 - Public Investments Proxy Voting Policy
 - Public Investments Good Governance Policy
 - Public Investments Controversial Industries Policy
 - Macquarie's Code of Conduct

Due Diligence

Due diligence may be used as a way of preventing adverse impacts and may help to screen out potential investments with high adverse impacts. Investment teams will adopt their own due diligence requirements taking into account their particular strategies, product and client requirements.

Engagement

Engagement may be used to influence investee companies causing an adverse impact, to limit or mitigate that impact. Many of our investment teams engage with underlying investee companies on ESG matters.

Engagement can include exercising voting rights as a shareholder, sending letters to or attending meetings with the management of investee companies, setting up documented and time-bound engagement in actions or shareholder dialogue with specific sustainability objectives, and planning escalation measures in case those objectives are not achieved, including reductions of investments or exclusion decisions.

Data with respect to PAI Indicators may be used as a basis for prioritising which investee companies to engage with as well as determining focus areas for those engagements.

Voting

We exercise voting rights on behalf of our clients on both financial and non-financial matters, including ESG issues. In circumstances in which we wish to effect positive change on ESG matters, we are willing to vote against management where necessary. Such actions will be taken in accordance with MAM's Proxy Voting Policy.

Exclusion

Public Investments has adopted a Controversial Industries Policy which outlines our position with respect to investments in coal and controversial weapons. Investment teams also have the ability to adopt their own exclusion policies, taking into account the particular investment aims or objectives of the financial product and any client specific requirements.

Portfolio Construction

MAM may take into account PAI Indicator data when making portfolio construction decisions (i.e. whether to buy, sell or reduce holdings in a given portfolio).

Private Markets

PAI Indicators are prioritised at a manager level based on MAM's sustainability strategy and MAM Private Markets' focus areas. At a fund level, principal adverse impacts are prioritised depending on the sustainability characteristics or objectives of the relevant fund. ESG considerations are integrated throughout the investment lifecycle, as appropriate and material, as outlined further below.

Internal policies

We have sought to address impacts on sustainability factors by embedding responsible business conduct into relevant policies and management systems. Below is a list of relevant key policies applicable to our Private Markets business:

- Private Markets ESG Policy
- Private Markets Coal Policy

Due Diligence

We consider a wide range of indicators, focusing on those material to the particular business, which may include but are not limited to the factors below. These considerations take place during investment screening and due diligence as well as during the ongoing management through the asset lifecycle.

Environmental

- Climate change exposure
- Greenhouse gas emissions
- Water usage
- Impact on biodiversity
- Land use
- Waste and pollution
- Resource efficiency



Social

- Health and safety
- Employee / union relations
- Community engagement
- Human rights / anti-slavery
- Cultural heritage
- Privacy and data protection
- Diversity & inclusion



Governance

- Conflicts of interest
- Anti-bribery and corruption
- Fraud prevention
- Cyber security
- Regulator / govt relations
- Executive remuneration
- Supply chain



In line with MAM's net zero commitment, GHG emissions are considered for all businesses across all Private Markets portfolios. As mentioned above, where we exercise control or significant influence over our underlying investments, we will seek to measure the GHG emissions (scopes 1 and 2 at a minimum) of the investments, identify pathways to reduce emissions and develop business plans that contribute to a net zero economy by 2040 or sooner.

Engagement

During the hold period of its investments, MAM will seek to improve the ESG performance of its investments via ongoing engagement with the portfolio company management.

In its private markets equity businesses MAM typically nominates senior employees for appointment as nominee directors ("NEDs") to serve on portfolio company boards. These NEDs, along with other directors and officeholders of the board and management team, are responsible for overseeing portfolio company operations, including ensuring that portfolio company management has appropriate ESG commitments, systems, procedures and practices in place. When MAM nominates board representatives, it will seek to ensure both sectoral and geographical experience, together with any particular skillset that is important for the business.

In addition, each portfolio asset has a dedicated MAM asset manager and analyst that interact with the portfolio company management teams regularly throughout the year. This engagement will, amongst other duties, focus on meeting minimum standard expectations, improving operational and sustainability performance as well as addressing any risks or improvement opportunities identified during due diligence.

