MACQUARIE

Macquarie Asset Management

Sustainability and Stewardship in Action

April 2025 to March 2026







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Letter from MAM's Chief Sustainability Officer



At Macquarie Asset Management, we are entrusted to manage $A722.1 billion in assets on behalf of our clients. The scale of that responsibility demands a long-term perspective and a disciplined approach to protecting and creating value.

Our portfolio of more than 190 Real Assets and Real Estate companies operate across 33 markets, provide services that are relied by more than 310 million people every day and employ more than 240,000 people worldwide.[1] These businesses sit at the centre of the economies they serve, and the decisions we make influence not only investment outcomes, but also the resilience of essential infrastructure and the communities they operate. This is why stewardship sits at the core of how we invest, not alongside it.

A changing investment landscape

As Chief Sustainability Officer, I see first-hand how stewardship supports the way we manage our assets and how the priorities of our clients, portfolio companies, and stakeholders evolve. Over the past year, it has become increasingly clear that the forces shaping sustainability are becoming more connected to the real economy. While the energy trilemma of availability, affordability and emissions reduction is not new, geopolitical disruption, the accelerating electricity demand from AI and the electrification of economies have made these issues more acute. As a result, attention has focused on the infrastructure, grids and supply chains that underpin economies. Clean energy generation, storage and enabling infrastructure are increasingly being understood as strategic assets underpinning economic security and competitiveness, not just decarbonisation tools. And more visible physical climate impacts are reinforcing the importance of resilience as investors seek to protect assets and long-term value.

Positioning our platform

These themes have shaped the operating environment for the businesses we invest in and manage. Our latest MAM Portfolio Company CEO Survey, which draws on the views of 124 leaders across 26 countries, highlights inflation, energy prices and macroeconomic volatility among the most commonly cited concerns. Despite these headwinds, almost all CEOs expressed their confidence in their ability to deliver their sustainability goals over the next three years. With renewables now among the cheapest and fastest sources of new energy generation in most markets, it is perhaps also unsurprising that more than 80 per cent of CEOs insist on or favour low- or zero-carbon solutions.

More than five years after setting our net zero goals, 88 per cent of Real Assets and 80 per cent of Real Estate portfolio companies are now committed to long-term net zero goals. Alongside this, we have enhanced our physical climate risk modelling capabilities, onboarding a specialist partner to strengthen how we assess, monitor and manage climate-related risks systematically across our private markets portfolios. At the same time, we continue to invest in climate solutions where we see compelling long-term opportunities for our clients, with our Green Investments platform increasing its assets to approximately $A30 billion over the past year – a more than sixfold increase since FY2022. This reflects our ability to identify, develop and scale climate solutions opportunities while continuing to support commercially viable decarbonisation and resilience initiatives across more emissions-intensive sectors.

MAM's scale, regional expertise and breadth of capabilities also position us well to help our clients navigate these trends. While client priorities vary by region and channel, our conversations have increasingly focussed on demonstrating measurable value. Throughout this report, you'll see examples of this across our platform. From strengthening energy networks and climate resilience, to supporting practical decarbonisation initiatives and engaging on financially material risks and opportunities, these examples demonstrate how active ownership can connect capital, operational expertise and portfolio-wide insight to protect and create long-term value.

The year ahead

Looking ahead, we will continue to focus on the areas where our platform can make the greatest difference: supporting portfolio companies to enhance operational performance, strengthen resilience, execute transition plans, scale investment in climate solutions, and providing clients with clearer evidence of outcomes.

We are proud of the progress it represents and grateful for the trust our clients place in us.



Kristina Kloberdanz
Chief Sustainability Officer
Macquarie Asset Management

[1] Number of portfolio companies (31 March 2026) and employees/contractors (30 September 2025) cover combined Real Assets and Real Estate. Number of people reached (31 March 2025) is calculated by taking an estimate of the number of users for all MAM Real Assets portfolio companies.

1. Who we are and what we stand for

1.1 About MAM

Macquarie Asset Management (MAM), also referred to in this report as "we", "our" or "us", is a leading global asset manager, trusted by institutions, individuals and communities to responsibly manage assets on their behalf. MAM provides clients with a diverse range of investment solutions that seek to deliver superior risk-adjusted returns.

MAM is part of the Macquarie Group (Macquarie), a diversified global financial services group operating in asset management, retail and business banking, wealth management, as well as advisory, and risk and capital solutions across debt, equity, financial markets and commodities. Macquarie was founded in 1969 and is listed on the Australian Securities Exchange.

MAM operates through a number of regulated legal entities, each with their own Board. These Boards are responsible for overseeing the material risks within their firm's activities, using Macquarie's group-level risk management framework alongside MAM's own environmental and social risk framework.

On 1 December 2025, Macquarie Group completed the divestment of MAM's public investments businesses in North America and Europe (equities, fixed income and multi-asset) to Nomura. The transaction enables MAM to focus on building its position as a global leader in private markets, while continuing to operate in Australia as an integrated full-service asset management business across public and private markets, serving our diverse client base.

1.2 Our clients and portfolios

As an integrated asset manager, we are trusted by institutions and individuals to invest their savings. Our clients include public and private pension plans, public institutions, insurers, endowments, universities, charities, family offices, wealth managers, and individual investors. MAM's assets under management (AUM) is predominantly attributable to institutional clients, with a minority proportion managed on behalf of wealth clients. Our client base is global, spanning Australia and New Zealand (ANZ), Europe, the Middle East and Africa (EMEA), the Americas and Asia.

MAM operates across four investment divisions:

- **Real Assets,** spanning infrastructure, green investments, agriculture, private equity and adjacencies;
- **Real Estate**, investing in specialist operators across sectors backed by structural, long-term trends;
- **Credit & Insurance,** an integrated platform spanning private credit, liquid credit (MAM LC) and insurance; and
- **Solutions,** comprising External Manager Solutions, Investment Solutions, Systematic Investments and Wealth Solutions.

For the purposes of this report, we group parts of our business as "private markets" and "public markets" to describe where our stewardship approach aligns across asset classes with similar characteristics, reflecting our level of influence or control, and the different investment lifecycles involved. This is a descriptive lens for explaining our stewardship approach, not a formal classification of our business.

On this basis, references to MAM's private markets business refer to the Real Assets and Real Estate divisions, the Private Credit capability of the Credit & Insurance division, and the Investment Solutions capability of the Solutions division. References to MAM's public markets business refer to the Systematic Investments (MSI) listed equities, External Manager Solutions and Wealth Solutions capabilities of the Solutions division, and the MAM Liquid Credit (MAM LC) capabilities of the Credit & Insurance division. The Insurance capability of the Credit & Insurance division invests across these same public and private markets products, rather than constituting a distinct capability for these purposes.

Further detail on the composition of our assets under management is set out in Appendix A.

1.3 About this Report

This 'Sustainability and Stewardship in Action' report (the "Report") covers the period from 1 April 2025 to 31 March 2026 (the "reporting period") and has been prepared to set out MAM's sustainability and stewardship activity during the year. It explores how MAM's stewardship activity unfolded this year: the risks we identified, how we engaged and voted in response, the progress we made on our material topics, how we held our external partners to account, and the metrics and targets against which that activity can be measured.

In doing so, this Report partially and voluntarily aligns with several external frameworks, including the Task Force on Climate-related Financial Disclosures (TCFD), the Financial Conduct Authority (FCA)'s Sustainability Disclosure Requirements (SDR), and the Sustainability Accounting Standards Board (SASB) standard for Asset Management and Custody Activities. This voluntary alignment does not constitute a formal regulatory disclosure under TCFD or SDR for MAM, or our FCA-regulated entities. Those disclosures are made separately. Where content from this Report is incorporated by reference into a regulated entity's own regulatory reporting, that content forms part of that entity's regulatory disclosure to the extent so incorporated.

This Report does, however, fully constitute MAM's Activities and Outcomes Report under the Financial Reporting Council (FRC)'s UK Stewardship Code. MAM includes UK entities regulated by the Financial Conduct Authority that are required to make public disclosures regarding the nature of their commitment to the Code. These entities form part of MAM, which reports against the Code as a signatory. See the Appendices for alignment tables to each framework.

Furthermore, as a result of the Nomura transaction outlined above, this report does not consider the activities and outcomes of those businesses that have been acquired by Nomura during the reporting period.

Full detail on MAM's approach to sustainability and stewardship, including our policies, governance structures, risk management frameworks and approach to material sustainability topics is addressed in our companion report, Our Approach to Sustainability and Stewardship.

The consideration of sustainability and climate-related risks and opportunities within MAM's own operations has been incorporated into Macquarie Group's assessment of these matters across its value chain. For further information, please see the *Macquarie Group Sustainability Report*.

This Report has been reviewed and approved in accordance with MAM's governance arrangements and is signed on behalf of Macquarie Asset Management by its Group Head.



Ben Way
Group Head,
Macquarie Asset Management

2. Managing market-wide and systemic sustainability risks

Our stewardship activity during the year responded to sustainability risks at two levels: those that are market-wide or systemic risks, and those that arise within our individual investee companies.
This chapter covers the first of these, with Chapter 3 exploring the material sustainability topics that arose across our portfolios during the year, and Chapter 4 setting out how we engaged in response, including where a systemic risk also gave rise to a material topic within individual investee companies.

2.1 Identifying market-wide and systemic risks

Market-wide and systemic risks cross the boundaries of any individual company, portfolio or institution. They act on the systems we invest in directly, and have the potential to affect our earnings, resilience and financial strength across market cycles, our ability to meet regulatory obligations and stakeholders' expectations, and our reputation.

Identifying these risks draws on the same channels through which we manage risk across our business: our sustainability and investment professionals, our risk management framework, and our engagement across industry networks and with peers. The risks that came into sharpest focus during the year are set out below.

Climate change and the transition to a low-carbon economy remains an enduring systemic risk across our portfolios. With the transition to a low-carbon economy still underway, global asset managers have an important role to play in supporting the transition and the development of a climate-resilient economy. As an active manager and fiduciary, we support the decarbonisation of our portfolio in a way consistent with our fiduciary duties, client mandates and other legal obligations. Because MAM's response to climate is expressed principally through how we manage our investments, it is addressed in Chapter 3, while our collective engagement on climate as a market-wide risk is covered in Chapter 4.

Energy security, closely linked to climate, rose up the agenda for governments, markets and investors during the year as disruptions to supply highlighted the importance of reliable, affordable energy. As one of the world's largest infrastructure managers, we continue to support carbon-intensive industries, including electricity, water, gas, transport and waste, in recognition that these are industries providing products and services that communities rely on. We also recognise that the impacts of a changing climate will not be evenly distributed, with lower-income communities and countries more at risk and with fewer resources to adapt. For these reasons, we believe that engagement with investee companies, rather than divestment, supports the development of sustainable long-term solutions.

Artificial intelligence continued to grow as a defining theme during the year, with significant implications for the infrastructure and energy systems in which MAM invests, as its rapid growth drives a sharp rise in demand for computing capacity and electricity. This thematic is explored further in the Aligned Data Centers case study in section 3.1, where MAM supported a battery storage solution to accelerate grid connection for a new data centre.

Cyber risk continues to deepen as the sectors we invest in become more reliant on digital systems and operational technology, a trend reinforced by the growth in computing infrastructure described above. It is systemic by nature, as an intrusion at one operator can propagate through shared suppliers, software and networks into services far beyond it, which is why no single owner can manage the exposure alone. Our approach to managing Cyber Risk across our portfolios is set out in section 3.3.2.

The regulatory environment for sustainable finance continued to evolve during the year, with expanding climate and sustainability reporting requirements across jurisdictions and close scrutiny of greenwashing risk. We responded to this by contributing to how the rules themselves are shaped (see section 2.2) and strengthening our own policies and controls (section 2.3).

2.2 Contributing to policy, standards and industry initiatives

As an active manager and fiduciary, we contribute to the development of the regulatory and industry frameworks that shape well-functioning markets. We do this principally through the industry bodies of which we are a member, where our views are combined with those of other managers into a single response. Our contributions during the year spanned policy and regulatory consultations, the development of industry standards and frameworks, and collaboration through industry initiatives.

Policy and regulatory consultations

- ***European sustainable finance disclosure.*** We contributed twice to the Investment Association's engagement with the European Commission's review of the Sustainable Finance Disclosure Regulation (SFDR), in August 2025 and again in January 2026. Our consistent position has been that product labels must be defined narrowly enough to remain meaningful. In January, on the SFDR 2.0 proposals, we argued that the "ESG Basics" label risked misleading investors by implying an inferior product, and submitted that exclusions remain necessary if the category is to carry credibility.
- ***Australian product labelling.*** In July 2025 we provided detailed feedback, through the Financial Services Council and the Responsible Investment Association of Australasia, on the Australian Treasury's first consultation on a sustainable investment product labelling regime. Our response drew on input from across legal, sustainability and risk. The regime is targeted to commence in 2027 with the objective of improving confidence in sustainability claims and comparability across products and is currently proposed to apply to products issued to retail investors in Australia.

Industry standards and frameworks

- ***Climate resilience standards (CRIF).*** We took part in the development of the Institutional Investors Group on Climate Change (IIGCC) Climate Resilience Investment Framework (CRIF), published in June 2025, through the IIGCC Adaptation and Resilience working group. CRIF is designed to complement the Net Zero Investment Framework, extending a comparable structure to physical climate risk. It approaches that risk from a financial materiality perspective, on the premise that physical risks are not yet reliably reflected in asset valuations, and treats adaptation and resilience as a source of investment opportunity as well as a matter of risk management.
- ***Resilient infrastructure guidance.*** During the reporting period, we contributed to the Investor Group on Climate Change (IGCC's) Resilient Infrastructure guide, published in May 2026, through the IGCC's Real Assets Sub-Working Group. The guide provides a set of resources to support investors and companies as they work to improve their assessment of physical climate risks to infrastructure assets.
- ***GRESB Foundation Board and Infrastructure Standards Committee.*** Beyond participation as a reporter, MAM actively participated in two of GRESB's senior governance bodies: the GRESB Foundation Board, the independent standards-setting body responsible for approving and overseeing the GRESB Standards, and the GRESB Infrastructure Standards Committee which brings together senior practitioners from leading global infrastructure investors and managers to shape how the Standards evolve in response to industry practice, regulatory change and stakeholder feedback.

Collaborative industry initiatives

- ***Net Zero Asset Managers initiative.*** During the year we supported the Net Zero Asset Managers (NZAM) initiative through its extensive review process, taking part in manager roundtables and surveys to reflect our views and those of our clients. NZAM relaunched in February 2026 with more than 250 asset managers as signatories, including MAM, reflecting strong investor backing for managing climate-related financial risks and opportunities. Since joining in 2021, our participation has enabled us to work with NZAM network partners and other leading investors on developing and setting climate targets, support the development of the Net Zero Investment Framework's Infrastructure guidance published by the Paris Aligned Investment Initiative, and report progress.
- ***PRI Climate Reference Group.*** We also took part in the PRI's Climate Reference Group, a forum of signatories convened to share good practice on climate mitigation and resilience and to bring investor perspectives into the PRI's climate work programme and positions.
- Alongside our own contributions, we also support our private markets investee companies to navigate the political and regulatory environments in which they operate.

MAM Policy Forum

During the year, we convened our third annual MAM Policy Forum in Washington, D.C., bringing together government affairs and sustainability leaders from across our Americas investee companies with policymakers and industry experts. The Forum brings industry and policymakers together on the systemic challenges shaping our portfolios in the region, from navigating an evolving macroeconomic and political environment, including engagement with the new Administration, to strengthening operational resilience and long-term competitiveness.

The 2025 Forum convened representatives from 29 investee companies alongside more than 65 attendees, with 15+ speakers addressing a wide range of policy and communications topics. A central feature was direct investee company engagement with government stakeholders generating over 90 unique engagements with federal, state and executive stakeholders, focused on themes including transport, energy, and the environment.

The Forum remains a core part of how we support our investee companies, connecting real-world operating experience with policy insight on regulatory developments and the market dynamics shaping growth and operational resilience.

2.3 Uplifting MAM's own policies

We manage sustainability risk within Macquarie's risk management framework, supported by our own suite of sustainability-related policies and frameworks. Where regulatory expectations or market practices move, we review and strengthen these accordingly. During the year, key developments included further development of our sustainability policy suite and risk appetite, alongside an update to our approach to greenwashing risk.

Macquarie defines greenwashing as a false, misleading, unsubstantiated, ambiguous or overstated representation of the environmental, social or governance attributes of an organisation, product or service. The regimes governing it vary between jurisdictions, but the risk matters to us for a reason that sits above any of them.

Pervasive greenwashing undermines investors' ability to rely on financial products delivering their intended benefit, and fuels wider scepticism towards asset managers' sustainability efforts.

During the year, Macquarie reviewed its group-wide Greenwashing Standard, reflecting evolving regulatory expectations globally. The updated Standard, which came into effect in June 2026, clarifies the roles and responsibilities of staff drafting and reviewing external communications containing sustainability claims, and revises the principles used to assess and mitigate greenwashing risk.

Alongside this, we developed a MAM-wide Sustainability Policy, which was subsequently approved after the reporting period. The Policy supplements our previous asset-class-specific policies and frameworks, and reflects our current business structure and the full breadth of our investment capabilities. It sets out how sustainability is considered throughout the investment lifecycle, and articulates the respective responsibilities of investment teams, risk functions and internal audit under our three lines of defence model, as described in Our Approach to Sustainability and Stewardship.

Policy ownership, approval and review accountabilities were confirmed as part of this work. We also updated our risk appetite, including updating internal KPIs to better track our appetite toward sustainability risks.

3. Managing material sustainability topics within our portfolios

Alongside the market-wide and systemic risks described above, we integrate the consideration of sustainability and climate factors into our investment lifecycle, to identify and manage the sustainability topics arising within individual investee companies.

MAM takes a materiality-based approach, focusing on the matters most likely to affect an investee company's financial performance, operational resilience, or its licence to operate, alongside opportunities to enhance value. How we integrate these factors varies across our portfolio, reflecting our differing levels of ownership and influence.

The thematics MAM may consider are broad and often interconnected, spanning environmental, social and governance (ESG) matters, but not every topic is material to every asset, division or during each year. Our Approach to Sustainability and Stewardship report sets out our approach to integration and the thematics we typically encounter, including the specific policies and frameworks that underpin our approach to work health and safety, modern slavery, conflicts of interest and cybersecurity.

The sections below cover those that came to the fore across our portfolios during the reporting year.

3.1 Environment

3.1.1 Climate change

Our approach to climate follows four key actions: managing climate risks, decarbonisation, investing in climate solutions, and stakeholder engagement, as set out in *Our Approach to Decarbonisation*.

3.1.1.1 Identifying and managing climate risk and resilience

Climate-related risk can manifest in different ways, whether through the physical impacts of a changing climate, or through the economic and market shifts associated with the transition to a low-carbon economy. Strengthening our investments' ability to anticipate, withstand and adapt to these dynamics is a core part of our stewardship approach.

Physical climate risk

Within our private markets equity portfolios, where we often have control or significant influence over assets, physical risk is identified and managed at the asset level, through our investment and asset management teams and, where applicable, our MAM-nominated non-executive directors (NEDs), working directly with investee companies to identify which hazards matter at particular sites, and where adaptation and resilience efforts should be focused. In private credit portfolios, where we do not control the underlying assets, our investment teams engage with borrowers where physical risk is deemed material.

In recognition of the need for more sophisticated and tailored insights, during the reporting period we strengthened our capability to assess physical climate risk across our private markets portfolios by selecting and onboarding a specialist partner to develop a bespoke screening tool.

Once fully established, this tool is designed to analyse the physical assets underlying our private markets investments, including those with complex footprints, to model existing hazard exposure based on observed conditions, as well as to conduct scenario analysis to model exposure across a range of plausible future pathways. Aggregated at the portfolio level, the results will also show where exposure is concentrated, for example where several assets face the same hazard in the same region.

Investing in the resilience of Central Louisiana's electricity transmission system[2]



Asset: Cleco

Sector: Utilities

Location: United States

Opportunity: Cleco is a privately owned, regulated electric utility company that has been operating in the US state of Louisiana for over 90 years. Its network spans over 1,350 miles of transmission lines and 12,300 miles of distribution lines, serving approximately 295,000 customers and employing more than 1,200 people.[3]

Louisiana is one of the states most impacted by weather and climate related disasters such as storms, floods and hurricanes, making its utilities infrastructure especially prone to disruption.[4] Strong winds and heavy rainfall cause flooding and falling trees which can damage transmission lines and electricity substations, impacting critical customers, such as hospitals and emergency services, vulnerable communities, first responders and other essential services.[4]

Furthermore, Louisiana has one of the highest per capita electricity consumption rates in the US and its electricity grid suffers from congestion and faces growing demand from a broad range of residential and commercial needs.[5]

Approach: Since 2016, MAM has supported Cleco's investment in measures to reinforce its transmission infrastructure to create a stronger, more resilient grid that meets customers' growing power needs and supports current and future economic opportunities for Louisiana's communities.[4]

Following initial construction work to support the expansion of transmission capacity in South-Central Louisiana, Cleco entered a second and third phase of upgrades with the support of MAM. Investing over $US312m to improve the structural integrity and capacity of its network, Cleco constructed over 100 new steel transmission towers, four new substations, and installed high-voltage transmission lines capable of supporting increased electrical load and engineered to withstand hurricane-force winds.[6]

In November 2025, the Louisiana Public Service Commission unanimously approved the largest single grid resiliency investment in Cleco's history. With efforts beginning in 2026 and currently underway, Cleco's five-year resiliency plan is expected to include over 550 new projects that harden grid infrastructure by replacing electric equipment, undergrounding certain segments of the system, reinforcing utility poles and elevating substations above flood plains.[4] This ongoing investment is expected to further strengthen systemwide resilience, reduce storm-related costs, lead to fewer outages and faster restoration times, and result in over $400 million in value for Cleco customers.[4]

Outcome: Cleco's ongoing investment in advanced generation and grid infrastructure has been recognised as one of the most reliable and resilient utilities in the state and industry.[7]

By strengthening its distribution and transmission grid, maintenance teams can more quickly address and repair localised issues such as downed wires, broken poles, and damaged cross-arms following severe weather events. This has been made possible by the reduced need for extensive repairs to upstream lines and substations, which are now less likely to sustain damage due to the system's enhanced resilience.

Moreover, the recent upgrades have expanded the system's transmission capacity, offering a safeguard against overloads that can lead to uncontrolled power outages. Alongside supporting existing communities, this has also helped advance the growth of the Louisiana economy, with Cleco's grid offering consistent, reliable, low-cost energy that high-demand operations, such data centers and high-performance computing, rely on.[8]

[2] In April 2026, a MAM-led consortium agreed to sell Cleco. For further information, please see the press release here.
[3] Cleco, 'About Us', January 2026.
[4] Cleco, 'Cleco's largest grid resiliency investment approved by LPSC', November 2025
[5] Louisiana Legislative Auditor, Louisiana's Electric Profile, January 2025
[6] T&D World, 'Protecting against hurricanes in South-Central Louisiana', 28 April 2022.
[7] Cleco, 'Cleco's largest grid resiliency investment approved by LPSC', November 2025
[8] Cleco, 'Cleco Fact Book', July 2025

Building weather resilience into solar infrastructure



Asset: Treaty Oak Clean Energy

Sector: Renewables (Solar)

Location: United States

Opportunity: Headquartered in Austin, Texas, Treaty Oak Clean Energy (Treaty Oak) develops and operates utility-scale solar and battery storage assets in the United States, navigating a solar development landscape increasingly shaped by severe weather risk.

As solar deployment accelerates, managing physical climate risks has become a core driver of long-term value – supporting asset resilience, insurability and capital protection. Hail is a leading cause of insured losses across US solar portfolios - with large format solar panels facing heightened exposure to damage, replacement costs, revenue disruption and tighter insurance terms due to their thinner, semi-tempered dual glass construction.[9,10]

Against this backdrop, Treaty Oak sought a solution that could improve the resilience of its assets over a multi-decade operating life, without compromising energy yield, security, or constructability.

Approach: In December 2024, backed by the financial support from a MAM-managed fund, Treaty Oak reached financial close and began construction on a ~100 MW solar project in Arkansas (Redfield), after securing a 15-year power purchase agreement (PPA) with a leading global technology company.

To protect against potential hail damage, Treaty Oak partnered with Nextpower to implement an advanced weather warning and automatic high-angle stowing solution, tilting solar panels to steeper angles in advance of hailstorms.[11]

By increasing the stow angle of solar panels to a steeper 75° angle, versus the typical 60° position, the kinetic energy from hailstone impacts is significantly reduced, directly lowering the risk of panel breakage, revenue disruption and costly replacements.[9,11] To quantify the resilience benefit, Treaty Oak commissioned independent natural-catastrophe modelling across four of its sites. The results of this analysis showed a higher stow angle reduced the Probable Maximum Loss (PML), the estimated worst-case financial loss from a single severe storm event, by 32-45 per cent.[12]

Outcome: During the reporting period, Treaty Oak assessed and selected a high-angle auto-stow solution for the Redfield solar project, achieving measurable reductions in construction costs and improved insurance terms.

Compared with the alternative of upgrading to thicker, more impact-resistant glass panels, the high-angle auto-stow solution reduced upfront capital costs by approximately 1 per cent, making it the most capital-efficient and hail-resilient solution available.[13] The improved risk profile also supported access to more comprehensive insurance coverage, including a broader panel of insurers willing to quote and more favourable terms on rate, deductible and sub-limit, helping keep the project's PML within the available market capacity for severe convective storm coverage, a constraint that has tightened materially for solar developers in hail-exposed states.

Treaty Oak has since adopted the same design across its Southeast US pipeline, with independent modelling confirming the resilience benefit translates across geographies and site sizes. This approach has helped Treaty Oak support operating performance by mitigating downtime, protecting replacement value, and maintaining long-term insurability against physical climate risks.

[9] kWh Analytics, Solar Risk Assessment 2025
[10] Nextpower, NX Horizon with Hail Pro Deploys Gigawatt-Scale Portfolio, 2026
[11] Nextpower, https://nextpower.com/
[12] Based on independent analysis conducted by a third-party consultant. Loss estimates modelled using four scenarios varying panel glass thickness (2.0mm / 3.2mm) and stow angle (60° / 75°), expressed as a Probable Maximum Loss (PML) for a 500-year return period storm event.
[13] Based on analysis completed by Treaty Oak as at May 2026.

Transition risk and opportunity

Transition risk is well suited to assessment at the portfolio level, reflecting how climate transition dynamics tend to move across sectors and geographies rather than individual sites.

In previous years, MAM commissioned point-in-time climate risk assessments, including transition risk, across our private markets portfolios through third-party consultants. Reflecting evolving regulatory expectations and the need for a consistent, repeatable approach across our investment divisions, during the reporting period, MAM began developing a proprietary, in-house methodology for identifying transition risk and opportunity within both our public and private markets portfolios. In our private markets portfolios, the methodology is intended to complement our existing asset-level assessment of transition risk.

Once fully implemented, this framework is designed to combine Network for Greening the Financial System (NGFS) scenarios with emissions and decarbonisation pathway data reported by MAM investee companies and borrowers to produce a directional view of where transition pressure and opportunity may concentrate across sectors, geographies and asset types.

We continue to refine the methodology ahead of implementation and expect to develop it further over time as data availability, methodological practice and climate science evolve.

While portfolio analysis shows where transition pressure may be concentrated, mitigation action depends on our level of influence. Where we have significant influence or control, our principal response is to work with our investee companies on reducing their own emissions and positioning for the energy transition, as set out in the Decarbonisation section below.

3.1.1.2 Decarbonisation

We first set out our net zero ambitions in 2020; in the years since, the global net zero landscape has moved considerably, with new methodologies available, a better understanding of the potential pathways to net zero and their challenges across different sectors and asset classes, and continuously evolving regulations and reporting standards.

In December 2025, we also completed the sale of our North American and European public investments business to Nomura, significantly changing the composition of our fiduciary portfolios.

Following completion of that transaction, we conducted a review of our approach to net zero and climate-related targets to ensure our approach remained appropriate and reflective of our business and underlying asset classes. We published our revised Decarbonisation Strategy and climate-related targets just after the reporting period, in May 2026. See Our Approach to Decarbonisation.

This document describes our aim to manage assets in line with net zero Scope 1 and 2 emissions by 2040, applying to assets within our Real Assets and Real Estate portfolios where we have control or significant influence. As a result of the review, we also removed some of the interim targets that had applied to our public markets business before the sale to Nomura.

Alongside this review, our Real Assets and Real Estate investment teams continued to support our investee companies to progress against their board approved decarbonisation plans. As at 31 March 2026, 68% of MAM's in-scope Real Assets portfolio holdings and 66% of our in-scope Real Estate portfolio holdings were aligning or aligned to a net zero pathway[14] (Scope 1 and 2 emissions), against a 2019 baseline of 0% for each.

Across other asset classes, where we do not have alignment targets, we encourage investee companies to implement emissions reduction strategies, with the tools available to us varying by the nature of our holdings.

Within Private Credit, annual borrower reviews during the year assessed alignment against the NZIF framework, supporting monitoring, prioritisation of engagement and management of material climate-related credit risk, with a focus on improving data availability for borrowers earlier in their decarbonisation journey.

Our remaining public markets businesses comprising our Liquid Credit and MSI listed equities businesses focus on assessing and managing financially material climate-related risks and opportunities within their investment process, supporting long-term asset performance and protecting against downside risk.

MAM's interim targets, methodology and progress breakdown are set out in Section 6.2. Full detail on MAM's climate-related goals and targets can be found in Our Approach to Decarbonisation.

[14] Using the Net Zero Investment Framework (NZIF). Refer to section 6.2 for definition of 'in-scope Real Assets portfolio holdings' and 'in-scope Real Estate portfolio holdings'.

Supporting state-of-the-art healthcare facilities in Spain



Asset: Viamed Salud

Sector: Hospitals

Location: Spain

Opportunity: Viamed Salud (Viamed) is a private healthcare group, with more than 2,300 healthcare professionals based at 14 acute care hospitals and 20 outpatient and specialist healthcare facilities across Spain. Healthcare services are estimated to account for 4.5 per cent of Spain's national greenhouse gas emissions.[15] Due to their continuous operations requiring substantial and uninterrupted energy supplies, hospitals exhibit some of the highest energy demands compared to other commercial buildings to support essential systems such as medical equipment, refrigeration, and temperature control.

With more than 20 per cent of Spain's population now aged 65 and over[16], Spain's healthcare sector continues to grow with the decarbonisation of existing and new facilities increasingly important to meet Europe's 2050 climate neutrality target.[17]

Approach: In October 2020, a MAM managed fund deployed €225 million of equity to acquire a 100 per cent stake in Viamed.

Through the injection of additional capital, MAM has supported Viamed with the construction and development of its new 96 bed hospital in Tarragona, serving more than 850,000 residents in the province. The new hospital which opened in August 2025, has been delivered as a zero-emissions facility, with no fossil fuels used during normal operations.[18]

Its design implements the latest architectural design and technical solutions - such as three façade typologies designed to respond to the bioclimatic needs of its orientation, specialised glazing, thermal performance roofing, 206 on-site solar PV panels, and heat recovery units. Water efficiency has also been addressed through rainwater harvesting, low-consumption fixtures, and sustainable urban drainage systems in outdoor areas.

Outcome: In its first year of operation, Viamed's Tarragona hospital delivered more than 130,000 outpatient consultations, managed over 43,000 Accident & Emergency visits, and conducted over 9,600 surgeries.

The hospital has been certified with an Energy Performance Certificate rating of 'A', reflecting its low non-renewable energy consumption and emissions. During the year, it recorded an Energy Use Intensity – a metric that measures a building's total annual energy consumption relative to its size - of 193 kWh/m², around 28 per cent below the ~270 kWh/m² typical of Mediterranean-climate hospitals. [19,20] In addition, the 206 on-site solar PV panels generated around 125,000 kWh over the year with 100 per cent of generated electricity consumed on-site.

Furthermore, the hospital has generated ~500 jobs, supporting the economic and social development of the region.

[15] Health Care Without Harm, Health Care's Climate Footprint, September 2019
[16] Trading Economics. Spain – Proportion of Population Aged 65 and Over (Eurostat Data). Available here.
[17] European Commission, 2050 long-term strategy.
[18] Except for its emergency generator activated only in the event of power outages.
[19] Total annual energy consumption (Sep 2025-Aug 2026) relative to gross internal area.
[20] Science Direct, 'Hospital energy systems under transition: global consumption patterns, technology integration, and pathways toward fully renewable healthcare facilities', 2026

Supporting brown-to-green commercial office conversions in Europe



Asset: EDGE

Sector: Real Estate

Location: EMEA

Opportunity: Europe's office sector is facing a widening gap between outdated building stock and demand for sustainable, high-quality workplaces.

Buildings account for approximately 37 per cent of global energy CO_2 emissions,[21] and 76 per cent of European office stock is at risk of becoming obsolete by 2030.[22] Unless landlords actively invest in improving asset quality, much of the market is exposed to rising energy costs, evolving regulation and increasing obsolescence risk.

At the same time, tenants and investors are placing greater emphasis on sustainability, while regulations such as the European Union's revised Energy Performance of Buildings Directive[23] are raising expectations around energy efficiency and carbon performance.

This convergence of ageing assets, regulatory change and shifting occupier demand is creating a compelling opportunity to reposition existing buildings through brown-to-green conversions, enhancing both environmental performance and long-term asset value.

Approach: In 2022, a fund managed by MAM invested in Edge, a Dutch real estate developer with more than 25 years of experience delivering sustainable, technology-enabled workplaces.

Together, MAM and Edge are pursuing a brown-to-green strategy that transforms existing office buildings into lower-carbon, future-fit workplaces. Rather than demolishing and rebuilding, Edge targets well-located assets at risk of obsolescence and repositions them through sustainability-led redevelopment.

Drawing on its expertise in sustainable development, Edge enhances building performance through energy-efficiency measures such as low-carbon heating and cooling systems, along with deploying smart technologies and workplace enhancements aligned with modern occupier needs.

A key differentiator is Edge's proprietary 'Next Sense' platform, which uses sensors, data analytics and AI to continuously optimise building performance, helping reduce energy consumption and support long-term operational efficiency.

The strategy is supported by a commitment to reduce embodied and operational carbon across new and redeveloped projects by at least 50 per cent against industry benchmarks by 2030, with a pathway to absolute zero carbon by 2050.[24]

Outcome: Today, Edge is active across five European markets, with €5.4 billion of projects under development or management.[25] The platform's growth reflects both organic expansion and increasing institutional investor demand.

In 2025, Edge secured €456 million of asset management mandates from German institutional investors, supporting its evolution from a specialist developer into an integrated real estate platform spanning development, investment and asset management.[26]

The strategy's impact is reflected in the performance of Edge's development portfolio. Across reported projects, Edge has achieved an average base building energy intensity of 26 kilowatt-hours per square metre per year - less than half its Paris Proof benchmark of 70 kWh/m² - while 100 per cent of reported projects incorporate onsite renewable energy generation.[24]

[21] United Nations Environment Programme (UNEP), *Building Materials and the Climate: Constructing a New Future*, 2023.
[22] Cushman & Wakefield, *Rethinking European Offices 2030: Risks and Opportunities from Obsolescence*, 2024.
[23] European Parliament and Council of the European Union. Directive (EU) 2024/1275 of the European Parliament and of the Council of 24 April 2024 on the energy performance of buildings (recast). *Official Journal of the European Union*, L 1275.
[24] Edge, 2025 Sustainability Report.
[25] As at 30 June 2026, Edge.
[26] Edge, *Edge secures €456 million asset management mandates with German pension funds*, 17 September 2025.

Embedding sustainability into large-scale irrigated agriculture



Asset: Cubbie Ag

Sector: Agriculture, Cropping

Location: Australia

Opportunity: Cubbie Ag is one of Australia's largest irrigated cropping enterprise, producing cotton alongside wheat and chickpeas in southern Queensland. As a major producer of food and fibre, the business seeks to balance productivity with the long-term health and resilience of the natural resources that underpin its operations.

For Australian broadacre cropping businesses, fertiliser is one of the largest direct costs, typically representing around 25 per cent of crop input costs.[27] It is also a significant source of agricultural greenhouse gas emissions, representing ~60 per cent of Cubbie Ag's Scope 1 emissions.[28] Improving fertiliser efficiency therefore represents an opportunity to reduce emissions intensity while supporting operational productivity and lowering input costs.

At the same time, growing customer demand for sustainably produced commodities is increasing the commercial value of transparency and third-party certification across agricultural supply chains.

Approach: In 2024, MAM Agriculture undertook a materiality-based review of its sustainability strategy, prioritising four pillars - Natural Resource Management, Climate Change, People and Community, and Animal Welfare.

Aligned with this strategy, Cubbie Ag has combined scientific research with regenerative agriculture practices to strengthen the sustainability and resilience of its operations. The business is now entering its third year of nitrogen inhibitor trials and second year of continuous nitrous oxide monitoring, helping build one of Australia's most comprehensive datasets for irrigated cotton production. Conducted in partnership with research organisations and industry specialists, the trials are designed to better understand how fertiliser practices influence emissions, input efficiency and crop performance under irrigated conditions.

Alongside this work, Cubbie gained Regenagri certification in 2025 and is continuing to embed regenerative agriculture principles across its cotton production systems. This certification provides independently recognised sustainability credentials for customers and supply chain partners.[29]

Outcome: Together, the trials and certification show how Cubbie Ag is embedding sustainability into everyday operations, delivering environmental, operational and commercial outcomes while helping support the long-term resilience of the business.

The fertiliser and nitrous oxide trials are providing practical insights to support Cubbie Ag's emissions reduction and fertiliser management strategy. Early trial results have demonstrated reductions in nitrous oxide emissions of up to 35 per cent compared with conventional urea, although further monitoring and additional seasons of data are required to validate the consistency of these results across varying seasonal and field conditions.[30] Findings to date are informing fertiliser decisions for the 2026/27 cotton crop and beyond, while supporting the broader assessment of enhanced efficiency fertilisers across the business.

Demand for Regenagri-certified cotton has also increased significantly, with customers increasingly recognising the value of certified, sustainably produced fibre. A majority of Cubbie Ag's cotton is now sold under the Regenagri certification, attracting a small premium per bale and supporting greater product differentiation.

[27] Based on Cubbie Ag's costs. Excludes ginning costs.
[28] Based on Scope 1 emissions reporting from Cubbie Ag for 1 January 2025 to 31 December 2025.
[29] Regenagri is an independently audited, internationally recognised regenerative agriculture standard spanning soil health, biodiversity, climate outcomes and continuous improvement.
[30] Based on Cubbie Ag's data from fertiliser and nitrous oxide trials.

Building a real estate platform for Mexico's industrial transformation



Asset: FIBRAMQ

Sector: Real Estate

Location: Mexico

Opportunity: Driven by nearshoring, trade diversification and the reconfiguration of global supply chains, Mexico continues to position itself as one of the most attractive industrial real estate markets in Latin America.[31]

This shift has been supported by Mexico's trade links with the US and a competitive workforce, and by government initiatives to attract investment and strengthen domestic supply chains, including more recently the Plan Mexico strategy.[32]

As companies prioritised supply chain resilience and proximity to end markets, demand for industrial space outpaced available supply in many key markets through 2024, supporting historically low vacancy and strong rental growth, although new supply has since lifted vacancy in some markets.[33]
At the same time, occupier requirements have evolved towards institutional-grade logistics and advanced manufacturing facilities with reliable access to power, water and sustainable infrastructure.[34] Together, these trends created an opportunity to build an institutional-quality industrial platform and provide local investors with access through a FIBRA, Mexico's listed real estate investment trust structure.

Approach: In 2012, Macquarie established FIBRA Macquarie through an initial public offering on the Mexican Stock Exchange – one of the early FIBRAs to list under Mexico's newly introduced REIT-equivalent structure.

The vehicle gave Macquarie access to the long-term public capital markets needed to build a scaled industrial and retail real estate platform. Macquarie's strategy focused on institutionalising the platform's management while enhancing asset quality, operational performance and sustainability.

Central to this approach was building MPA, FIBRA Macquarie's own vertically integrated property management subsidiary, providing direct oversight of leasing, property management, engineering, sustainability and tenant engagement across the portfolio. This enabled long-term customer relationships, operational efficiencies and disciplined growth in high-demand industrial markets.
As the market evolved, Macquarie embedded sustainable practices into the platform's growth strategy through green building development, rooftop solar photovoltaic systems and sustainability-linked financing.

Outcome: Over a 14-year management period, FIBRA Macquarie evolved from a newly listed trust into one of Mexico's leading industrial and retail real estate platforms, spanning 37 million square feet across 16 states.[35]

Alongside this growth, the platform established a sustainability strategy. At the end of 2025, 44.3 per cent of gross leasable area was certified to recognised green building standards. The portfolio also achieved a GRESB score of 80/100 with Green Star recognition and outperformed its peer group average by 10 points. Through its rooftop solar programme, the platform installed more than 2 MW of capacity and has a pathway to increase that to 40 MW by 2030.[36] Sustainability-linked financing also became an important pillar of the platform's strategy, with 67.1 per cent of FIBRA Macquarie's debt sustainability-linked and supported by a $US200 million lending relationship with the International Finance Corporation.[36]

In 2026, a binding agreement was reached with FIBRA Monterrey to internalise the management of FIBRA Macquarie.[37]

[31] 'JLL Research, Nearshoring – Unveiling Latin America's Potential, August 2024.
[32] Covington & Burling LLP, President Sheinbaum's Mexico Plan: Can Mexico Still Drive a Nearshoring Boom?, January 2025.
[33] PGIM Real Estate, Industrial Real Estate: The Case For Mexico, November 2024 (citing CBRE data).
[34] JLL, Adapting to shifting trade policies: 5 predictions for industrial real estate, 4 January 2024.
[35] As at 30 June 2026.
[36] FIBRA Macquarie México, FIBRA Macquarie 2025 ESG Report, June 2026.
[37] Formal completion remains subject to customary conditions. Expected to close in the later half of 2026.

3.1.1.3 Investing in climate solutions

As global energy markets are being transformed by the impacts of AI, energy security and affordability, as well as the need to decarbonise, there is a growing requirement for new renewable energy generation, storage and distribution infrastructure. Meeting these needs will require continued investment across a wide range of opportunities spanning renewable energy and a broader range of energy transition solutions at scale that enable the transformation of energy systems and provide the secure energy required by communities and businesses into the future.

Since making our first investment in renewables in 2005, MAM has become home to one of the world's leading specialist green investment teams. Through MAM's Green Investment (GI) team, MAM's green investments strategies increased to approximately $A30 billion in assets under management during the year – more than a six times increase since FY2022.[38]

Investments made by the Green Investments team are subject to MAM's Green Impact governance approach, requiring each investment to contribute to one or more of five defined Green Purposes, as set out in Our Approach to Sustainability and Stewardship.

The team works with over 30 investee companies across diverse markets, spanning the full asset lifecycle from development to operations and covering core renewables, such as onshore and offshore wind and solar, and next-generation solutions such as battery storage, sustainable aviation fuel, e-mobility, green hydrogen and biogas.

During the period, we reached financial close of our first dedicated energy transition fund targeting investments beyond core renewables energy generation, with $US3 billion of total Fund and co-investment commitments. Separately, we expanded access to our climate solutions offering through the launch of a dedicated energy transition infrastructure fund targeted at the US wealth market, spanning both infrastructure equity and debt, broadening investor access to energy transition infrastructure and supporting the growing demand for private market climate solutions.

[38] Figures correct as at 31 March 2026. Refer further detail in MAM Green Impact Report https://www.macquarie.com/assets/macq/mam/capabilities/green-investments/macquarie-asset-management-green-investments-green-impact-statements.pdf. Note that AUM is defined as proportionate enterprise value, calculated as total proportionate equity and net debt managed by MAM Private Markets excluding any crossholdings in the funds. Proportionate share also includes MAM managed consortium and mandate assets. Net Debt is defined as gross debt less cash at asset level. Equity value is the current valuation of the asset including shareholder loans. AUM includes equity yet to deploy and equity committed to assets but not yet deployed. This excludes any renewable assets that are held on the Macquarie balance sheet outside of funds. The AUM incorporates assets held within the MAM Green Investments strategies, where a commitment has been made to invest in line with the Green Investment Policy, irrespective of the form of participation. This metric has not been prepared for statutory or regulatory purposes and should be understood as distinct from such measures. The management structure and individual composition of teams may vary across strategies and differ from those reflected in other AUM measures.

Scaling sustainable aviation fuel production

Asset: SkyNRG

Sector: Energy, Sustainable Aviation Fuel

Location: Netherlands & United States



Opportunity:

Aviation accounts for approximately 2.5 per cent of global CO2 emissions, with sustainable aviation fuel (SAF) widely recognised as the most viable near-term lever to decarbonise the sector.[39]

As a low-carbon alternative to fossil jet fuel, global SAF demand is expected to reach approximately 17 million tonnes per annum by 2030.[40] However, production remains well behind projected demand, constrained by a lack of commercial-scale production capacity, with an estimated additional 5.8 million tonnes of capacity required to meet 2030 demand.[40]

Europe faces a particularly acute supply gap, with current installed capacity covering only one-third of expected mandated demand under the EU's ReFuelEU regulation.[40]

This structural undersupply, combined with strengthening regulatory mandates, creates a significant tailwind for scaled SAF production.

Approach:

In November 2023, we secured investment rights up to €175 million in SkyNRG via one of our managed funds, to support the development of a pipeline of SAF production facilities.

Since acquisition, we have supported the structuring and execution of substantial equity and debt financing to fully fund the construction of the DSL-01 project and other future growth initiatives. DSL-01 is a greenfield facility located at the Delfzijl chemical park in the Netherlands that will convert waste-based feedstocks such as used cooking oil, residual fats and greases into SAF using HEFA technology.[41] This financing included more than €750 million of non-recourse project finance debt from a syndicate of 12 international lenders.

The DSL-01 project is designed to produce 100,000 tonnes of SAF per annum, plus 35,000 tonnes of sustainable by-products including biobased propane, butane, and naphtha.

Outcome:

In February 2026, SkyNRG reached financial close on DSL-01, marking the transition from development to construction and representing the culmination of over two years of close collaboration between MAM and SkyNRG.

With construction well underway, the project is underpinned by a long-term offtake agreement with KLM Royal Dutch Airlines for at least 75 per cent of the plant's SAF output, with contractual pass-through of feedstock costs, mitigating a key challenge to large-scale SAF production. The SAF produced is expected to deliver lifecycle greenhouse gas reductions of approximately 80 per cent compared to fossil jet fuel, rising to over 90 per cent as Dutch renewable energy availability increases and natural gas reliance is reduced.[42]

Beyond its first project, SkyNRG has two further production facilities in development – Project Wigeon in Washington State, United States in partnership with Boeing, and Project SkyKraft in Northern Sweden in collaboration with leading regional energy utility Skellefteå Kraft.

[39] World Economic Forum, 'Global Aviation Sustainability Outlook 2026', March 2026
[40] World Economic Forum, 'Financing Sustainable Aviation Fuels: Case Studies and Implications for Investment', February 2025
[41] