

Macquarie Asset Management

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2018 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
🔍	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		-	n/a							
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	✓	Private							✓
OO 08	Segregated mandates or pooled funds	✓	Private							✓
OO 09	Breakdown of AUM by market	✓	Private							✓
OO 10	Active ownership practices for listed assets	✓	Public							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	⚡	n/a							✓
OO FI 01	Breakdown by passive, active strategies	✓	Private							✓
OO FI 02	Option to report on <10% assets	⚡	n/a							✓
OO FI 03	Breakdown by market and credit quality	✓	Private							✓
OO SAM 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private							✓
OO PE 01	Breakdown of investments by strategy	⚡	n/a							✓
OO PE 02	Typical level of ownership	⚡	n/a							✓
OO PR 01	Breakdown of investments	✓	Private							✓
OO PR 02	Breakdown of assets by management	✓	Private							✓
OO PR 03	Largest property types	-	n/a							✓
OO INF 01	Breakdown of investments	✓	Public							✓
OO INF 02	Breakdown of assets by management	✓	Private							✓
OO INF 03	Largest infrastructure	✓	Private							✓
OO End	Module confirmation page	✓	-							

CCStrategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public						✓	
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Private							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	-	n/a							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	⚙	n/a							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	✓	Private	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	-	n/a				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 14	Long term investment risks and opportunity	✓	Private	✓						
SG 15	Allocation of assets to environmental and social themed areas	✓	Private	✓						
SG 16	ESG issues for internally managed assets not reported in framework	✓	Public							✓
SG 17	ESG issues for externally managed assets not reported in framework	✓	Public							✓
SG 18	Innovative features of approach to RI	-	n/a							✓
SG 19	Communication	✓	Public						✓	
SG End	Module confirmation page	✓	-							

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Percentage of each incorporation strategy	✓	Public	✓						
LEI 02	Type of ESG information used in investment decision	✓	Public	✓						
LEI 03	Information from engagement and/or voting used in investment decision-making	✓	Public	✓						
LEI 04	Types of screening applied	✓	Public	✓						
LEI 05	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 06	Processes to ensure fund criteria are not breached	✓	Public	✓						
LEI 07	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
LEI 08	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 09	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 10	Aspects of analysis ESG information is integrated into	✓	Public	✓						
LEI 11	ESG issues in index construction	✓	Public	✓						
LEI 12	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
LEI 13	Measurement of financial and ESG outcomes of ESG incorporation	✓	Public	✓						
LEI 14	Examples of ESG issues that affected your investment view / performance	✓	Public	✓						
LEI End	Module confirmation page	✓	-							

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising collaborative engagement	🔒	n/a		✓					
LEA 06	Objectives for engagement activities	🔒	n/a		✓					
LEA 07	Role in engagement process	🔒	n/a		✓		✓			
LEA 08	Monitor / discuss service provider information	🔒	n/a		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Public		✓					
LEA 12	Engagement methods	✓	Public		✓					
LEA 13	Companies changing practices / behaviour following engagement	-	n/a		✓					
LEA 14	Examples of ESG engagements	-	n/a		✓					
LEA 15	Voting policy & approach	✓	Public	✓	✓	✓				
LEA 16	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 17	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 18	Confirmation of votes	-	n/a		✓					
LEA 19	Securities lending programme	✓	Private		✓					
LEA 20	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 21	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 22	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 23	Shareholder resolutions	-	n/a		✓					
LEA 24	Examples of (proxy) voting activities	-	n/a		✓					
LEA End	Module confirmation page	✓	-							

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Incorporation strategies applied	✓	Public	✓						
FI 02	ESG issues and issuer research	✓	Public	✓						
FI 03	Processes to ensure analysis is robust	✓	Public	✓						
FI 04	Types of screening applied	✓	Public	✓						
FI 05	Negative screening - overview and rationale	✓	Public	✓						
FI 06	Examples of ESG factors in screening process	✓	Private	✓						
FI 07	Screening - ensuring criteria are met	✓	Public	✓						
FI 08	Thematic investing - overview	🔒	n/a	✓						
FI 09	Thematic investing - themed bond processes	🔒	n/a	✓						
FI 10	Thematic investing - assessing impact	🔒	n/a	✓						
FI 11	Integration overview	✓	Public	✓						
FI 12	Integration - ESG information in investment processes	✓	Public	✓						
FI 13	Integration - E,S and G issues reviewed	✓	Public	✓						
FI 14	ESG incorporation in passive funds	🔒	n/a	✓						
FI 15	Engagement overview and coverage	✓	Public		✓					
FI 16	Engagement method	✓	Public	✓	✓					
FI 17	Engagement policy disclosure	✓	Private	✓	✓					
FI 18	Financial/ESG performance	✓	Public							✓
FI 19	Examples - ESG incorporation or engagement	-	n/a	✓	✓					
FI End	Module confirmation page	✓	-							

Direct - Infrastructure				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
INF 01	Description of approach to RI	✓	Public	✓					✓	
INF 02	Responsible investment policy for infrastructure	✓	Public	✓					✓	
INF 03	Fund placement documents and RI	✓	Public	✓			✓		✓	
INF 04	Formal commitments to RI	✓	Private				✓			
INF 05	Incorporating ESG issues when selecting investments	✓	Public	✓						
INF 06	ESG advice and research when selecting investments	✓	Private	✓			✓			
INF 07	Examples of ESG issues in investment selection process	✓	Public	✓		✓				
INF 08	Types of ESG information considered in investment selection	✓	Private	✓		✓				
INF 09	ESG issues impact in selection process	✓	Private	✓						
INF 10	ESG issues in selection, appointment and monitoring of third-party operators	✓	Public				✓			
INF 11	ESG issues in post-investment activities	✓	Public		✓					
INF 12	Proportion of assets with ESG performance targets	✓	Public		✓					
INF 13	Proportion of portfolio companies with ESG/sustainability policy	✓	Public		✓					
INF 14	Type and frequency of reports received from investees	✓	Private		✓	✓				
INF 15	Proportion of maintenance projects where ESG issues were considered	✓	Public		✓					
INF 16	Proportion of stakeholders that were engaged with on ESG issues	✓	Private		✓					
INF 17	ESG issues affected financial/ESG performance	✓	Private	✓	✓					
INF 18	Examples of ESG issues that affected your infrastructure investments	-	n/a	✓		✓				
INF 19	Approach to disclosing ESG incidents	✓	Private						✓	
INF End	Module confirmation page	✓	-							

Assurance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM1 01.1	Assurance, verification, or review	✓	Public							✓
CM1 01.2 & 01.8	Assurance of this year's PRI data	✓	Public							
CM1 01.3 & 01.9	Assurance of last year's PRI data	✓	Public							✓
CM1 01.4, 10-12	Other confidence building measures	✓	Public							✓
CM1 01.5	External assurance	⚠	n/a							✓
CM1 01.6	Assurance or internal audit	⚠	n/a							✓
CM1 01.7	Internal verification	✓	Public							✓
CM1 01 End	Module confirmation page	✓	-							

Macquarie Asset Management

Reported Information

Public version

Organisational Overview

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Basic information

OO 01

Mandatory

Public

Gateway/Peering

General

OO 01.1

Select the services and funds you offer

☒ Fund management

% of assets under management (AUM) in ranges

☐ <10%

☐ 10-50%

☒ >50%

☐ Fund of funds, manager of managers, sub-advised products

☐ Other, specify

Further options for investment managers (may be selected in addition to the above)

☒ Execution and advisory services

☐ Hedge funds

☐ Fund of hedge funds

OO 01.3

Additional information. [Optional]

Macquarie Group is a diversified financial group providing clients with asset management and finance, banking, advisory and risk and capital solutions across debt, equity and commodities. Macquarie Asset Management (MAM) is one of Macquarie Group's five operating businesses.

MAM is a global top 50 full-service asset manager, providing clients with access to a diverse range of capabilities and products including infrastructure, real assets, equities, fixed income, liquid alternatives & multi-asset investment management solutions. MAM had \$A471.9 billion of assets under management at 30 September 2017.

MAM has been managing assets for institutional and retail investors since 1980 in Australia and 1929 in the US, through a predecessor firm of Delaware Investments.

MAM became a signatory to the PRI in August 2015. Responses to the modules are for MAM with references to Macquarie Group or divisions within MAM where applicable.

MAM comprises the following three divisions:

Macquarie Infrastructure and Real Assets (MIRA) MIRA is a leader in alternative asset management worldwide, specialising in infrastructure, real estate, agriculture and energy 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/superannuation funds, sovereign wealth funds, governments and other institutions. The division is recognised for its expertise over the investment lifecycle, with strong capabilities in investment sourcing, investment management and investor relationships.

Macquarie Investment Management (MIM) MIM offers securities investment management capabilities across a number of asset classes including fixed income, currencies, equities, infrastructure securities, hedge funds and multi-asset allocation solutions. It delivers a full-service offering to both institutional and retail clients in the US and Australia, with selective offerings in other regions. Macquarie Investment Management also partners with selected specialist investment managers to distribute "best of breed" strategies in Australia through its Macquarie Professional Series range of funds.

Macquarie Specialised Investment Solutions (MSIS) MSIS manufactures and distributes a range of tailored investment solutions including fund linked products, capital protected investments over funds and listed equities, secured ship financing, a hedge fund and private credit fund incubation platform, agriculture investment solutions, as

well as infrastructure debt funds management. The division is recognised for product innovation with a strong track record of delivering tailored solutions to the market.

Macquarie Infrastructure Debt Investment Solutions (MIDIS) forms part of MSIS. MIDIS provides an infrastructure debt platform that originates and manages transactions on behalf of its pension and insurance clients, seeking low-risk assets achieving above market returns to match long dated liabilities. The platform was launched in the UK in 2012 and has since expanded its presence into Europe, Australia, and the United States. With mandates signed with investors in Europe, Australasia and the US, MIDIS has the capability to invest in assets covering a wide range of sectors on a global scale.

The LEI and LEA modules relate to MIM, the FI module relates to MIM and MIDIS and the INF module relates to MIRA.

OO 02	Mandatory	Public	Peering	General
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OO 02.1	Select the location of your organisation's headquarters.
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Australia

OO 02.2	Indicate the number of countries in which you have offices (including your headquarters).
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- ☐ 1
- ☐ 2-5
- ☐ 6-10
- ☒ >10

OO 02.3	Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).
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	FTE
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1581

OO 02.4	Additional information. [Optional]
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1581 in OO 02.3 above is the MAM headcount as at 30 September 2017, which approximates FTE.

OO 03	Mandatory	Public	Descriptive	General
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OO 03.1	Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.
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- ☐ Yes
- ☒ No

OO 03.3

Additional information. [Optional]

During 2017, a Macquarie-led consortium acquired the UK Green Investment Bank plc from HM Government. The re-named Green Investment Groups fund management activities now sit within MIRA and are reported here. Its activities as an asset owner will continue to be reported separately.

OO 04

Mandatory

Public

Gateway/Peering

General

OO 04.1

Indicate the year end date for your reporting year.

30/09/2017

OO 04.2

Indicate your total AUM at the end of your reporting year. Exclude subsidiaries you have chosen not to report on and any advisory/execution only assets.

	trillions	billions	millions	thousands	hundreds
Total AUM		471	896	616	148
Currency	AUD				
Assets in USD		358	546	541	604

OO 04.4

Indicate the total assets at the end of your reporting year subject to an execution and/or advisory approach.

	trillions	billions	millions	thousands	hundreds
Total AUM		8	691	100	670
Currency	USD				
Assets in USD		8	691	100	670

OO 06

Mandatory

Public

Descriptive

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

OO 06.1

Select how you would like to disclose your asset class mix.

☐ as percentage breakdown

☒ as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	10-50%	<10%
Fixed income	10-50%	<10%

Private equity	0	0
Property	<10%	0
Infrastructure	10-50%	0
Commodities	0	0
Hedge funds	<10%	<10%
Forestry	<10%	0
Farmland	<10%	0
Inclusive finance	0	0
Cash	<10%	0
Other (1), specify	<10%	0
Other (2), specify	<10%	0

'Other (1)' specified

Asset allocation/diversified

'Other (2)' specified

Energy

Macquarie Asset Management	Sep-17
Assets under Management by Type	A\$ billion
Macquarie Investment Management	
Fixed Income	197.32
Equities	121.26
Alternatives and multi-asset	6.58
Total Macquarie Investment Management	325.16
Macquarie Infrastructure and Real Assets	
Infrastructure	133.92
Agriculture	1.72
Real Estate	5.82
Total Macquarie Infrastructure and Real Assets	141.46
Macquarie Specialised Investment Solutions	5.28
Total Macquarie Asset Management	471.90

Asset class implementation gateway indicators

OO 10	Mandatory	Public	Gateway	General
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OO 10.1

Select the active ownership activities your organisation implemented in the reporting year.

Listed equity – engagement

- ☒ We engage with companies on ESG factors via our staff, collaborations or service providers.
- ☐ We require our external managers to engage with companies on ESG factors on our behalf.
- ☐ We do not engage directly and do not require external managers to engage with companies on ESG factors.