In MAM's Private Markets business, we collect data in respect of the PAI Indicators through GRESB submissions by our portfolio companies (with respect to Real Assets and Real Estate equity investments) and through direct engagement (all parts of Private Markets). We may use consultants to provide estimates or proxy data where there are data gaps.

In our Private Credit business, mitigation steps may include the negotiation of ESG related covenants into loan documentation.

Data sources and margin of error

Reporting of ESG data is still in its infancy and data can be inaccurate and incomplete. In the absence of widely available public reporting of PAI Indicators by investee companies, MAM has sourced data via direct and indirect sources, as further outlined below for both Public Investments and Private Markets.

MAM has not verified the data in this document and the data has not been subject to third party assurance. The data sources used may not be comprehensive, may use estimations or may involve a qualitative assessment. Further, there may be data gaps, lags or limitations in the methodology for a particular data source. Divergent ESG-related views, approaches, methodologies and disclosure standards exist in the market, including among data providers, with respect to the identification, assessment, disclosure or determination of "ESG" factors, indicators or principal adverse impacts associated with an investment, product or asset, and different persons may consider or treat the same investment, product, asset, targets, actions or the like, differently from a sustainability perspective. Data provided by a third party may also be subject to change. MAM has taken reasonable steps to mitigate the risks associated with any data limitations but does not make any representation or warranty as to the completeness or accuracy of the data.

It is not currently possible for MAM to give an accurate numerical representation of the associated margin of error with respect to the data presented in this statement.

MAM does not make any representation or warranty as to the completeness or accuracy of any third-party data (whether actual or estimated), or of any other data that is disclosed in this statement.

The data providers or sources that have been used for the preparation of this statement, may differ from the data providers or sources that are used by specific investment teams in their management of MAM's fund and products

(including, without limitation, for the purposes of meeting or monitoring the environmental or social characteristics or sustainability objectives of such products).

Public Investments

MAM has used best efforts to obtain data by appointing Sustainalytics to provide data on the PAI Indicators for all investments made by MIME SA and MIMAK.

MAM carried out due diligence on numerous potential third party data providers and conducted multiple trial periods when deciding which third party vendor to select for SFDR reporting purposes. Factors taken into account included portfolio coverage, alignment with regulatory requirements, cost, quality of data, and methodologies applied. Periodic reviews of data vendors are undertaken by MAM. Where MAM discovers errors or discrepancies in data, we engage with Sustainalytics to understand the issues identified and any remediation actions planned.

Private Markets

Data on the PAI Indicators for investments made by MAMES and GLL has been sourced from a variety of sources using best efforts.

- Where possible, MAM has sourced data directly from investee companies.
- Data with respect to real estate assets has been sourced directly from the underlying properties, except for exposure to the fossil fuel sector through real estate assets, where an assumption has been made, based on knowledge of the underlying properties, that no exposure exists. This assumption has not been applied to properties held through fund of fund structures, where information has been requested directly from the funds MAM is invested in.
- With respect to our Private Credit business:
 - Where available, data for PAI Indicators 1,2,3,5,6,8,9,12 and 13 has been directly sourced¹⁵ by internal teams from publicly available data sources, such as annual reports, and ESG reports.
 - For investee companies without emissions data available from publicly available data sources, MAM appointed a third-party consultant, Guidehouse, to estimate GHG Emissions for PAI Indicator 1 and for use in calculations for PAI Indicators 2, and 3.
 - For PAI Indicators 2 and 3, where the value of investee companies is not directly publicly available, data has been indirectly sourced¹⁶ by internal teams from publicly available documents, such as financial statements and annual reports.
 - For all other PAI Indicators, data has been indirectly sourced by internal teams by assessing publicly available data sources, such as annual reports and ESG reports, and by conducting due diligence analysis and using available tools.

Engagement policies

Public Investments

In our Public Investments business, any engagement with investee companies or issuers is exercised in accordance with the Public Investments Engagement Policy. The Engagement Policy is compliant with Article 3g of EU Directive 2007/36/EC (also known as the Shareholder Rights Directive II). A copy of the policy is available [here](#).

Our policy sets out how investment teams within our Public Investments business integrate engagement into their investment strategies. We define engagement as active dialogue with a targeted objective that occurs between MAM Public Investments and current or potential investee companies/issuers. Engagement objectives entail the furthering of an investment team's understanding of material ESG issues and demonstrate to current and potential investee companies/issuers the importance of these issues as criteria for inclusion or retention of the company's securities in a portfolio. Examples of these objectives include improving practice on an ESG issue, changing a sustainability outcome in the real world, or improving public disclosure. The underlying aim of the engagement dialogue should always be to preserve and enhance the value of assets on behalf of beneficiaries and clients. In preparing our Engagement Policy,

¹⁵ "Directly sourced" means data has been obtained directly from investee companies or assets to calculate the PAI Indicator.

¹⁶ "Indirectly sourced" means data has been obtained by carrying out additional research, cooperating with third party data providers or external experts or making reasonable assumptions, to calculate the corresponding PAI Indicator.

MAM has observed the Macquarie Group's three long-held principles of Opportunity, Accountability and Integrity, which are further explained in the [Macquarie Group Code of Conduct](#).

Our policy does not set out specific engagement topics or PAI indicators to be addressed with investee companies or issuers. Investment teams will determine the relevant ESG issues to discuss with investee companies or issuers based on their own fundamental analysis. Topics that are often discussed by investment teams in ESG engagements include GHG emissions, emissions reduction targets, human rights and governance issues.

Private Markets

Engaging with the management teams of the assets and portfolio companies we invest in in our Private Markets business is a core part of our sustainability practices. Dialogue with management on ESG issues seeks to reduce risk and increase economic, environmental and social benefits on behalf of our clients. Whilst engagement is a core part of our investment process, our Private Markets business does not have a dedicated engagement policy in place. Please see further details outlined above under the heading "*Engagement*" regarding how MAM's Private Markets business engages with its investee companies.

For information on MAM's recent engagement activities across both our Public Investments and Private Markets businesses, please see our 2022 Stewardship Report which is available [here](#).

References to international standards

Alignment with Paris Agreement

In 2020, MAM made a public commitment to invest and manage its portfolio in line with global net zero greenhouse gas emissions by 2040. In line with this commitment, where we exercise control or significant influence over our underlying investments, we will seek to measure the greenhouse gas emissions of our investments, identify pathways to reduce emissions and develop business plans that contribute to a net zero economy by 2040 or sooner, and target completion of these steps within 24 months of acquisition. Where we do not have significant influence, we will seek to support the goals of the Paris Agreement in a manner consistent with our client-guided fiduciary and regulatory responsibilities.

PAI indicators used

PAI Indicators relevant to measuring performance against MAM's net zero commitment include the following:

1. GHG emissions
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector
7. Investments in companies without carbon emission reduction initiatives
8. GHG intensity of investee countries
9. Exposure to energy-inefficient real estate assets

Methodology and data used

In line with this commitment, MAM joined the Net Zero Asset Managers (NZAM) initiative in March 2021. The initiative is an international group of asset managers committed to supporting the goal of net zero GHG emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5 degrees Celsius; and to supporting investing aligned with net zero emissions by 2050 or sooner. The initiative emphasises collaboration among members to meet their commitments through, for example, access to best practice, robust and science-based approaches and standardised methodologies, and improved data. In May 2022, NZAM's Initial Target Disclosure Report disclosed our

commitment to manage, initially, portfolios representing 43% MAM's AUM in line with NZAM's criteria. Further detail on MAM's net zero commitment can be found on our [website](#) and on the [NZAM website](#).

Our actions taken to mitigate adverse impacts focus on measuring and monitoring GHG emissions and encouraging the adoption of emissions reduction targets through engagement with investee companies.

On a quarterly basis, MAM's Public Investments business currently considers the GHG intensity of investee companies on a portfolio level by comparing the GHG intensity of a representative portfolio from each equity investment team against the GHG intensity of the benchmark chosen to track investment returns for such portfolio and against historic data for previous reference periods.

In our Private Markets business, as mentioned above, where MAM exercises control or significant influence over its underlying investments, it will seek to measure the greenhouse gas emissions (scopes 1 and 2 at a minimum) of the investments, identify pathways to reduce emissions and develop business plans that contribute to a net zero economy by 2040 or sooner.

Data is sourced from a variety of sources including directly from investee companies, third party data providers, third party consultants and publicly available data sources.

MAM has conducted the following forward-looking climate scenario analysis to implement the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations and identify and assess our exposure to physical and transition risks for certain portfolios:

- In 2021, MAM completed a physical climate risk assessment across its real assets and real estate portfolios with the assistance of an external consultant. With over 160 portfolio companies and around 500 properties, the review assessed over 1,500 geographical locations for exposure to physical risk events, including but not limited to, potential impacts of floods, extreme temperature, drought, and wildfires under the Intergovernmental Panel on Climate Change ("IPCC") Representative Concentration Pathway ("RCP") 4.5 and RCP 8.5 scenarios. Such scenarios were designed by the IPCC in 2014. The risks were assessed for the years 2021, 2030 and 2050. The review complements the physical risk assessments conducted as part of standard acquisition due diligence by the investment and sustainability teams, the outputs of which highlight potential short and long-term risks and inform adaptation and mitigation measures, which should be considered.
- In our Public Investments business, a proprietary tool was developed in 2019 and is available for investment teams to assess a portfolio's exposure to different carbon pricing scenarios over different time periods using various pricing estimates that have been proposed across both the public and private sectors.

Reporting Initiatives and Responsible Business Conduct Codes

We seek to bring about positive change through adherence to responsible business codes and participation in various sustainability initiatives. We recognise that, by collaborating with other investors, we can amplify our voice. Where we deem appropriate, we collaborate with other investors to address ESG issues of common concern. Across MAM, we collaborate with industry, government and other stakeholders to share knowledge and build capacity through bodies such as those outlined below.

Principles for Responsible Investment

The UN-supported Principles for Responsible Investment ("PRI" or the "Principles") works to understand the investment implications of ESG factors and to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions.

MAM has been a signatory to the PRI since 2015. MAM seeks to:

- incorporate ESG issues into investment analysis and decision-making processes where relevant and appropriate;
- be an active owner and to incorporate ESG issues into its ownership policies and practices;
- obtain appropriate disclosure on ESG issues by the entities in which it invests;
- promote acceptance and implementation of the Principles within the investment industry;
- work with the PRI Secretariat and other signatories to enhance their effectiveness in implementing the Principles; and
- report publicly on its activities and progress towards implementing the Principles.

Please see <https://www.macquarieim.com/investments/solutions/esg> for MAM's latest PRI Transparency Report.

Taskforce on Climate-Related Financial Disclosures (TCFD)

MAM content forms part of Macquarie Group Limited's TCFD disclosure, contained within its [Net Zero and Climate Risk Report](#).

Carbon Disclosure Project (CDP)

MAM content forms part of Macquarie Group Limited's annual CDP disclosures.

UK Stewardship Code

Stewardship is the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society. The UK Financial Reporting Council's Stewardship Code (the "**Code**") is a voluntary code and comprises a set of 12 'apply and explain' principles relating to engagement and stewardship in respect of a number of different asset classes, including listed equity, fixed income, bonds, real estate and infrastructure.

MAM is a signatory to the Code. Our latest Stewardship Report is available [here](#) to download. Our report describes how we have applied the Code's Principles in the 12-month period to 31 December 2022.

GRESB

MAM has been a member of GRESB Infrastructure since it was launched in 2016 and of GRESB Real Estate since 2019, and we are represented on both the GRESB Foundation Board and the Infrastructure Standards Committee. GRESB provides an annual assessment of the sustainability framework and performance of infrastructure and real estate funds and businesses.

Other collaborative sustainability initiatives MAM supports include:

IFRS Sustainability Alliance

MAM is an original member of the IFRS Sustainability Alliance (previously known as the Sustainability Accounting Standards Board Alliance), whose members share the belief that today's capital markets need standardized sustainability disclosure and effective ESG integration into investment practices – for the benefit of both companies and investors.

Transition Pathway Initiative

MAM is a supporter of the Transition Pathway Initiative ("**TPI**"), which is an asset-owner led initiative that assesses companies' preparedness for the transition to a low carbon economy. As a supporter, we use data provided by TPI as part our assessment of a company's alignment with the pathways set by the Paris Agreement

Climate Action 100+

MAM is a participant in Climate Action 100+, which is an investor initiative launched in 2017 to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change. As part of our commitments to Climate Action 100+, MAM acts as co-lead or collaborator on engagements with focus companies.

The Climate Pledge

In July 2021, MAM became one of the first large asset managers to sign the Climate Pledge, a global coalition of more than 100 climate leaders who share the ambition of achieving the goals of the Paris Agreement 10 years early.

World Benchmarking Alliance

MAM joined the World Benchmarking Alliance ("**WBA**") in 2021, which represents organisations working at global, regional, and local levels to shape the private sector's contributions to achieving the United Nations' Sustainable Development Goals ("**SDGs**"). As an Ally, MAM is committed to WBA's mission, vision, and values, and believe in the power of benchmarks and cross-sector partnerships to drive systematic progress on the SDGs.

Finance to Accelerate the Sustainable Transition-Infrastructure

The Finance to Accelerate the Sustainable Transition-Infrastructure ("**FAST Infra**") initiative focuses on accelerating investment in sustainable infrastructure. Established in 2020 by the Climate Policy Initiative, HSBC, the International Finance Corporation ("**IFC**"), Organisation for Economic Co-operation and Development and the Global Infrastructure Facility, active participation in the initiative has now grown to over 50 global entities, including governments, the financial sector, investors and non-governmental organisations. Macquarie is co-chair of the Sustainable Infrastructure

label working group which is developing a globally applicable label for such assets to provide coherency for market participants, facilitate investment decisions and raise standards across the globe.

Historical comparison

Not applicable.

Endnotes

General preparation assumptions

Calculation frequency and approach

Determination of principal adverse impacts are calculated based on the average of four quarterly observations – at 31 March, 30 June, 30 September and 31 December of the reference period, as per Article 6 of Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022.

In line with the methodology set out in the Q&A on the SFDR Delegated Regulation, quarterly impacts for a particular investment are calculated based on the share price at year end, multiplied by the quantity of shares held at each quarter end. In performing this calculation, no adjustments have been made for corporate actions, such as stock splits, which may have taken place during the reference period.

Valuation used if investment sold during reference period

If an investment is held at 31 December, then the market price considered for the purposes of calculating PAIs is the prevailing valuation at 31 December. If an investment is sold during the reference period, then the last available valuation prior to the disposal is used – for example if an asset is sold in August, then the 30 June valuation will be used and the asset would not be included in the calculation made on 30 September.

Data availability

- If an ESG metric is available on a quarterly basis, in relation to the quarters in question, the metric applicable for each quarter is used in the four quarterly observations required to calculate principal adverse impacts. If an ESG metric is available only on an annual basis, then this metric will be considered in each of four quarterly observations and will be assumed to be, as applicable, spread evenly (for example, in the case of emissions / energy consumption metrics) or remain consistent (for example, exposure to controversial weapons, gender pay gap) over the course of the reference period.
- If data for some assets is unavailable for a particular indicator, the valuation of the asset where the data is unavailable is excluded from the current value of all investments for the calculation of the average result for that indicator across the portfolio.
- Indicators have been calculated using latest available data, which in some cases, may be aligned to a period other than the reference period, for example, an investee company's financial year end. If some data points used in the calculation of a particular indicator are available for the reference period and others are available for a different period, no adjustment is made in the calculation to reflect this misalignment.
- For positions held in fund of fund structures, a look through is performed to the underlying investments of that fund where possible. For ETF structures, no look through to underlying securities was performed due to difficulties in systematically sourcing this information.

Calculation of current value of all investments

Where an indicator requires the current value of all investments to be considered, only investments that are applicable to the type of indicator being calculated are included in the current value of all investments for that indicator, so:

- for indicators applicable to investments in investee companies, the current value of all investments includes the value of cash, other assets (such as receivables, prepayments) and investments in investee companies (but not investments in real estate assets, sovereigns or supranationals);

- for indicators applicable to investments in real estate assets, the current value of all investments includes the value of cash, other assets (such as receivables, prepayments) and investments in real estate assets; and
- for indicators applicable to investments in sovereigns and supnationals, the current value of all investments includes investments in sovereigns and supnationals only.

For all indicators, the calculation of current value of all investments has been adjusted for the value of any investments where data is unavailable for use in the calculation of that indicator (for further detail see the “Data availability” endnote).

Annual calculation

Where reportable principal adverse impacts are expressed as a percentage or as an amount per EURm of revenue / invested, the yearly reportable impact is calculated as the weighted average of the four quarterly observations. The weighted average is calculated taking into consideration the portfolio market value at each quarter end.

Where reportable principal adverse impacts are expressed as a raw metric (for example GHG emissions), the yearly reportable impact is calculated as the sum of the four quarterly observations.

Explanatory metrics

Coverage and data source metrics are reported for each PAI Indicator. Coverage metrics are calculated as the current value of investments, across the aggregated portfolios of MIME SA, MIMAK, MAMES and GLL, that have data available to calculate a particular indicator, divided by the current value of all investments, across the aggregated portfolios of MIME SA, MIMAK, MAMES and GLL, to which that indicator is applicable (i.e. assets which are not relevant to the particular PAI Indicator. E.g. If the indicator is one that applies to investee companies, then investments in real estate assets, sovereigns or supnationals have been excluded).

Data source metrics are presented to show whether the source of the data used in the calculation of a particular indicator is “direct” or “indirect”. A “direct” data source means data has been obtained directly from investee companies to calculate the indicator. An “indirect” data source means data has been obtained by carrying out additional research, cooperating with third party data providers or external experts or making reasonable assumptions, to calculate the corresponding indicator.

Direct data source metrics are calculated as the current value of investments, across the aggregated portfolios of MIME SA, MIMAK, MAMES and GLL, that have data available to calculate a particular indicator, which was sourced via direct methods, divided by the current value of all investments, across the aggregated portfolios of MIME SA, MIMAK, MAMES and GLL, that have data available to calculate that indicator.

Indirect data source metrics are calculated as the current value of investments, across the aggregated portfolios of MIME SA, MIMAK, MAMES and GLL, that have data available to calculate a particular indicator, which was sourced via indirect methods, divided by the current value of all investments, across the aggregated portfolios of MIME SA, MIMAK, MAMES and GLL, that have data available to calculate that indicator.

Non-EUR denominated assets

Foreign exchange (“FX”) rates used for conversion of non-EUR denominated asset valuations or other financial metrics are European Central Bank (“ECB”) reference rates – apart from Colombian Peso (“COP”) denominated assets as no published ECB rates are available for this currency.

EUR/COP FX rates have been derived using the USD/COP reference rate published by the Central Bank of Colombia and the EUR/USD reference rate published by the ECB, rounded to 2 decimal places.

Source – ECB:

https://www.ecb.europa.eu/stats/policy_and_exchange_rates/euro_reference_exchange_rates/html/index.en.html

<https://www.ecb.europa.eu/services/disclaimer/html/index.en.html#>

Source – COP rates:

<https://www.banrep.gov.co/en/colombian-peso-market-exchange-rate>

Public Investments ESG third party data provider

For calculation of the Public Investments PAI Indicators, ESG data has been obtained from Sustainalytics as at 31 December 2022. ©2022 Sustainalytics. All Rights Reserved. The information, data, analyses and opinions contained

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Indicator specific assumptions

Table 1, Indicator 1 – GHG emissions

For infrastructure debt investments – excluding those relating to assets operating in the renewable energy sector (for which, see point two below) – where GHG emissions data could not be obtained either directly from borrowers or from publicly available information, GHG emissions have been estimated using the framework set out in the Global GHG Accounting & Reporting Standard Part A: Financed Emissions, Second Edition (2022) issued by the Partnership for Carbon Accounting (“PCAF”).

Calculations have been performed using the Business loans and unlisted equity methodology, option 3c for the estimation of Scope 1, Scope 2 and Scope 3 upstream emissions. Scope 3 downstream emissions could not be estimated due to a lack of appropriate emission factors.

For infrastructure debt investments relating to renewable energy assets, where GHG emissions data was unavailable, the following estimation approach was used:

- Identify the renewable energy type (e.g. offshore wind), installed capacity and annual production for the assets missing data
- Identify emission intensity factors from the National Renewable Energy Laboratory aligning with the asset data (<https://www.nrel.gov/>)
- Apply this emission intensity factor to the assets without data to get estimated emissions.

Table 1, Indicator 6 – Energy consumption intensity per high impact climate sector

For investments in investee companies held within Private Markets, if an investee company primary operating sector is a high impact sector, then all energy consumption of that investee company is reported as high impact energy consumption.

Table 1, Indicator 11 – Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises

For investments in investee companies held within Private Markets, if an investee company has either policies to monitor compliance or grievance/complaints handling mechanisms policies then the company has satisfied this requirement. Only companies that have neither policies to monitor compliance nor grievance/complaints handling mechanisms will be reported as part of this indicator.

Table 1, Indicator 15 – GHG emissions

For investments in sovereigns and supranationals, the calculation of GHG intensity of investee countries is performed on basis of the level of emissions, expressed in kilo tonnes (Kton) per million euros (EURm) unit of GDP.

Table 1, Indicator 18 – Exposure to energy-inefficient real estate assets

Non-EU property is considered out of scope for the calculation of this indicator. The rationale for exclusion is that there is no official equivalency rating between EU and non-EU energy ratings systems. An in-house equivalency methodology has not been developed.

Table 1, Indicator 18 – Exposure to energy-inefficient real estate assets

Assessment of whether a property built before 31 December 2020 has an EPC rating of C or below: if the EPC rating data available for a property is not in A, B, C format, but includes other details – for example C1, D+, the rating assumed for that property references the letter only – so a C1 rating would be treated as a C rating, a D+ rating would be treated as a D rating and so on.

Table 1, Indicator 18 - Exposure to energy-inefficient real estate assets

For properties built after 31 December 2020, assessments have not yet been performed to determine whether the Primary Energy Demand of those properties is less than the threshold set for nearly zero-energy buildings ("NZEB"). No other reasonable estimation method has been identified to assess alignment with NZEB requirements. These properties are treated as having no data available for the calculation of this indicator. This means that the value of the impacted properties are excluded from the calculation of the current value of all investments for this indicator.

Table 2, Indicator 4 - Investments in companies without carbon emission reduction initiatives

For investments in investee companies held within Public Investments, Sustainalytics considers whether companies have general GHG reduction programmes in place, with no requirement to have a specific focus on the Paris Agreement.

Table 2, Indicator 18 - GHG emissions

GHG emissions generated by real estate assets have been calculated using the following formula: (current value of MAM's real estate investment) divided by (value of real estate investment based on 100% ownership) multiplied by (real estate investment's GHG emissions based on 100% ownership).

Table 3, Indicator 1- Investment in investee companies without workplace accident prevention policies

For investments in investee companies held within Public Investments, Sustainalytics apply two indicators as a proxy for lack of workplace accident prevention policies: a) Health and Safety certifications: this indicator focuses on external health and safety certifications (e.g. OHSAS 18001, BS8800, OSHA) and scores 0 when none of the company's operations are certified, and b) Health and safety management systems: this indicator focuses on practices to manage employee health and safety and prevent accidents and occupational issues. If either of the two indicators score 0, the investment is flagged as having a lack of workplace accident prevention policies. Although the two proxy indicators cover a large share of the scope for workplace accident prevention, they do not cover the full spectrum of possible policies and practices.

Table 3, Indicator 11- Lack of processes and measures for preventing trafficking in human beings

For investments in investee companies held within Public Investments, Sustainalytics do not have a specific indicator relating to human trafficking, hence they assess human trafficking by using their human rights policy indicator. This human rights indicator addresses whether a company has a general human rights policy in place, rather than a specific policy on human trafficking. Sustainalytics has defined a value of 'True' for their human rights indicator as representing a lack of measures to prevent trafficking in human beings and companies that Sustainalytics has allocated a score of 'True' under this indicator have been included in the calculations of share of investments in investee companies without policies against trafficking in human beings.

Contacts

For any queries, please contact:

Public Investments - mimemea.institutionalaccounts@macquarie.com

Private Markets - miraeurope@macquarie.com