Listed equity – voting

- ☒ We cast our (proxy) votes directly or via dedicated voting providers
- ☐ We require our external managers to vote on our behalf.
- ☐ We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

Fixed income SSA – engagement

- ☒ We engage with companies on ESG factors via our staff, collaborations or service providers.
- ☐ We require our external managers to engage with companies on ESG factors on our behalf.
- ☐ We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Fixed income Corporate (financial) – engagement

- ☒ We engage with companies on ESG factors via our staff, collaborations or service providers.
- ☐ We require our external managers to engage with companies on ESG factors on our behalf.
- ☐ We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Fixed income Corporate (non-financial) – engagement

- ☒ We engage with companies on ESG factors via our staff, collaborations or service providers.
- ☐ We require our external managers to engage with companies on ESG factors on our behalf.
- ☐ We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Fixed income Corporate (securitised) – engagement

- ☒ We engage with companies on ESG factors via our staff, collaborations or service providers.
- ☐ We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

OO 11

Mandatory

Public

Gateway

General

OO 11.1

Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

Listed equity

- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

Fixed income - SSA

- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

Fixed income - corporate (financial)

- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

Fixed income - corporate (non-financial)

- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

Fixed income - securitised

- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

Property

- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

Infrastructure

- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

Hedge funds

- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

Forestry

- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

Farmland

- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

Cash

- ☐ We address ESG incorporation.
- ☒ We do not do ESG incorporation.

Other (1)

- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

	Other (2)
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- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

	'Other (1)' [as defined in OO 05]
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Asset allocation/diversified

	'Other (2)' [as defined in OO 05]
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Energy

Asset class	ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes
Listed equity	<div> <div></div> <div>Listed equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> </div> <div> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation </div>
Fixed income - SSA	<div> <div></div> <div>Fixed income - SSA - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> </div> <div> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation </div>
Fixed income - corporate (financial)	<div> <div></div> <div>Fixed income - corporate (financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> </div> <div> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation </div>
Fixed income - corporate (non-financial)	<div> <div></div> <div>Fixed income - corporate (non-financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> </div> <div> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation </div>
Hedge funds	<div> <div></div> <div>Hedge funds - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> </div> <div> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation </div>

OO 11.4

Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.

Each underlying manager has its own approach to integrating ESG into its investment process. ESG incorporation is generally one of the factors considered in external manager selection.

OO 12
Mandatory
Public
Gateway
General
OO 12.1

Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

Core modules

- ☒ Organisational Overview
- ☒ Strategy and Governance

RI implementation directly or via service providers
Direct - Listed Equity incorporation

- ☒ Listed Equity incorporation

Direct - Listed Equity active ownership

- ☒ Engagements
- ☒ (Proxy) voting

Direct - Fixed Income

- ☒ Fixed income - SSA
- ☒ Fixed income - Corporate (financial)
- ☒ Fixed income - Corporate (non-financial)
- ☒ Fixed income - Securitised

Direct - Other asset classes with dedicated modules

- ☐ Property
- ☒ Infrastructure

RI implementation via external managers

Indirect - Selection, Appointment and Monitoring of External Managers

- ☐ Listed Equities
- ☐ Fixed income - SSA
- ☐ Fixed income - Corporate (financial)
- ☐ Fixed income - Corporate (non-financial)

Closing module

- ☒ Closing module

Peering questions

OO INF 01	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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OO INF 01.1

Indicate the level of ownership you typically hold in your infrastructure investments.

- ☐ a majority stake (>50%)
- ☐ a 50% stake
- ☐ a significant minority stake (between 10-50%)
- ☐ a minority stake (<10%)
- ☒ a mix of ownership stakes

OO INF 01.2

Additional information. [Optional]

Macquarie Infrastructure and Real Assets (MIRA) is a division of Macquarie Asset Management (MAM).

MIRA manages approximately 50 funds and mandates (collectively 'funds') around the world, largely regional in focus. The funds and MIRA make and hold direct investments in infrastructure, real estate, farmland and energy, depending on the particular investment mandate of the fund. At 30 September 2017, the funds held investments in approximately 130 businesses.

MIRA's infrastructure funds constitute MAM's only direct infrastructure business.

This module has been prepared as if the reporting entity were an aggregation of all of the infrastructure funds managed by MIRA, as well as MIRA itself as manager. Therefore, references to an infrastructure investment would in general refer to an investment by a fund, while references to incorporation of ESG considerations in investment decision-making would refer to MIRA's decision-making as fund manager.

Macquarie Asset Management

Reported Information

Public version

Strategy and Governance

PRI disclaimer

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Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

☒ Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

- ☒ Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- ☐ Your investment objectives that take ESG factors/real economy influence into account
- ☐ Time horizon of your investment
- ☒ Governance structure of organisational ESG responsibilities
- ☒ ESG incorporation approaches
- ☐ Active ownership approaches
- ☐ Reporting
- ☐ Climate change and related issues
- ☐ Other RI considerations, specify (1)
- ☐ Other RI considerations, specify (2)

SG 01.4

Describe your organisation's investment principles and overall investment strategy, and how they consider ESG factors and real economy impact.

Macquarie Group's environmental, social and governance (ESG) commitment reflects our responsibility to clients, shareholders and the communities in which we operate.

Macquarie Group maintains a group-wide Environmental and Social Risk (ESR) policy, which governs the management of environmental and social issues including labour, employment practices, human rights, resource efficiency, climate risk, pollution prevention, biodiversity and cultural heritage. This ESR policy is based on international guidelines, including the International Finance Corporation Performance Standards.

The ESR policy is applicable to Macquarie Group. Macquarie Group businesses, including Macquarie Asset Management (MAM), are required to maintain business-specific due diligence and approval processes consistent with the group-wide ESR policy.

Some divisions of MAM also have their own policies which address ESG, supplementing the Macquarie Group ESR and other policies to reflect the ESG considerations associated with their particular businesses.

☐ No

SG 02**Mandatory****Public****Core Assessed****PRI 6**

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 02.1

Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

☒ Policy setting out your overall approach

URL/Attachment

☒ URL

URL

https://static.macquarie.com/dafiles/Internet/mgl/global/shared/about/company-profile/esg/esr-policy-summary_97_2003.pdf?v=6

☐ Attachment (will be made public)

☒ Formalised guidelines on environmental factors

URL/Attachment

☒ URL

URL

https://static.macquarie.com/dafiles/Internet/mgl/global/shared/about/company-profile/esg/esr-policy-summary_97_2003.pdf?v=6

☐ Attachment (will be made public)

☒ Formalised guidelines on social factors

URL/Attachment

☒ URL

URL

https://static.macquarie.com/dafiles/Internet/mgl/global/shared/about/company-profile/esg/esr-policy-summary_97_2003.pdf?v=6

☐ Attachment (will be made public)

☒ Formalised guidelines on corporate governance factors

URL/Attachment

☒ URL

URL

<https://www.macquarie.com/uk/about/company/leadership-corporate-governance>

☐ Attachment (will be made public)

☒ Engagement policy

URL/Attachment

☒ URL

URL

<https://www.delawarefunds.com/esg-strategy>

☐ Attachment (will be made public)

☒ (Proxy) voting policy

URL/Attachment

☒ URL

URL

<http://vds.issproxy.com/59/policies/VotingPolicy.pdf>

☐ Attachment (will be made public)

☐ We do not publicly disclose our investment policy documents

SG 02.2

Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

- ☒ Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

- ☒ URL

URL

https://static.macquarie.com/dafiles/Internet/mgl/global/shared/about/company-profile/esg/esr-policy-summary_97_2003.pdf?v=6

- ☐ Attachment

- ☒ Governance structure of organisational ESG responsibilities

URL/Attachment

- ☒ URL

URL

<https://static.macquarie.com/dafiles/Internet/mgl/global/shared/about/company-profile/esg/esg-governance-org-chart-97-2003.pdf?v=8>

- ☐ Attachment

- ☐ ESG incorporation approaches

- ☐ We do not publicly disclose any investment policy components

SG 02.3

Indicate if your organisation's investment principles, and overall investment strategy is publicly available

- ☒ Yes

URL

<https://www.macquarie.com/au/about/company/macquarie-funds>

- ☐ No

SG 02.4

Additional information [Optional].

Macquarie Group makes its ESR policy and ESG governance approach publicly available. The ESR policy and approach is applicable to all five of Macquarie's operating groups including Macquarie Asset Management.

<https://www.macquarie.com/uk/about/company/environmental-social-governance-esg>

SG 03

Mandatory

Public

Core Assessed

General

SG 03.1

Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

☒ Yes

SG 03.2

Describe your policy on managing potential conflicts of interest in the investment process.

Corporate governance in Macquarie-managed funds

Each fund adopts an appropriate governance framework to ensure that key decisions are taken in the best interests of investors, consistent with the fund's mandates and regulatory requirements.

The key elements of Macquarie Group's corporate governance framework for funds are:

1. Appropriate management of conflicts of interest arising between a fund and its related parties. Related party transactions should be identified clearly, conducted on arms length terms and tested by reference to whether they meet market standards. Decisions by listed funds about transactions with Macquarie or its affiliates should be made by parties independent of Macquarie
2. Appropriate resourcing of funds management businesses. In particular:
 - Staff involved in managing a fund should be dedicated to the relevant funds management business, rather than to advisory or other activities
 - All recommendations to fund boards (and supporting information) should be prepared or reviewed by funds management staff
 - Each listed fund that invests in operating assets or businesses should have its own managing director or chief executive officer and a majority of independent directors on the fund board
 - Information barriers operate to separate Macquarie's corporate finance, advisory and equity capital markets businesses from its funds management businesses.

For more information:

<http://www.macquarie.com/au/about/company/environmental-social-governance-esg>

☐ No

Objectives and strategies**SG 05****Mandatory****Public****Gateway/Core Assessed****General****SG 05.1**

Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- ☐ Quarterly or more frequently
- ☐ Biannually
- ☒ Annually
- ☐ Less frequently than annually
- ☐ Ad-hoc basis
- ☐ It is not set/reviewed

Governance and human resources

SG 07	Mandatory	Public	Core Assessed	General
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SG 07.1	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.
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	Roles present in your organisation
--	------------------------------------

- ☒ Board members or trustees
 - ☒ Oversight/accountability for responsible investment
 - ☐ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - ☒ Oversight/accountability for responsible investment
 - ☐ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Other Chief-level staff or head of department, specify
MAM Division Heads, MIRA CRSO*

- ☒ Oversight/accountability for responsible investment
- ☒ Implementation of responsible investment
- ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Portfolio managers
 - ☒ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ ESG portfolio manager
- ☒ Investment analysts
 - ☐ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Dedicated responsible investment staff
 - ☒ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ External managers or service providers
 - ☐ Oversight/accountability for responsible investment
 - ☐ Implementation of responsible investment
 - ☒ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Investor relations
 - ☐ Oversight/accountability for responsible investment
 - ☐ Implementation of responsible investment
 - ☒ No oversight/accountability or implementation responsibility for responsible investment
- ☐ Other role, specify (1)
- ☐ Other role, specify (2)

SG 07.2

For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

The Macquarie Group Board is responsible for approving Macquarie Group's ESG framework, including major ESG policies. In accordance with its charter, the Board Governance and Compliance Committee assists the Board in adopting appropriate governance standards and reviewing the operations of the group-wide Environmental and Social Risk (ESR) management policies.

Aligned with Macquarie's risk management approach, the Risk Management Group (RMG) provides oversight of ESR Policy operation and compliance. Within RMG, the Environmental and Social Risk Team, which is part of RMG Credit, provides specialist advice and support on the ESR Policy application and is responsible for reporting to the Macquarie Group Board.

Within MAM, other roles with oversight or accountability for RI, and those responsible for its implementation, execute their responsibilities through their participation in the investment decision-making process.

Please refer to the URL below for Macquarie Group's ESG governance organisation chart.

<http://static.macquarie.com/dafiles/Internet/mgl/global/shared/sf/pdf/esg-governance-org-chart-97-2003.pdf?v=4>

As stated in the Macquarie Group Code of Conduct, all staff share responsibility for identifying and managing environmental and social risks as part of normal business practice.

*CRSO reference in 7.1 above refers to MIRA Chief Risk and Sustainability Officer

SG 07.3

Indicate the number of dedicated responsible investment staff your organisation has.

Number

5

Promoting responsible investment**SG 09****Mandatory****Public****Core Assessed****PRI 4,5****New selection options have been added to this indicator. Please review your prefilled responses carefully.****SG 09.1**

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply☒ Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

☐ Basic☒ Moderate☐ AdvancedProvide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

During the year Macquarie Asset Management (MAM) representatives were members of the PRI's Supply Chain Working Group, developing guidance on managing ESG risk in supply chains which was released in November 2017

☐ Asian Corporate Governance Association☐ Australian Council of Superannuation Investors☐ AFIC – La Commission ESG☐ BVCA – Responsible Investment Advisory Board☒ CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

☒ Basic☐ Moderate☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

As a signatory to the Carbon Disclosure Project (CDP), Macquarie reports detailed information about its approach to the risks and opportunities arising from climate change. Macquarie's annual responses are available on the CDP website.

- ☐ CDP Forests
- ☐ CDP Water
- ☐ CFA Institute Centre for Financial Market Integrity
- ☐ Code for Responsible Investment in SA (CRISA)
- ☐ Code for Responsible Finance in the 21st Century
- ☐ Council of Institutional Investors (CII)
- ☐ Eumedion
- ☐ Extractive Industries Transparency Initiative (EITI)
- ☐ ESG Research Australia
- ☐ EVCA – Responsible Investment Roundtable
- ☐ Global Investors Governance Network (GIGN)
- ☐ Global Impact Investing Network (GIIN)
- ☒ Global Real Estate Sustainability Benchmark (GRESB)

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic
- ☒ Moderate
- ☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

MIRA became an investor member of GRESB Infrastructure in May 2016. During the year, MIRA was a participant in the GRESB Infrastructure Assessment Technical Working Group.

- ☐ Green Bond Principles
- ☐ Institutional Investors Group on Climate Change (IIGCC)
- ☐ Interfaith Center on Corporate Responsibility (ICCR)
- ☐ International Corporate Governance Network (ICGN)
- ☐ Investor Group on Climate Change, Australia/New Zealand (IGCC)
- ☐ International Integrated Reporting Council (IIRC)
- ☐ Investor Network on Climate Risk (INCR)/CERES
- ☐ Local Authority Pension Fund Forum
- ☐ Principles for Sustainable Insurance
- ☐ Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- ☐ Responsible Finance Principles in Inclusive Finance
- ☐ Shareholder Association for Research and Education (Share)
- ☐ United Nations Environmental Program Finance Initiative (UNEP FI)
- ☐ United Nations Global Compact
- ☐ Other collaborative organisation/initiative, specify
- ☐ Other collaborative organisation/initiative, specify
- ☐ Other collaborative organisation/initiative, specify
- ☐ Other collaborative organisation/initiative, specify

SG 10	Mandatory	Public	Core Assessed	PRI 4
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SG 10.1	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.
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☒ Yes

SG 10.2	Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.
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- ☒ Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)

	Description
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MIRA has provided education sessions/briefings to clients. In addition, ESG is a topic of conversation at most MIRA investor meetings.

Frequency of contribution

- ☒ Quarterly or more frequently
- ☐ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☐ Ad hoc
- ☐ Other
- ☐ Provided financial support for academic or industry research on responsible investment
- ☐ Provided input and/or collaborated with academia on RI related work
- ☐ Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- ☐ Spoke publicly at events and conferences to promote responsible investment
- ☒ Wrote and published in-house research papers on responsible investment

Description

Wrote and published in-house ESG papers on responsible investment - please refer to additional information below.

Frequency of contribution

- ☒ Quarterly or more frequently
- ☐ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☐ Ad hoc
- ☐ Other
- ☐ Encouraged the adoption of the PRI
- ☐ Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)
- ☐ Wrote and published articles on responsible investment in the media
- ☒ A member of PRI advisory committees/ working groups, specify

Description

Part of the Supply Chain Working Group

Frequency of contribution

- ☒ Quarterly or more frequently
- ☐ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☐ Ad hoc
- ☐ Other
- ☐ On the Board of, or officially advising, other RI organisations (e.g. local SIFs)
- ☐ Other, specify
- ☐ No

SG 10.3	Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]
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ESG research and collaboration

Macquarie Group has industry-leading analysts (independent from MAM) dedicated to publishing specialist ESG and alternative energy research. The analysis of ESG issues complements Macquarie Group's bottom-up stock valuations and analysis. Macquarie Group published specialist ESG reports in FY17 covering topics such as employee engagement, company ESG ratings and corporate governance. In addition to published research, Macquarie Group hosts corporate and investor engagement programs relating to ESG issues.

During FY17, Macquarie Group's research teams received client and industry recognition for their alternative energy and ESG research, including a top-three rating for its Australian ESG research by Australian Institutional Investors.

Outsourcing to fiduciary managers and investment consultants

SG 12	Mandatory	Public	Core Assessed	PRI 4
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 12.1	Indicate whether your organisation uses investment consultants.
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- ☐ Yes, we use investment consultants
- ☒ No, we do not use investment consultants.

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 13.1	Indicate if your organisation executes scenario analysis and/or modelling in which the risk profile of future ESG trends at portfolio level is calculated.
----------------	--

- ☐ We execute scenario analysis which includes factors representing the investment impacts of future environmental trends
- ☐ We execute scenario analysis which includes factors representing the investment impacts of future social trends
- ☐ We execute scenario analysis which includes factors representing the investment impacts of future governance trends
- ☐ We consider scenario analysis that includes factors representing the investment impacts of future climate-related risks and opportunities
- ☐ We execute other scenario analysis, specify
- ☒ We do not execute such scenario analysis and/or modelling

SG 13.3	Additional information. [OPTIONAL]
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No standard practice is used at the portfolio level, however in certain instances targeted scenario analysis is used to evaluate the potential impact of ESG considerations on specific investments

Asset class implementation not reported in other modules

SG 16	Mandatory	Public	Descriptive	General
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Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Property	ESG considerations are embedded into all phases of the asset life cycle, from pre-investment screening and due diligence through asset management to realisation
Hedge funds - DDQ	<div> <div></div> <div>Select whether you have responded to the PRI Hedge Fund DDQ</div> </div> <div> <input type="radio"/> Yes <input checked="" type="radio"/> No </div>
Hedge funds	MIM's specialised, independent investment teams are focused on delivering long-term, consistent results for clients. Each team has autonomy to execute on its own investment philosophy. All of MIM's teams share several traits: independent thinking, global perspectives and conviction in their specialised investment philosophies. The teams also recognise that ESG factors may provide additional insight into 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. Each team differs in the extent of their coverage and review of these factors, with some teams systematically reviewing ESG factors as part of their investment process, while some others review these factors on an ad-hoc basis.
Forestry	MSIS assesses and manages ESG risks for its forestry activities, seeking to adopt industry best practice.
Farmland	ESG considerations are embedded into all phases of the asset life cycle, from pre-investment screening and due diligence through asset management to realisation.
Other (1) [as defined in Organisational Overview module]	MIM's specialised, independent investment teams are focused on delivering long-term, consistent results for clients. Each team has autonomy to execute on its own investment philosophy. All of MIM's teams share several traits: independent thinking, global perspectives and conviction in their specialised investment philosophies. The teams also recognise that ESG factors may provide additional insight into 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. Each team differs in the extent of their coverage and review of these factors, with some teams systematically reviewing ESG factors as part of their investment process, while some others review these factors on an ad-hoc basis.
Other (2) [as defined in Organisational Overview module]	ESG considerations are embedded into all phases of the asset life cycle, from pre-investment screening and due diligence through asset management to realisation.

SG 17	Mandatory	Public	Descriptive	General
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SG 17.1	Describe how you address ESG issues for externally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.
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Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Listed equities - ESG incorporation	The investment process of the investment managers of the Funds is assessed to determine if ESG issues are incorporated into their investment decisions. Each investment manager however, incorporates their own stance on the extent to which labour standards or environmental, social or ethical considerations are taken into account when making investment decisions.
Listed equities - engagement	The investment process of the investment managers of the Funds is assessed to determine if ESG issues are incorporated into their investment decisions. Each investment manager however, incorporates their own stance on the extent to which labour standards or environmental, social or ethical considerations are taken into account when making investment decisions.
Listed equities - (proxy) voting	The investment process of the investment managers of the Funds is assessed to determine if ESG issues are incorporated into their investment decisions. Each investment manager however, incorporates their own stance on the extent to which labour standards or environmental, social or ethical considerations are taken into account when making investment decisions.
Fixed income - SSA	The investment process of the investment managers of the Funds is assessed to determine if ESG issues are incorporated into their investment decisions. Each investment manager however, incorporates their own stance on the extent to which labour standards or environmental, social or ethical considerations are taken into account when making investment decisions.
Fixed income - Corporate (financial)	The investment process of the investment managers of the Funds is assessed to determine if ESG issues are incorporated into their investment decisions. Each investment manager however, incorporates their own stance on the extent to which labour standards or environmental, social or ethical considerations are taken into account when making investment decisions.
Fixed income - Corporate (non-financial)	The investment process of the investment managers of the Funds is assessed to determine if ESG issues are incorporated into their investment decisions. Each investment manager however, incorporates their own stance on the extent to which labour standards or environmental, social or ethical considerations are taken into account when making investment decisions.
Hedge funds - DDQ	<div> <div></div> <div>Select whether you use the PRI Hedge Fund DDQ</div> </div> <div> <input type="radio"/> Yes <input checked="" type="radio"/> No </div>
Hedge funds	The investment process of the investment managers of the Funds is assessed to determine if ESG issues are incorporated into their investment decisions. Each investment manager however, incorporates their own stance on the extent to which labour standards or environmental, social or ethical considerations are taken into account when making investment decisions.

Communication

SG 19

Mandatory

Public

Core Assessed

PRI 6

SG 19.1

Indicate whether your organisation proactively discloses asset class specific information. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.

Fixed income

Do you disclose?

- ☐ We do not disclose to either clients/beneficiaries or the public.
- ☐ We disclose to clients/beneficiaries only.
- ☒ We disclose to the public

The information disclosed to clients/beneficiaries is the same

- ☒ Yes
- ☐ No

Disclosure to public and URL

Disclosure to public and URL

- ☒ Broad approach to RI incorporation
- ☐ Detailed explanation of RI incorporation strategy used

Frequency

- ☐ Quarterly
- ☐ Biannually
- ☒ Annually
- ☐ Less frequently than annually
- ☐ Ad hoc/when requested

URL

<https://www.delawarefunds.com/esg-strategy>

Infrastructure

Do you disclose?

- ☐ We do not disclose to either clients/beneficiaries or the public.
- ☐ We disclose to clients/beneficiaries only.
- ☒ We disclose to the public

The information disclosed to clients/beneficiaries is the same

- ☒ Yes
- ☐ No

Disclosure to public and URL

Disclosure to public and URL

- ☒ ESG information on how you select infrastructure investments
- ☒ ESG information on how you monitor and manage infrastructure investments
- ☐ Information on your infrastructure investments' ESG performance

Frequency

- ☐ Quarterly or more frequently
- ☐ Biannually
- ☒ Annually
- ☐ Less frequently than annually
- ☐ Ad-hoc/when requested

URL

<http://www.mirafunds.com/about-mira/sustainability>

Listed equity - Engagement

Do you disclose?

- ☐ We do not disclose to either clients/beneficiaries or the public.
- ☐ We disclose to clients/beneficiaries only.
- ☒ We disclose to the public

The information disclosed to clients/beneficiaries is the same

- ☒ Yes
- ☐ No

Disclosure to public and URL	
	<div>Disclosure to public and URL</div> <div> <input checked="" type="checkbox"/> Details on the overall engagement strategy <input type="checkbox"/> Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals <input type="checkbox"/> Number of engagements undertaken <input type="checkbox"/> Breakdown of engagements by type/topic <input type="checkbox"/> Breakdown of engagements by region <input type="checkbox"/> An assessment of the current status of the progress achieved and outcomes against defined objectives <input type="checkbox"/> Examples of engagement cases <input type="checkbox"/> Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.) <input type="checkbox"/> Details on whether the provided information has been externally assured <input type="checkbox"/> Outcomes that have been achieved from the engagement <input type="checkbox"/> Other information </div>
	<div>Frequency</div> <div> <input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested </div>
	<div>URL</div> <div> https://www.delawarefunds.com/esg-strategy </div>
	<div>URL</div> <div> https://www.delawarefunds.com/esg-strategy </div>

Listed equity – (Proxy) Voting

Do you disclose?

- ☐ We do not disclose to either clients/beneficiaries or the public.
☐ We disclose to clients/beneficiaries only.
☒ We disclose to the public

The information disclosed to clients/beneficiaries is the same

☒ Yes

☐ No

Disclosure to public and URL

Disclosure to public and URL

- ☐ Explain all voting decisions
- ☒ Explain some voting decisions
- ☐ Only explain abstentions and votes against management
- ☐ No explanations provided

Frequency

- ☐ Quarterly
- ☐ Biannually
- ☒ Annually
- ☐ Less frequently than annually
- ☐ Ad hoc/when requested

URL

<http://vds.issproxy.com/59/policies/VotingPolicy.pdf>

Listed equity - Incorporation

Do you disclose?

- ☐ We do not proactively disclose it to the public and/or clients/beneficiaries
- ☐ We disclose to clients/beneficiaries only.
- ☒ We disclose it publicly

The information disclosed to clients/beneficiaries is the same

☒ Yes

☐ No

Disclosure to public and URL		
	Disclosure to public and URL	
<input checked="" type="radio"/> Broad approach to ESG incorporation <input type="radio"/> Detailed explanation of ESG incorporation strategy used		
	Frequency	
<input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested		
	URL	
https://www.delawarefunds.com/esg-strategy		

Macquarie Asset Management

Reported Information

Public version

Direct - Listed Equity Incorporation

PRI disclaimer

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ESG incorporation in actively managed listed equities

Implementation processes

LEI 01	Mandatory	Public	Core Assessed	PRI 1
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEI 01.1	Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies (+/- 5%)
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ESG incorporation strategy (select all that apply)

- ☐ Screening alone (i.e. not combined with any other strategies)
- ☐ Thematic alone (i.e. not combined with any other strategies)
- ☒ Integration alone (i.e. not combined with any other strategies)

Percentage of active listed equity to which the strategy is applied	<div> <div></div> <div>%</div> </div> <div>80</div>
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- ☒ Screening and integration strategies

Percentage of active listed equity to which the strategy is applied	<div> <div></div> <div>%</div> </div> <div>20</div>
---	---

- ☐ Thematic and integration strategies
- ☐ Screening and thematic strategies
- ☐ All three strategies combined
- ☐ We do not apply incorporation strategies

	Total actively managed listed equities
--	--

100%

LEI 01.2	Describe your organisation's approach to incorporation and the reasons for choosing the particular ESG incorporation strategy/strategies.
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Macquarie Investment Management (MIM) is a division of Macquarie Asset Management (MAM).

MIM offers securities investment management capabilities across a number of asset classes including fixed income, currencies, equities, infrastructure securities, hedge funds and multi-asset allocation solutions.

Our specialized, 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. All of our equity teams share

several traits: independent thinking, global perspectives and conviction in their specialized investment philosophies.

Many of our teams also recognize that ESG factors may provide additional insight into investment risk. Each team differs in the extent of their coverage and review of these factors.

The majority of our US-based equity investment teams employ a fundamental approach towards identifying and assessing securities. Inherent to their investment process is an in-depth analysis of economic, competitive and other factors that may influence future revenues and earnings of the issuer of the securities, including factors that have been identified by others as material from an ESG perspective.

For our Hong Kong-based Asian Equities team, ESG is embedded into their detailed research of each company as they believe that there is a direct correlation between ESG factors and financial performance and investment returns. ESG analysis is a first step in the team's fundamental research of a target company. The team also manages certain investment screens to exclude particular types of companies that are based on broad investor feedback as well as restrictions placed on investment vehicles in certain regulatory jurisdictions.

Our Sydney-based Systematic Investment Equities team incorporates ESG scores as one of the components of a company's quality aggregate score. They have also developed customized screens which exclude tobacco-associated companies in their global portfolios and offers clients the ability to restrict investments in other areas such as coal and uranium.

LEI 01.3

If assets are managed using a combination of ESG incorporation strategies, briefly describe how these combinations are used. [Optional]

For our teams where fundamental research is a major component of their investment process, integration is the primary ESG incorporation strategy that those teams use. This is part of their regular investment process of identifying material factors that may impact the future revenue and earnings of a company. Screening may also be used by these teams to identify certain risk factors and screens are also selectively used to exclude securities based on client imposed restrictions.

Our more quantitatively-oriented teams utilize screening as their primary ESG incorporation strategy, with integration used as a supplement to their rigorous screening process.

LEI 02	Voluntary	Public	Additional Assessed	PRI 1
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LEI 02.1

Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.

Type of ESG information

- ☒ Raw ESG company data

Indicate who provides this information

- ☒ ESG research provider
- ☒ Sell-side
- ☐ In-house – specialised ESG analyst or team
- ☒ In-house – analyst or portfolio manager
- ☒ Company-related analysis or ratings

Indicate who provides this information

- ☒ ESG research provider
- ☒ Sell-side
- ☐ In-house – specialised ESG analyst or team
- ☒ In-house – analyst or portfolio manager
- ☐ Sector-related analysis or ratings
- ☐ Country-related analysis or ratings
- ☒ Screened stock list

Indicate who provides this information

- ☒ ESG research provider
- ☐ Sell-side
- ☐ In-house – specialised ESG analyst or team
- ☐ In-house – analyst or portfolio manager
- ☒ ESG issue-specific analysis or ratings

Indicate who provides this information

- ☒ ESG research provider
- ☒ Sell-side
- ☐ In-house – specialised ESG analyst or team
- ☐ In-house – analyst or portfolio manager
- ☐ Other, specify

LEI 02.2	Provide a brief description of the ESG information used, highlighting any different sources of information across your ESG incorporation strategies.
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Our independent equity investment teams utilize a variety of sources in order to gather information to be used for analysis in their investment process. We have contracted with an outside organization to provide us with ESG-specific opinions and insights, but the majority of our information is obtained via our teams' own independent research. While not necessarily seeking ESG-specific information, the research that our teams conduct oftentimes focuses on issues that may also be relevant from an ESG perspective. Our Systematic Investment Equities team utilizes information from our outside ESG data provider in order to consider the intersection between carbon emissions and a company's risk management initiatives. Stocks that score poorly on both measures are excluded from consideration.

LEI 02.3	Indicate if you incentivise brokers to provide ESG research.
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- ☐ Yes
- ☒ No

LEI 02.5	Additional information.[Optional]
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The responses provided above represent an aggregate of different practices employed by our independent investment teams and do not necessarily indicate that each team employs all of these practices.

LEI 03	Voluntary	Public	Additional Assessed	PRI 1
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LEI 03.1	Indicate if your organisation has a process through which information derived from ESG engagement and/or (proxy) voting activities is made available for use in investment decision-making.
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☒ Engagement

- ☐ We have a systematic process to ensure the information is made available.
- ☒ We occasionally make this information available.
- ☐ We do not make this information available.

☒ (Proxy) voting

- ☒ We have a systematic process to ensure the information is made available.
- ☐ We occasionally make this information available.
- ☐ We do not make this information available.

LEI 03.2	Additional information. [Optional]
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Our independent investment teams have their own processes for disseminating information to their team members. These oftentimes consist of regularly scheduled team meetings in which information gleaned from engagements with company managements is shared with the rest of the team. Factors that may be considered material from an ESG perspective may be discussed during these meetings.

The proxy voting service that our US-based teams utilize provides our investment teams with the option of being notified if there is a conflict between their recommended vote in accordance with our overall voting guidelines and their recommended vote based on ESG guidelines.

(A) Implementation: Screening

LEI 04	Mandatory	Public	Descriptive	PRI 1
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LEI 04.1	Indicate and describe the type of screening you apply to your internally managed active listed equities.
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Type of screening

- ☒ Negative/exclusionary screening

Screened by

- ☒ Product
- ☒ Activity
- ☒ Sector
- ☐ Country/geographic region
- ☒ Environmental and social practices and performance
- ☒ Corporate governance

	Description
--	-------------

Formal exclusion lists are based on specific industry classification or product involvement. Informal exclusion lists are applied within the team from a broader ESG perspective, this limits investments in certain companies until sufficient improvement in company practices are observed.

- ☐ Positive/best-in-class screening
- ☐ Norms-based screening

LEI 04.2	Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.
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The responses provided above represent an aggregate of different practices employed by our independent investment teams and do not necessarily indicate that each team employs all of these practices.

LEI 05	Mandatory	Public	Core Assessed	PRI 1
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LEI 05.1	Indicate which processes your organisation uses to ensure screening is based on robust analysis.
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- ☒ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- ☐ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☐ External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- ☒ Third-party ESG ratings are updated regularly to ensure that portfolio holdings comply with fund policies.
- ☐ A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- ☐ A periodic review of the quality of the research undertaken or provided is carried out
- ☒ Review and evaluation of external research providers
- ☐ Other, specify
- ☐ None of the above

LEI 05.2	Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your ESG screening strategy.
-----------------	---

- ☒ <10%
- ☐ 10-50%
- ☐ 51-90%
- ☐ >90%

LEI 05.3	Indicate how frequently third party ESG ratings are updated for screening purposes.
-----------------	---

- ☒ Quarterly or more frequently
- ☐ Bi-annually
- ☐ Annually
- ☐ Less frequently than annually

LEI 05.5	Additional information. [Optional]
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The responses provided above represent an aggregate of different practices employed by our independent investment teams and do not necessarily indicate that each team employs all of these practices.

LEI 06	Voluntary	Public	Additional Assessed	PRI 1
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LEI 06.1	Indicate which processes your organisation uses to ensure fund criteria are not breached
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- ☒ Systematic checks are performed to ensure that stocks meet the funds' screening criteria.
- ☒ Automated IT systems prevent investment managers from investing in excluded stocks or those that do not meet positive screening criteria.
- ☐ Audits of fund holdings are undertaken regularly by internal audit function
- ☐ Periodic auditing/checking of the organisations RI funds by external party
- ☐ Other, specify
- ☐ None of the above

LEI 06.2	If breaches of fund screening criteria are identified - describe the process followed to correct those breaches.
----------	--

For our Asian Equities team, Investments in all companies are vetted at the Investment Committee level and via automated IT systems which restrict investments in excluded stocks, which limits the potential for breaches. In the event of a potential breach the situation, including the classification of the investee company, will be reviewed to confirm the breach is correct and any corrective actions, such as divestment, will be managed appropriately and in the best interest of clients. Any incidents (operational incidents, exceptions and breaches) identified from monitoring programs (or as identified as part of the day to day business processes) are logged promptly onto a breach database. Each incident is assigned to a relevant staff member to ensure it is resolved.

For our Systematic Investment Equities team, breaches would be identified by Compliance or Portfolio Management personnel and trades would be placed to correct the positions. An investigation of the cause of the breach would be conducted and the outcome and corrective actions would be documented.

MSCI KLD Social restricted lists are loaded into MIM America's trading system on a monthly basis. Traders entering trades in prohibited securities will receive a notification that the security is restricted for those specific accounts with restrictions.

(C) Implementation: Integration of ESG issues

LEI 08	Mandatory	Public	Core Assessed	PRI 1
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LEI 08.1	Indicate which ESG factors you systematically research as part of your investment analysis and the proportion of actively managed listed equity portfolios that is impacted by this analysis.
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ESG issues	Proportion impacted by analysis
Environmental	<div> <div></div> <div>Environmental</div> </div> <p> <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> 51-90% <input type="radio"/> >90% </p>
Social	<div> <div></div> <div>Social</div> </div> <p> <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> 51-90% <input type="radio"/> >90% </p>
Corporate Governance	<div> <div></div> <div>Corporate Governance</div> </div> <p> <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> 51-90% <input type="radio"/> >90% </p>

LEI 08.2 Additional information. [Optional]

Our specialized, 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. All of our teams share several traits: independent thinking, global perspectives and conviction in their specialized investment philosophies.

The majority of our equity investment teams employ a fundamental approach towards identifying and assessing securities. Inherent to their investment process is an in-depth analysis of economic, competitive and other factors that may influence future revenues and earnings, including factors that have been identified by others as material from an ESG perspective.

Following are a few examples of the many ESG factors that have been reviewed in the integration process employed by our teams:

Assessment of the potential impact on coal fired power generation as a result of evolving emissions trading legislation

Review of board structures, delegation, regulation and director independence for Asian Equities

Analysis of the potential impact on the supply/demand balance of energy markets resulting from a possible allowance of exploration in areas previously protected under environmental considerations

Evaluation of a pharmaceutical company's pricing philosophy in regards to ensuring fair access to their products vs. maximizing company profits

LEI 09	Voluntary	Public	Additional Assessed	PRI 1
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LEI 09.1

Indicate which processes your organisation uses to ensure ESG integration is based on a robust analysis.

- ☒ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products

LEI 09.2

Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your integration strategy.

- ☐ <10%
- ☐ 10-50%
- ☒ 51-90%
- ☐ >90%

☐ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies

- ☒ Third-party ESG ratings are updated regularly.

LEI 09.3

Indicate how frequently third party ESG ratings that inform your ESG integration strategy are updated.

- ☒ Quarterly or more frequently
- ☐ Bi-Annually
- ☐ Annually
- ☐ Less frequently than annually

- ☒ A periodic review of the internal research is carried out

LEI 09.4

Indicate how frequently you review internal research that builds your ESG integration strategy.

- ☐ Quarterly or more frequently
- ☐ Bi-Annually
- ☒ Annually
- ☐ Less frequently than annually

☐ Structured, regular ESG specific meetings between responsible investment staff and the fund manager or within the investments team

☐ ESG risk profile of a portfolio against benchmark

☐ Other, specify

☐ None of the above

LEI 09.5

Describe how ESG information is held and used by your portfolio managers.

☒ ESG information is held within centralised databases or tools and it is accessible by all relevant staff

☒ ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff

☒ Systematic records are kept that capture how ESG information and research was incorporated into investment decisions

☐ Other, specify

☐ None of the above

LEI 09.6	Additional information.[Optional]
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The responses provided above represent an aggregate of different practices employed by our independent investment teams and do not necessarily indicate that each team employs all of these practices.

LEI 10	Mandatory to Report Voluntary to Disclose	Public	Core Assessed	PRI 1
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEI 10.1	Indicate which aspects of investment analysis you integrate material ESG information into.
----------	--

☒ Economic analysis

	Proportion of actively managed listed equity exposed to investment analysis
--	---

- ☐ <10%
- ☐ 11-50%
- ☒ 51-90%
- ☐ 90%

☒ Industry analysis

	Proportion of actively managed listed equity exposed to investment analysis
--	---

- ☐ <10%
- ☐ 11-50%
- ☒ 51-90%
- ☐ 90%

☒ Quality of management

	Proportion of actively managed listed equity exposed to investment analysis
--	---

- ☐ <10%
- ☐ 11-50%
- ☒ 51-90%
- ☐ 90%

☒ Analysis of company strategy

	Proportion of actively managed listed equity exposed to investment analysis
--	---

- ☐ <10%
- ☐ 11-50%
- ☒ 51-90%
- ☐ 90%

☒ Portfolio weighting

	Proportion of actively managed listed equity exposed to investment analysis
--	---

- ☐ <10%
- ☒ 11-50%
- ☐ 51-90%
- ☐ 90%

LEI 10.2a	Indicate which methods are part of your process to integrate ESG information into fair value/fundamental analysis and/or portfolio construction.
------------------	--

- ☒ Adjustments to forecasted company financials (sales, operating costs, earnings, cash flows)
- ☐ Adjustments to valuation tools (discount rates, terminal value)
- ☐ Other adjustments to fair value projections, specify

LEI 10.3	Describe how you integrate ESG information into portfolio weighting.
-----------------	--

Each of our independent investment teams employ their own methods of integrating ESG information into portfolio weighting and the integration of ESG information into portfolio weighting varies by teams.

LEI 10.4a	Describe the methods you have used to adjust the income forecast / valuation tool
------------------	---

Income forecast/valuation tools vary by team, but in many instances material factors that may affect future earnings are incorporated into the process. Oftentimes factors that are considered by our teams in the forecasting and valuation processes are also considered by others to be material ESG factors.

☒ Fair value/fundamental analysis

	Proportion of actively managed listed equity exposed to investment analysis
--	---

- ☐ <10%
- ☐ 11-50%
- ☒ 51-90%
- ☐ 90%

LEI 10.2b	Indicate which methods are part of your process to integrate ESG information into fair value/fundamental analysis and/or portfolio construction.
------------------	--

- ☒ Adjustments to forecasted company financials (sales, operating costs, earnings, cash flows)
- ☐ Adjustments to valuation tools (discount rates, terminal value)
- ☐ Other adjustments to fair value projections, specify

LEI 10.4b	Describe the methods you have used to adjust the income forecast / valuation tool
------------------	---

Income forecast/valuation tools vary by team, but in many instances material factors that may affect future earnings are incorporated into the process. Oftentimes factors that are considered by our teams in the forecasting and valuation processes are also considered by others to be material ESG factors.

☐ Other, specify

ESG incorporation in passively managed listed equities

LEI 11	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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LEI 11.1	Indicate if you manage passive listed equity funds that incorporate ESG issues in the index construction methodology.
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☒ Yes

LEI 11.2	Indicate the percentage of your total passive listed equity funds for which ESG issues are incorporated in the index construction methodology.
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	(% of total passive listed equity funds)
--	--

- ☒ <10%
- ☐ 10-50%
- ☐ 51-90%
- ☐ >90%

LEI 11.3	Specify index/fund name, provide a brief description of ESG methodology and indicate which of the following ESG incorporation strategies you apply.
-----------------	---

☒ Index/fund 1

Index/fund name and brief description of ESG methodology	ESG incorporation strategy
Custom benchmark, based on MSCI, adjusted to remove tobacco/uranium/armaments, etc	<input checked="" type="checkbox"/> Screening <input type="checkbox"/> Thematic <input type="checkbox"/> Integration of ESG issues <input type="checkbox"/> Other

☒ Index/fund 2

Index/fund name and brief description of ESG methodology	ESG incorporation strategy
Custom benchmark based on S&P/ASX200 adjusted to remove tobacco/uranium/armaments, etc.	<input checked="" type="checkbox"/> Screening <input type="checkbox"/> Thematic <input type="checkbox"/> Integration of ESG issues <input type="checkbox"/> Other

☐ Index/fund 3

☐ Index/fund 4

☐ Index/fund 5

☐ No

Outputs and outcomes

LEI 12	Voluntary	Public	Descriptive	PRI 1
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LEI 12.1	Indicate how your ESG incorporation strategies have influenced the composition of your portfolio(s) or investment universe.
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☒ Screening

Describe any reduction in your starting investment universe or other effects.

Our Systematic Investment Equities team's investable universe has been reduced by 2-5%

Specify the percentage reduction (+/- 5%)

%

5

☒ Integration of ESG issues

Select which of these effects followed your ESG integration:

- ☐ Reduce or prioritise the investment universe
- ☐ Overweight/underweight at sector level
- ☒ Overweight/underweight at stock level
- ☐ Buy/sell decisions
- ☐ Other, specify
- ☐ None of the above
- ☒ Index incorporating ESG issues (for passively managed funds)

Describe the influence on composition or other effects

The benchmark was adjusted to remove the screened stocks.

LEI 13	Voluntary	Public	Additional Assessed	PRI 1
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LEI 13.1

Indicate whether your organisation measures how your approach to responsible investment in Listed Equity has affected your portfolio's financial and/or ESG performance.

- ☐ We measure whether our approach to ESG issues impacts funds' reputation
- ☒ We measure whether our approach to ESG issues impacts funds' financial performance: return

b) Funds' financial performance: return

Describe the impact on:	Describe the impact	Which strategies were analysed?
Funds' financial performance: return	<input checked="" type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact	<input type="checkbox"/> Screening <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Index construction (passive funds)

- ☐ We measure whether our approach to ESG issues impacts funds' financial performance: risk
- ☐ We measure whether our approach to ESG issues impacts funds' ESG performance
- ☐ None of the above

LEI 13.2

Describe how you are able to determine these outcomes.

Our Systematic Investment Equities team compared the performance of their funds via a back-testing process by including/excluding ESG factors and comparing the results.

LEI 14	Voluntary	Public	Descriptive	PRI 1
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LEI 14.1	Provide examples of ESG issues that affected your investment view and/or performance during the reporting year.
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☒ ESG issue 1

	ESG issue and explanation
Poor governance scores	
	ESG incorporation strategy applied
<input type="checkbox"/> Screening <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Combination of ESG incorporation strategies <input type="checkbox"/> Index incorporating ESG issues	
	Impact on investment decision or performance
Feeds into quality score and stock ranking	

- ☐ ESG issue 2
☐ ESG issue 3
☐ ESG issue 4
☐ ESG issue 5

LEI 14.2	Additional information.[Optional]
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The above example is from our Systematic Investment Equities team.

Macquarie Asset Management

Reported Information

Public version

Direct - Listed Equity Active Ownership

PRI disclaimer

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Engagement

Overview

LEA 01	Mandatory	Public	Core Assessed	PRI 2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 01.1 Indicate whether your organisation has a formal engagement policy.

☒ Yes

LEA 01.2 Attach or provide a URL to your engagement policy.

☐ Attachment provided:

☒ URL provided:

URL

<https://www.macquarieim.com/esg-strategy>

LEA 01.3 Indicate what your engagement policy covers:

- ☐ Conflicts of interest
- ☐ Insider information
- ☐ Alignment with national stewardship code requirements
- ☐ Due diligence and monitoring process
- ☒ Prioritisation of engagements
- ☐ Transparency of engagement activities
- ☒ Environmental factors
- ☒ Social factors
- ☒ Governance factors
- ☐ Other, describe
- ☐ None of the above

LEA 01.4 Provide a brief overview of your organization's approach to engagement

Macquarie Investment Management (MIM) is a division of Macquarie Asset Management (MAM).

MIM offers securities investment management capabilities across a number of asset classes including fixed income, currencies, equities, infrastructure securities, hedge funds and multi-asset allocation solutions. It delivers a full-service offering to both institutional and retail clients in the US and Australia, with selective offerings in other regions. MIM also partners with selected specialist investment managers to distribute "best of breed" strategies in Australia through its Macquarie Professional Series range of funds.

MIM's investment teams often engage with companies as part of their regular investment processes. These engagements are typically strategic in nature and provide additional insights into management quality, business drivers, financial strategy and future business prospects. During these meetings ESG factors may be discussed, where relevant, and the findings incorporated into our overall assessment of the management teams.

We may also engage directly with the entities in which we invest in order to encourage additional ESG disclosure. Companies that we have targeted for engagement are typically identified and prioritized by geography, sector and size in order to ensure that a diverse cross-section of engagements are undertaken.

☐ No

LEA 02	Mandatory	Public	Gateway	PRI 1,2,3
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LEA 02.1	Indicate the method of engagement, giving reasons for the interaction.
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Type of engagement	Reason for interaction
Individual/Internal staff engagements	<input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> Other, specify See additional information below. <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via collaborative engagements <div>Please specify why your organisation does not engage via collaborative engagements.</div> We believe that individual engagements are the most effective means of communicating
Service provider engagements	<input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> Other, specify Regular meetings with Proxy provider to request information <input type="checkbox"/> We do not engage via service providers

LEA 02.2	Additional information. [Optional]
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Each of MIM's specialised, independent investment teams has autonomy to execute on its own investment philosophy. Each team differs in their approach towards engagement activities. The types of engagements and reasons for interaction mentioned in question LEA 02.1 are applicable to specific investment teams and not the business as a whole.

Engagements are typically strategic in nature and provide additional insights into management quality, business drivers, financial strategy and future business prospects. During these meetings we may discuss ESG factors, where relevant, and incorporate our findings into our overall assessment of the management teams

Process

Process for engagements run internally

LEA 03	Mandatory	Public	Core Assessed	PRI 2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 03.1	Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.
----------	---

☒ Yes

LEA 03.2	Describe the criteria used to identify and prioritise engagement activities carried out by internal staff.
----------	--

- ☒ Geography / market of the companies
- ☐ Materiality of ESG factors
- ☐ Systemic risks to global portfolios
- ☐ Exposure (holdings)
- ☐ In response to ESG impacts that have already occurred.
- ☐ As a response to divestment pressure
- ☐ Consultation with clients/beneficiaries
- ☐ Consultation with other stakeholders (i.e. NGOs, trade unions etc.)
- ☐ As a follow-up from a voting decision
- ☐ Client request
- ☐ Other, describe

☐ No

LEA 03.3	Additional information. [Optional]
----------	------------------------------------

Our formal process for identifying and prioritising engagement activities carried out by internal staff is specific to engagements to improve ESG disclosure which are implemented on a corporate level.

Our investment teams often engage with companies as part of their regular investment processes. These engagements are typically strategic in nature and provide additional insights into management quality, business

drivers, financial strategy and future business prospects. During these meetings we may discuss ESG factors, where relevant, and incorporate our findings into our overall assessment of the management teams.

LEA 04	Mandatory	Public	Core Assessed	PRI 2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 04.1	Indicate if you define specific objectives for your engagement activities.
----------	--

- ☒ Yes
 - ☐ Yes, for all engagement activities
 - ☐ Yes, for the majority of engagement activities
 - ☒ Yes, for a minority of engagement activities
- ☐ We do not define specific objectives for engagement activities carried out by internal staff.

LEA 04.2	Indicate if you monitor the actions that companies take during and following your engagements activities carried out by internal staff.
----------	---

- ☒ Yes
 - ☐ Yes, in all cases
 - ☐ Yes, in the majority of cases
 - ☒ Yes, in the minority of cases
- ☐ We do not monitor the actions that companies take following engagement activities carried out by internal staff.

LEA 04.3	Indicate if you do any of the following to monitor and evaluate the progress of your engagement activities carried out by internal staff.
----------	---

- ☐ Define timelines for your objectives
- ☐ Tracking and/or monitoring progress against defined objectives
- ☒ Tracking and or monitoring progress of actions taken when original objectives are not met
- ☐ Revisit and, if necessary, revise objectives on continuous basis
- ☐ Other, please specify
- ☐ We do not monitor and evaluate progress of engagement activities carried out by internal staff

LEA 04.4	Additional information. [Optional]
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The above responses are specific to engagements that we undertake on a corporate level and are not indicative of the process used by our independent investment teams.

General processes for all three groups of engagers

LEA 09	Voluntary	Public	Additional Assessed	PRI 1,2
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LEA 09.1	Indicate if insights gained from your engagements are shared with your internal or external investment managers.
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Type of engagement	Insights shared
Individual/Internal staff engagements	<input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No

LEA 09.2	Additional information. [Optional]
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Our independent investment teams have their own processes for disseminating information to their team members. These oftentimes consist of regularly scheduled team meetings in which information gleaned from engagements with company managements is shared with the rest of the team.

LEA 10	Mandatory	Public	Gateway	PRI 2
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LEA 10.1	Indicate if you track the number of your engagement activities.
-----------------	---

Type of engagement	Tracking engagements
Individual / Internal staff engagements	<input type="radio"/> Yes, we track the number of our engagements in full <input checked="" type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track

LEA 10.2	Additional information. [OPTIONAL]
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We track in full the engagements that we perform on a corporate level to encourage increased ESG disclosure. All other engagements are partially tracked.

Outputs and outcomes

LEA 11	Mandatory to Report Voluntary to Disclose	Public	Core Assessed	PRI 2
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LEA 11.1	Indicate the amount of your listed equities portfolio with which your organisation engaged during the reporting year.
-----------------	---

	Number of companies engaged (avoid double counting, see explanatory notes)	Proportion (to the nearest 5%)	Specify the basis on which this percentage is calculated
Individual / Internal staff engagements	<div>Number of companies engaged</div> 1000	<div>Proportion (to the nearest 5%)</div> 100	<div>Specify the basis on which this percentage is calculated</div> <p> <input checked="" type="radio"/> of the total number of companies you hold <input type="radio"/> of the total value of your listed equity holdings </p>

LEA 11.2

Indicate the proportion of engagements that involved multiple, substantive and detailed discussions or interactions with a company during the reporting year relating to ESG issue.

Type of engagement	% Comprehensive engagements
Individual / Internal staff engagements	<input checked="" type="radio"/> > 50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None

LEA 11.5

Additional information. [Optional]

The engagement totals listed above represent our estimate of the meetings that our investment teams have held with companies whose securities we either owned or were considering for investment over the past year. Our investment teams often engage with companies as part of their regular investment processes. These engagements are typically strategic in nature and provide additional insights into management quality, business drivers, financial strategy and future business prospects. During these meetings we may discuss ESG factors, where relevant, and incorporate our findings into our overall assessment of the management teams.

LEA 12	Voluntary	Public	Additional Assessed	PRI 2
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LEA 12.1

Indicate which of the following your engagement involved.

- ☒ Letters and emails to companies
 - ☒ In some cases
 - ☐ In majority cases
 - ☐ In all cases
- ☒ Meetings and/or calls with the appropriate team
 - ☐ In some cases
 - ☒ In majority cases
 - ☐ In all cases
- ☒ Visits to operations
 - ☒ In some cases
 - ☐ In majority cases
 - ☐ In all cases
- ☒ Participation in roadshows
 - ☒ In some cases
 - ☐ In majority cases
 - ☐ In all cases
- ☐ Other, specify

(Proxy) voting and shareholder resolutions**Overview****LEA 15****Mandatory****Public****Core Assessed****PRI 1,2,3**

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 15.1

Indicate whether your organisation has a formal voting policy.

- ☒ Yes

LEA 15.2

Indicate what your voting policy covers:

- ☒ Conflicts of interest
- ☐ Share blocking
- ☐ Securities lending process
- ☐ Prioritisation of voting activities
- ☐ Decision making processes
- ☒ Environmental factors
- ☒ Social factors
- ☒ Governance factors
- ☐ Filing/co-filing resolutions
- ☐ Extraordinary meetings
- ☐ Regional voting practices
- ☐ Transparency of proxy voting activities
- ☐ Company dialogue pre/post vote
- ☐ Other, describe
- ☐ None of the above

LEA 15.3

Attach or provide a URL to your voting policy. [Optional]

URL

<http://vds.issproxy.com/59/policies/VotingPolicy.pdf>
LEA 15.4

Provide a brief overview of your organization's approach to (proxy) voting.

Where our teams are active investors and rely on fundamental research as a key part of their investment processes, they are also often active proxy voters and exercise voting rights responsibly. We act as owners and seek to ensure that proxies are voted in the best interests of our clients and that our proxy voting activities adhere to the requirements of all applicable rules and general fiduciary principles.

☐ No

Process**LEA 16****Mandatory****Public****Descriptive****PRI 2****LEA 16.1**

Indicate how you typically make your (proxy) voting decisions.

Approach

- ☐ We use our own research or voting team and make voting decisions without the use of service providers.
- ☐ We hire service provider(s) that make voting recommendations or provide research that we use to inform our voting decisions.
- ☐ We hire service provider(s) that make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.
- ☒ We hire service provider(s) that make voting decisions on our behalf.

Based on

- ☒ the service provider voting policy signed off by us
- ☐ our own voting policy
- ☐ our clients' requests or policy
- ☐ other, explain

LEA 16.2	Provide an overview of how you ensure your voting policy is adhered to, giving details of your approach when exceptions to the policy are made (if applicable).
-----------------	---

We track the voting instructions that our service provider have issued on our behalf whether they are consistent with our overall voting policy or if an exception to the policy is being made.

LEA 16.3	Additional information.[Optional]
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Proxy voting decisions are determined at the division level; therefore there is not a firm-wide approach to making proxy voting decisions. The answers to question 16.1 are based on the approach to proxy voting decisions that are used by the majority of our teams.

LEA 20	Mandatory	Public	Core Assessed	PRI 2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 20.1	Indicate whether you or the service providers acting on your behalf raise any concerns with companies ahead of voting
-----------------	---

- ☐ Yes, in most cases
- ☒ Sometimes, in the following cases:
 - ☐ Votes for selected markets
 - ☒ Votes relating to certain ESG issues
 - ☒ Votes for significant shareholdings
 - ☒ Votes for companies we are engaging with
 - ☒ On request by clients
 - ☐ Other
- ☐ Neither we nor our service provider raise concerns with companies ahead of voting

LEA 20.2	Indicate whether you and/or the service provider(s) acting on your behalf, communicate the rationale to companies, when , you abstain or vote against management recommendations.
-----------------	---

- ☐ Yes, in most cases
- ☒ Sometimes, in the following cases.
- ☐ Votes in selected markets
 - ☒ Votes on certain issues
 - ☒ Votes for significant shareholdings
 - ☒ Votes for companies we are engaging with
 - ☒ On request by clients
 - ☒ On request by companies
 - ☐ Other
- ☐ We do not communicate the rationale to companies
- ☐ Not applicable because we and/or our service providers do not abstain or vote against management recommendations

LEA 20.3	Additional information. [Optional]
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The answers above are based on aggregated responses from multiple investment groups and are not applicable to every independent investment team.

Outputs and outcomes

LEA 21	Mandatory	Public	Core Assessed	PRI 2
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LEA 21.1	For listed equities where you and/or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
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- ☒ We do track or collect this information

	Votes cast (to the nearest 1%)
--	--------------------------------

	%
--	---

100

	Specify the basis on which this percentage is calculated
--	--

- ☒ of the total number of ballot items on which you could have issued instructions
- ☐ of the total number of company meetings at which you could have voted
- ☐ of the total value of your listed equity holdings on which you could have voted

LEA 21.2

Explain your reason(s) for not voting certain holdings

- ☐ Shares were blocked
- ☐ Notice, ballots or materials not received in time
- ☐ Missed deadline
- ☐ Geographical restrictions (non-home market)
- ☐ Cost
- ☐ Conflicts of interest
- ☐ Holdings deemed too small
- ☒ Administrative impediments (e.g., power of attorney requirements, ineligibility due to participation in share placement)
- ☐ On request by clients
- ☐ Other

☐ We do not track or collect this information

LEA 21.3

Additional information. [Optional]

Note that there are instances where some of our smaller investment teams may not cast all of their proxy votes, but the overall firm total will still round to 100%.

LEA 22

Mandatory

Public

Additional Assessed

PRI 2

LEA 22.1

Indicate if you track the voting instructions that you and/or your service provider on your behalf have issued.

☒ Yes, we track this information

LEA 22.2

Of the voting instructions that you and/or third parties on your behalf issued, indicate the proportion of ballot items that were:

Voting instructions	Breakdown as percentage of votes cast
For (supporting) management recommendations	<div> <div></div> <div>%</div> </div> <div>91</div>
Against (opposing) management recommendations	<div> <div></div> <div>%</div> </div> <div>9</div>
Abstentions	<div> <div></div> <div>%</div> </div> <div>0</div>

100%

LEA 22.3

Describe the actions you take in relation to voting against management recommendations.

No actions taken

☐ No, we do not track this information

Macquarie Asset Management

Reported Information

Public version

Direct - Fixed Income













PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.













ESG incorporation in actively managed fixed income

Implementation processes

FI 01	Mandatory	Public	Gateway	PRI 1
FI 01.1	Indicate 1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and 2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.			

SSA	 Screening alone	0
	 Thematic alone	0
	 Integration alone	0
	 Screening + integration strategies	100
	 Thematic + integration strategies	0
	 Screening + thematic strategies	0
	 All three strategies combined	0
	 No incorporation strategies applied	0
		100%
Corporate (financial)	 Screening alone	0
	 Thematic alone	0
	 Integration alone	0
	 Screening + integration strategies	100

	<div> <div></div> <div>Thematic + integration strategies</div> </div> <div>0</div>
	<div> <div></div> <div>Screening + thematic strategies</div> </div> <div>0</div>
	<div> <div></div> <div>All three strategies combined</div> </div> <div>0</div>
	<div> <div></div> <div>No incorporation strategies applied</div> </div> <div>0</div>
	100%

Corporate (non-financial)	 Screening alone	0
	 Thematic alone	0
	 Integration alone	0
	 Screening + integration strategies	100
	 Thematic + integration strategies	0
	 Screening + thematic strategies	0
	 All three strategies combined	0
	 No incorporation strategies applied	0
		100%
Securitised	 Screening alone	0
	 Thematic alone	0
	 Integration alone	100
	 Screening + integration strategies	0

	Thematic + integration strategies
0	
	Screening + thematic strategies
0	
	All three strategies combined
0	
	No incorporation strategies applied
0	
100%	

FI 01.2

Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.

We have a structure under which autonomous - or independent -- investment teams are supported by a global shared-services platform. Our teams have the autonomy to leverage their specialized skill sets and define their individual investment approaches and decision-making processes, whilst benefitting from a comprehensive operational support platform. The incorporation of ESG factors in the investment process varies by investment team as each team owns its own investment process.

Whereas we utilize integration methods and screening throughout the investment process, integration methods are our primary strategy of conducting analysis.

FI 01.3

Additional information [Optional].

The data provided in this survey represents a compilation of responses that were separately submitted by our independent investment teams. We have utilized the additional information sections in questions where our teams' responses are materially different from one another and/or if we felt the need to identify specific practices employed by an individual team.

Macquarie Asset Management (MAM) has a breadth of fixed income capabilities. A central belief amongst all of our capabilities is a commitment to proprietary, in-depth fundamental research. Inherent in this commitment is a strong focus on the management of the downside, considering capital preservation to be paramount. Aspects of our credit analysis may include an examination of industry dynamics, visits with company management, competitive positioning comparisons, and an analysis of both overall credit and ESG specific ratings trends. Inherent to the investment process is an in-depth analysis of economic, competitive and other factors that may influence future revenues and earnings of the issuer, including factors that have been identified by others as material from an ESG perspective.

FI 02	Mandatory to Report Voluntary to Disclose	Public	Core Assessed	PRI 1
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FI 02.1

Indicate which ESG factors you systematically research as part of your analysis on issuers.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
Environmental data	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Social data	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Governance data	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

FI 02.2

Indicate what format your ESG information comes in and where you typically source it

- ☒ Raw ESG company data

Indicate who provides this information

- ☒ ESG research provider
☒ Sell-side
☐ In-house – specialised ESG analyst or team
☒ In-house – FI analyst, PM or risk team
☐ Other, specify

- ☒ ESG factor specific analysis

Indicate who provides this information

- ☒ ESG research provider
☒ Sell-side
☒ In-house – specialised ESG analyst or team
☒ In-house – FI analyst, PM or risk team
☐ Other, specify

- ☒ Issuer-level ESG analysis

Indicate who provides this information

- ☒ ESG research provider
☒ Sell-side
☒ In-house – specialised ESG analyst or team
☒ In-house – FI analyst, PM or risk team
☐ Other, specify

- ☒ Sector-level ESG analysis

Indicate who provides this information

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☒ In-house – FI analyst, PM or risk team
- ☐ Other, specify
- ☒ Country-level ESG analysis

Indicate who provides this information

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☒ In-house – FI analyst, PM or risk team
- ☐ Other, specify

FI 02.3

Provide a brief description of the ESG information used, highlighting any differences in sources of information across your ESG incorporation strategies.

The responses provided above represent an aggregate of different practices employed by our independent investment teams and do not necessarily indicate that each team employs all of these practices.

The majority of the ESG information that we use is obtained as part of our internal research process where we gather information on all factors that are relevant to our credit analysis.

We provide all of our investment teams with access to specialized ESG research, governance and proxy analysis. The investment teams determine how best to leverage this information in their investment process.

See below for additional information regarding some of our respective teams

FI 02.4

Additional information. [Optional]

The Macquarie Investment Management (MIM) Fixed Income research team based in Sydney has added ratings data from our external provider to their weekly data pack and analysts are required to delve into instances where a particular company's ESG rating has experienced a recent upgrade or downgrade.

Macquarie Infrastructure Debt Investment Solutions (MIDIS), in addition to utilizing external research providers, also leverages the Macquarie Group ESR team expertise as needed. ESG factors initially assessed by their Investment Committee at screening are (in part) inspired by a series of questions based on Global Infrastructure Basel's (GIB) SuRe®: The Standard for Sustainable and Resilient Infrastructure and the International Finance Corporation (IFC) Performance Standards on Environmental and Social Sustainability as well as IFC Corporate Governance Progression Matrix.

FI 03

Mandatory

Public

Additional Assessed

PRI 1

FI 03.1	Indicate how you ensure that your ESG research process is robust:
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- ☒ Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☒ Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
- ☐ Internal audits of ESG research are undertaken in a systematic way
- ☒ ESG analysis is benchmarked for quality against other providers
- ☒ Other, specify

	specify description
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Review and evaluation of external research providers

- ☐ None of the above

FI 03.2	Describe how your ESG information or analysis is shared among your investment team.
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- ☒ ESG information is held within a centralised database and is accessible to all investment staff
- ☒ ESG information is a standard item on all individual issuer summaries, 'tear sheets', 'dashboards' or similar documents
- ☒ Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings
- ☒ Records capture how ESG information and research was incorporated into investment decisions
- ☐ Other, specify
- ☐ None of the above

FI 03.3	Additional information. [Optional]
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The process of ensuring that ESG research is robust and the sharing of ESG information and analysis varies among our investment teams. The responses provided above represent an aggregate of different practices employed by our independent investment teams and do not necessarily indicate that each team employs all of these practices.

MIM's research team based in Sydney has added ratings data from our external provider to their weekly data pack and analysts are required to delve into instances where a particular company's ESG rating has experienced a recent upgrade or downgrade.

MIDIS engages directly with borrowers and consultants on a wide range of issues. This includes ESG, which is a standing item in the Screening Papers and Investment Memorandums submitted to their Investment Committee. The ESG approach is documented and the ongoing learning culture of MIDIS ensures that information is cascaded to all staff through formal and informal learning sessions.

The review and evaluation of our external research providers is done on a corporate level as those resources are shared by all of the investment teams within MIM.

(A) Implementation: Screening

FI 04	Mandatory	Public	Gateway	PRI 1
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FI 04.1	Indicate the type of screening you conduct.
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Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	
Negative/exclusionary screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Positive/best-in-class screening	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Norms-based screening	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

FI 04.2 Describe your approach to screening for internally managed active fixed income

Screening criteria vary by investment team. See below for examples

FI 04.3 Additional information. [Optional]

Exclusionary screens are also used for client-specific mandates which restrict the inclusion of companies involved in identified prohibited activities.

MIDIS investments are governed by its ESG policy which excludes certain specific sectors from investment.

The MIM research team based in Australia emphasizes the use of corporate governance criteria as a means of identifying issuers to be excluded from their investable universe.

FI 05 **Mandatory** **Public** **Descriptive** **PRI 1**

FI 05.1 Indicate why you conduct negative screening.

SSA

SSA

- ☐ For legal reasons
- ☒ For non-legal reasons

Corporate (financial)

Corporate (fin)

- ☐ For legal reasons
- ☒ For non-legal reasons

Corporate (non-financial)

	Corporate (non-fin)
--	---------------------

- ☐ For legal reasons
- ☒ For non-legal reasons

FI 05.2	Describe your approach to ESG-based negative screening of issuers from your investable universe.
----------------	--

Screening criteria vary by investment team. See below for examples

FI 05.3	Additional information. [Optional]
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Exclusionary screens are also used for client-specific mandates which restrict the inclusion of companies involved in identified prohibited activities.

MIDIS investments are governed by its ESG policy which excludes certain specific sectors from investment.

The MIM research team based in Australia emphasizes the use of corporate governance criteria as a means of identifying issuers to be excluded from their investable universe.

FI 07	Mandatory	Public	Core Assessed	PRI 1
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FI 07.1	Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments.
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Type of screening	Checks
Negative/exclusionary screening?	<input checked="" type="checkbox"/> Checks are performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least every 2 years. <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input type="checkbox"/> Audits of fund holdings are undertaken regularly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above

FI 07.2	Additional information. [Optional]
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The responses provided above represent an aggregate of different practices employed by our independent investment teams and do not necessarily indicate that each team employs all of these practices.

MSCI KLD Social restricted lists are loaded into MIM's trading system on a monthly basis. Traders entering trades in prohibited securities will receive a notification that the bond is restricted for those specific accounts with restrictions.

ESG considerations are embedded into the MIDIS origination, screening, diligence, and approval processes. MIDIS teams are guided by training and the MIDIS ESG policy and are able to leverage off the internal RMG ESR team if necessary.

(C) Implementation: Integration

FI 11	Mandatory	Public	Descriptive	PRI 1
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FI 11.1 Describe your approach to integrating ESG into traditional financial analysis.

We have a structure under which autonomous - or independent -- investment teams are supported by a global shared-services platform. Our teams have the autonomy to leverage their specialized skill sets and define their individual investment approaches and decision-making processes, whilst benefitting from a comprehensive operational support platform. The incorporation of ESG factors in the investment process varies by investment team as each team owns its own investment process.

A central belief amongst all of our capabilities is a commitment to proprietary, in-depth fundamental research. Inherent in this commitment is a strong focus on the management of the downside, considering capital preservation to be paramount. As such, ESG issues may be considered throughout the credit selection process as we recognize the potential of ESG issues to negatively impact creditworthiness. Aspects of our credit analysis may include an examination of industry dynamics, visits with company management, competitive positioning comparisons, and an analysis of both overall credit and ESG specific ratings trends.

FI 11.2 Describe how your ESG integration approach is adapted to each of the different types of fixed income you invest in.

SSA

Each of our investment teams employs a consistent ESG integration approach across all types of fixed income instruments in which that particular team invests.

Corporate (financial)

Each of our investment teams employs a consistent ESG integration approach across all types of fixed income instruments in which that particular team invests.

Corporate (non-financial)

Each of our investment teams employs a consistent ESG integration approach across all types of fixed income instruments in which that particular team invests.

Securitized

Each of our investment teams employs a consistent ESG integration approach across all types of fixed income instruments in which that particular team invests.

FI 12	Mandatory	Public	Core Assessed	PRI 1
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FI 12.1 Indicate how ESG information is typically used as part of your investment process.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
ESG analysis is integrated into fundamental analysis	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis is integrated into security weighting decisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis is integrated into portfolio construction decisions	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis is a standard part of internal credit ratings or assessment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ESG analysis for issuers is a standard agenda item at investment committee meetings	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ESG analysis is regularly featured in internal research notes or similar	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis is a standard feature of ongoing portfolio monitoring	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ESG analysis features in all internal issuer summaries or similar documents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 12.2

Additional information [OPTIONAL]

The responses provided above represent an aggregate of different practices employed by our independent investment teams and do not necessarily indicate that each team employs all of these practices.

Specific examples of our use of ESG information in the investment process is provided in section FI 13.

FI 13	Mandatory	Public	Additional Assessed	PRI 1
FI 13.1	Indicate the extent to which ESG issues are reviewed in your integration process.			

	Environment	Social	Governance
SSA	<div>Environmental</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<div>Social</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<div>Governance</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (financial)	<div>Environmental</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<div>Social</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<div>Governance</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (non-financial)	<div>Environmental</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<div>Social</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<div>Governance</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Securitised	<div>Environmental</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<div>Social</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<div>Governance</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all

FI 13.2

Please provide more detail on how you review E, S and G factors in your integration process.

SSA

All of our independent investment teams recognize ESG factors as a part of their investment analysis but their approach towards reviewing ESG information in the integration process varies by investment team. See below for specific examples.

Corporate (financial)

All of our independent investment teams recognize ESG factors as a part of their investment analysis but their approach towards reviewing ESG information in the integration process varies by investment team. See below for specific examples.

Corporate (non-financial)

All of our independent investment teams recognize ESG factors as a part of their investment analysis but their approach towards reviewing ESG information in the integration process varies by investment team. See below for specific examples.

Securitised

All of our independent investment teams recognize ESG factors as a part of their investment analysis but their approach towards reviewing ESG information in the integration process varies by investment team. See below for specific examples.

FI 13.3

Additional information.[OPTIONAL]

Our fixed income teams incorporate the analysis of ESG factors into their fundamental issuer credit analysis, which is consistent with the teams' investment philosophy of avoiding downside risks. Inherent to the teams' investment process is an in-depth analysis of economic, competitive and other factors that may influence future revenues and earnings, including factors that have been identified by others as material from an ESG perspective.

Following are a few examples of the many ESG factors that have been reviewed in the integration process:

Impact of claims of contraventions of the Anti-Money Laundering and Counter-Terrorism Financing laws on an Australian Bank

Review of the Australian coal infrastructure sector from a climate change perspective

Examination of workplace injury statistics

Assessment of the potential for government intervention based on anti-competitive behaviour concerns regarding a proposed merger in the US telecommunications industry

Requirement of super majority vote needed for budget passage or to raise revenues for US states

Analysis of nuclear construction risks for US-based public utilities

Determination of the percentage of loans in a security that are dedicated to senior housing

Monitoring of infrastructure debt instrument issuers for significant impacts on environmentally sensitive or protected areas.

Fixed income - Engagement

FI 15

Mandatory to Report Voluntary to Disclose

Public

Core Assessed

PRI 2

FI 15.1

Indicate the proportion of your fixed income assets on which you engage. Please exclude any engagements carried out solely in your capacity as a shareholder.

Category	Proportion of assets
SSA	<p> <input type="radio"/> >50% <input type="radio"/> 26-50% <input checked="" type="radio"/> 5-25% <input type="radio"/> More than 0%, less than 5% </p> <div> FI 15.2 Indicate your motivations for conducting engagement (SSA fixed income assets). </div> <p> <input checked="" type="checkbox"/> To gain insights into ESG (i.e. enhance disclosure) <input type="checkbox"/> To effect change (i.e. ask an issuer to manage ESG risk and/or opportunity) <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above </p>
Corporate (financial)	<p> <input type="radio"/> >50% <input type="radio"/> 26-50% <input checked="" type="radio"/> 5-25% <input type="radio"/> More than 0%, less than 5% </p> <div> FI 15.2 Indicate your motivations for conducting engagement (Corporate, Financial fixed income assets) </div> <p> <input checked="" type="checkbox"/> To gain insights into ESG (i.e. enhance disclosure) <input type="checkbox"/> To effect change (i.e. ask an issuer to manage ESG risk and/or opportunity) <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above </p>
Corporate (non-financial)	<p> <input type="radio"/> >50% <input type="radio"/> 26-50% <input checked="" type="radio"/> 5-25% <input type="radio"/> More than 0%, less than 5% </p> <div> FI 15.2 Indicate your motivations for conducting engagement (Corporate, non-financial fixed income assets) </div> <p> <input checked="" type="checkbox"/> To gain insights into ESG (i.e. enhance disclosure) <input type="checkbox"/> To effect change (i.e. ask an issuer to manage ESG risk and/or opportunity) <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above </p>
Securitised	<p> <input type="radio"/> >50% <input checked="" type="radio"/> 26-50% <input type="radio"/> 5-25% <input type="radio"/> More than 0%, less than 5% </p> <div> FI 15.2 Indicate your motivations for conducting engagement (Securitised fixed income assets). </div>

	<input checked="" type="checkbox"/> To gain insights into ESG (i.e. enhance disclosure) <input type="checkbox"/> To effect change (i.e. ask an issuer to manage ESG risk and/or opportunity) <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above
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FI 16	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1,2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

FI 16.1	Indicate how you typically engage with issuers as a fixed income investor, or as both a fixed income and listed equity investor. (Please do not include engagements where you are both a bondholder and shareholder but engage as a listed equity investor only.)
----------------	---

Select all that apply

Type of engagement	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
Individual/Internal staff engagements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Collaborative engagements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Service provider engagements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 16.2	Indicate how your organisation prioritises engagements with issuers
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Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
Based on potential materiality of ESG factors	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Based on systemic risks (e.g. low-carbon transition) to global portfolios	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Based on our exposure (holdings)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 16.3	Indicate when your organisation conducts engagements with issuers.
----------------	--

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
Engagements are conducted pre-investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Engagements are conducted post-investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other, describe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 16.4

Indicate how your organisation conducts engagements with issuers.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
We systematically engage prior to ESG-related divestments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We engage proactively in anticipation of specific ESG risks and/or opportunities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
We engage in reaction to ESG issues which have already affected the issuer	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Investment and ESG analysts systematically conduct ESG-related engagements together	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other, describe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 16.5

Indicate what your organisation conducts engagements with issuers on.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
We conduct engagements with individual issuers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
We conduct engagements within sectors and industries.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
We conduct engagements on specific ESG themes (e.g. human rights)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other, describe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 16.6

Indicate how your organisation shares the outcomes of the engagements internally.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
We have a systematic process to ensure the outcomes of engagements are made available	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
We occasionally make the outcomes of engagements available	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other, describe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We do not make this information available	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
We do not share the outcomes of the engagements internally	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 16.7

Additional information.[OPTIONAL]

The responses provided above represent an aggregate of different practices employed by our independent investment teams and do not necessarily indicate that each team employs all of these practices.

Each of our independent investment teams have their own methods of engaging with issuers and the extent of their engagements. An important aspect of the credit analysis implemented by many of our teams is meeting with the management teams of the issuers. During these meetings we will often discuss ESG factors as part of our overall credit analysis process.

For SSA securities, investor road shows for new issues deals and follow-ups in response to notifications of disclosure filings are often catalysts for engagement with CFOs or finance directors of the issuer. We will discuss ESG issues in these meetings if we believe that they are material to our overall analysis.

Outputs and outcomes

FI 18	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	General
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FI 18.1

Indicate whether your organisation measures how your incorporation of ESG analysis in fixed income has affected investment outcomes and/or ESG performance.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
We measure whether incorporating ESG impacts funds' reputation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We measure whether incorporating ESG impacts financial returns	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
We measure whether incorporating ESG impacts risk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We measure whether incorporating ESG impacts funds' ESG performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

FI 18.2

Describe how your organisation measures how your incorporation of ESG analysis in fixed income has affected investment outcomes and/or ESG performance. [OPTIONAL]

We recently undertook a study to understand the relationship between ESG and performance in credit portfolios. The conclusion that we reached was that there is a strong relationship between ESG scores and credit ratings and that credit ratings incorporate ESG factors. This is supportive of our belief that consideration of ESG factors is an inherent component of fundamental credit analysis.

Macquarie Asset Management

Reported Information

Public version

Direct - Infrastructure

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Overview

INF 01	Voluntary	Public	Descriptive	PRI 1-6
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INF 01.1

Provide a brief overview of your organisation's approach to responsible investment in infrastructure where you have equity stakes.

The assessment and management of ESG risks and opportunities are embedded within MIRA's investment decision-making approach and asset management frameworks. These are supported by centralised policies and processes applied during acquisition due diligence and ongoing asset management, and by the expertise of our asset management teams. Many members of these teams have senior management experience in the industries in which the MIRA-managed funds' portfolio companies operate.

MIRA's risk management framework outlines the requirements for the identification and management of ESG issues in both investment due diligence and ongoing asset management. We place emphasis on ESG issues that are important and meaningful to each business and its employees, and the industry and community in which it operates.

Senior MIRA employees are appointed as non-executive directors to the boards of the portfolio companies. They aim to ensure that each portfolio company establishes and maintains its own risk management framework, which incorporates ESG issues and supporting policies and procedures. This framework is typically approved by the portfolio company board, which then receives regular reports on performance against this risk management framework.

The adopted framework must, at a minimum, be adequate to ensure compliance with relevant regulation and standards in the country and industry in which the portfolio company operates. It should support the business to achieve and promote ESG management practices and be appropriate to the level of ESG risk in that business.

INF 02	Mandatory	Public	Core Assessed	PRI 1-6
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INF 02.1

Indicate if your organisation has a responsible investment policy for infrastructure.

☒ Yes

INF 02.2

Provide a URL if your policy is publicly available.

<http://www.macquarie.com/au/about/company/environmental-social-governance-esg>

☐ No

INF 02.3

Additional information. [Optional]

MIRA operates within Macquarie Group's Risk Management Framework, which represents a comprehensive suite of policies and procedures covering all aspects of risk management, including ESG.

In addition, MIRA has its own risk management policies (including an ESR policy) that reflect the investment, credit, liquidity, operational, legal and reputational risks specifically associated with infrastructure and real asset funds management operations, and each fund's investments.

MIRA's ESR policy is not publicly available, however, the broader Macquarie Group ESG approach, including a summary of Macquarie's ESR policy, is publicly available at the URL provided above.

Fundraising of infrastructure funds

INF 03	Mandatory	Public	Core Assessed	PRI 1,4,6
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INF 03.1	Indicate if your most recent fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.
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☒ Yes

INF 03.2	Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:
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- ☒ Policy and commitment to responsible investment
- ☒ Approach to ESG issues in pre-investment processes
- ☒ Approach to ESG issues in post-investment processes

INF 03.3	Describe how your organisation refers to responsible investment for infrastructure funds in fund placement documents (PPMs or similar). [Optional]
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PPMs for MIRA funds refer to MIRA's incorporation of ESG considerations both pre- and post-investment.

A separate document entitled 'ESG - Our Framework' is provided to investors alongside the PPM. This document sets out in detail how MIRA identifies and manages ESG issues throughout the investment lifecycle.

We place emphasis on ESG issues that are important and meaningful to each business and its employees, and the industry and community in which it operates.

- ☐ No
- ☐ Not applicable as our organisation does not fundraise

Pre-investment (selection)

INF 05	Mandatory	Public	Gateway	PRI 1
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INF 05.1	Indicate if your organisation typically incorporates ESG issues when selecting infrastructure investments.
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☒ Yes

INF 05.2	Describe your organisation's approach to incorporating ESG issues in infrastructure investment selection.
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All potential portfolio company investments are reviewed for ESG risks and opportunities as an integral part of the investment due diligence process. Anti-bribery and corruption assessments are also conducted for each potential acquisition, and all transactions are screened for conflicts of interest.

To ensure the consistency and adequacy of these assessments, MIRA has comprehensive due diligence scope checklists (which include ESG considerations) and external expert advisors are engaged to perform due diligence (including legal, technical, environmental, stakeholder relations, financial and, where necessary, enhanced due diligence on counterparties).

Key issues identified and mitigation plans (including those to be incorporated into the post-acquisition transition plan) are presented to the fund board or investment committee for consideration prior to any investment being made. MIRA seeks to ensure that funds have, at a minimum, significant influence (including board representation) over their investments. Strong governance rights are important for ensuring that mitigation measures are implemented by portfolio company management teams.

☐ No

INF 07	Mandatory	Public	Core Assessed	PRI 1,3
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INF 07.1	Indicate which E, S and/or G issues are typically considered by your organisation in the investment selection process and list up to three typical examples per issue.
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ESG issues

☒ Environmental

List up to three typical examples of environmental issues

Environmental regulation and compliance

Biodiversity and sustainable management

Land contamination risks

☒ Social

List up to three typical examples of social issues
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Labour and working conditions

Health, safety and security

Union engagement

☒ Governance

List up to three typical examples of governance issues
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Bribery and corruption

Risk Management

Executive benefits and compensation

INF 07.2	Additional information. [Optional]
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To support environmental and social risk management, MIRA uses the Macquarie Group Environmental and Social Risk Assessment tool.

The tool's environmental and social risk criteria and categorisation are based on International Finance Corporation Performance Standards and the system is kept up to date in line with industry practice. The tool covers the following areas:

- escalation, regulation and compliance; - land acquisition and involuntary resettlement; - biodiversity conservation and sustainable management of living natural resources; - labour and working conditions; - resource, efficiency and pollution prevention; - community, health and safety and security; - Indigenous peoples and vulnerable groups; and - cultural heritage. Where necessary, external ESG advisors are engaged to undertake due diligence on these areas.

Selection, appointment and monitoring of third-party operators

INF 10	Mandatory	Public	Core Assessed	PRI 4
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INF 10.1

Indicate if your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party operators.

☒ Yes

INF 10.2

Indicate your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party operators.

- ☒ Selection process of third-party operators incorporates ESG issues
 - ☐ For all third-party operators
 - ☒ For a majority of third-party operators
 - ☐ For a minority of third-party operators
- ☒ Contractual requirements when appointing third-party operators includes ESG issues
 - ☐ For all third-party operators
 - ☒ For a majority of third-party operators
 - ☐ For a minority of third-party operators
- ☒ Monitoring of third-party operators covers ESG responsibilities and implementation
 - ☒ For all third-party operators
 - ☐ For a majority of third-party operators
 - ☐ For a minority of third-party operators

☐ No

Post-investment (monitoring and active ownership)

Overview

INF 11**Mandatory****Public****Gateway****PRI 2****INF 11.1**

Indicate whether your organisation and/or operators consider ESG issues in post-investment activities relating to your infrastructure assets.

☒ Yes

INF 11.2

Indicate how your organisation, and/or operators, considers ESG issues in the following post-investment activities relating to your infrastructure assets.

- ☒ We consider ESG issues in the monitoring and operation of infrastructure
- ☒ We consider ESG issues in infrastructure maintenance
- ☒ We consider ESG issues in stakeholder engagements related to our infrastructure
- ☐ We consider ESG issues in other post-investment activities, specify

INF 11.3

Describe how your organisation, and/or operators, considers ESG issues in post-investment activities related to your infrastructure investments. [Optional]

ESG issues are assessed and managed throughout the investment life cycle. All potential portfolio company investments are reviewed for ESG risks and opportunities as an integral part of the investment due diligence process. MIRA uses internal expertise and third party advisors, as appropriate, to develop a post-acquisition transition plan for each investment which includes measures to address identified ESG issues.

Senior MIRA employees are appointed as non-executive directors to the boards of the portfolio companies in which MIRA-managed funds invest. They aim to ensure that each portfolio company establishes and maintains its own risk management framework, which incorporates ESG issues and supporting policies and procedures, including measures set out in the transition plan.

The adopted framework must, at a minimum, be adequate to ensure compliance with relevant regulation and standards in the country and industry in which the portfolio company operates. It should support the business to achieve and promote ESG management practices and be appropriate to the level of ESG risk in that business.

Each portfolio company is expected to monitor its compliance with key ESG requirements, metrics and KPIs relevant for the specific business, sector and jurisdiction, resolving identified issues on a timely basis. It is also expected to report at least annually to its board and shareholders on developments.

MIRA, as a fund or asset manager also seeks to ensure:

- immediate reporting of any serious health, safety and environmental incidents to the portfolio company CEO and board, and to MIRA's asset management and risk teams; and
- quarterly reporting and monitoring of general health, safety and environmental performance.

☐ No

Infrastructure monitoring and operations

INF 12**Mandatory****Public****Core Assessed****PRI 2****INF 12.1**

Indicate the proportion of infrastructure assets for which your organisation and/or operators included ESG performance in investment monitoring during the reporting year.

- ☒ >90% of infrastructure assets
- ☐ 51-90% of infrastructure assets
- ☐ 10-50% of infrastructure assets
- ☐ <10% of infrastructure assets

(in terms of number of infrastructure assets)

INF 12.2

Indicate ESG issues for which your organisation, and/or operators, typically sets and monitors targets (KPIs or similar) and provide examples per issue.

☒ Environmental

List up to three example targets per issue

Compliance with applicable regulations

☒ Social

List up to three example targets per issue

Health and safety

☒ Governance

List up to three example targets per issue

Executive and board remuneration

☐ We do not set and/or monitor against targets

INF 12.3

Additional information. [Optional]

Each portfolio company is expected to monitor its compliance with key ESG requirements, metrics and KPIs relevant for the specific business, sector and jurisdiction, resolving identified issues on a timely basis. It is also expected to report at least annually to its board and shareholders on developments.

MIRA as a fund or asset manager also seeks to ensure:

- immediate reporting of any serious health, safety and environmental incidents to the portfolio company CEO and board, and to MIRA's asset management and risk teams; and
- quarterly reporting and monitoring of general health, safety and environmental performance.

INF 13

Mandatory

Public

Additional Assessed

PRI 2

INF 13.1

Indicate whether you track the proportion of your infrastructure investees that have an ESG/sustainability-related policy (or similar guidelines).

☒ Yes

INF 13.2

Indicate the proportion of your infrastructure investees that have an ESG/sustainability-related policy (or similar guidelines).

- ☐ >90% of infrastructure investees
- ☒ 51-90% of infrastructure investees
- ☐ 10-50% of infrastructure investees
- ☐ >0% and <10% of infrastructure investees
- ☐ 0% of infrastructure investees

(in terms of number of infrastructure investees)

INF 13.3

Describe how your organisation, and/or your operators, contribute to the infrastructure investees' management of ESG issues. [Optional]

Senior MIRA employees are appointed as non-executive directors to the boards of the portfolio companies in which MIRA-managed funds invest. They aim to ensure that each portfolio company establishes and maintains its own risk management framework, which incorporates ESG issues and supporting policies and procedures.

The adopted framework must, at a minimum, be adequate to ensure compliance with relevant regulation and standards in the country and industry in which the portfolio company operates. It should support the business to achieve and promote ESG management practices and be appropriate to the level of ESG risk in that business.

Each portfolio company is expected to monitor its compliance with key ESG requirements, metrics and KPIs relevant for the specific business, sector and jurisdiction, resolving identified issues on a timely basis. It is also expected to report at least annually to its board and shareholders on developments.

MIRA, as a fund or asset manager also seeks to ensure:

- immediate reporting of any serious health, safety and environmental incidents to the portfolio company CEO and board, and to MIRA's asset management and risk teams; and
- quarterly reporting and monitoring of general health, safety and environmental performance.

☐ No

Infrastructure maintenance				
INF 15	Mandatory	Public	Core Assessed	PRI 2

INF 15.1	Indicate the proportion of active infrastructure maintenance projects where ESG issues have been considered.
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- ☒ >90% of active maintenance projects
- ☐ 51-90% of active maintenance projects
- ☐ 10-50% of active maintenance projects
- ☐ <10% of active maintenance projects
- ☐ N/A, no maintenance projects of infrastructure assets are active

(in terms of number of active maintenance projects)

Macquarie Asset Management

Reported Information

Public version

Assurance

PRI disclaimer

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Assurance				
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CM1 01.1	Mandatory	Public	Core Assessed	General
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

CM1 01.1	Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:
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- ☐ Third party assurance over selected responses from this year's PRI Transparency Report
- ☐ Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- ☐ Third party assurance or audit of the implementation of RI processes (that have been reported to the PRI this year)
- ☐ Internal audit conducted by internal auditors of the implementation of RI processes and/or RI data that have been reported to the PRI this year)
- ☒ Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
 - ☒ Whole PRI Transparency Report has been internally verified
 - ☐ Selected data has been internally verified
- ☐ Other, specify
- ☐ None of the above

CM1 01.2 & 01.8	Mandatory	Public	Descriptive	
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CM1 01.2	Do you plan to conduct third party assurance of this year's PRI Transparency report?
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- ☐ Whole PRI Transparency Report will be assured
- ☐ Selected data will be assured
- ☒ We do not plan to assure this year's PRI Transparency report

CM1 01.3 & 01.9	Mandatory	Public	Descriptive	General
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CM1 01.3	We undertook third party assurance on last year's PRI Transparency Report
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- ☐ Whole PRI Transparency Report was assured last year
- ☐ Selected data was assured in last year's PRI Transparency Report
- ☒ We did not assure last year's PRI Transparency report, or we did not have such a report last year.

CM1 01.4, 10-12	Mandatory	Public	Descriptive	General
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CM1 01.4	We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:
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- ☐ We adhere to an RI certification or labelling scheme
- ☐ We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report
- ☐ ESG audit of holdings
- ☒ Other, specify
Macquarie Group obtains limited assurance for electricity consumed, indirect Scope 2 and 3 emissions associated with air travel, carbon offsets purchases/retirements for direct operations
- ☐ None of the above

CM1 01.7	Mandatory	Public	Descriptive	General
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CM1 01.7	Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed
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Who has conducted the verification

- ☒ CEO or other Chief-Level staff

	Sign-off or review of responses
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- ☐ Sign-off
- ☒ Review of responses
- ☐ The Board
- ☐ Investment Committee
- ☐ Compliance Function
- ☒ RI/ESG Team
- ☒ Investment Teams
- ☒ Legal Department
- ☒ Other (specify)

CM1 01.13	Additional information for all confidence building measures [OPTIONAL]
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The whole PRI Transparency Report was reviewed by the staff/departments listed in CM 01.7 before submission, meeting PRI's definition of verification/review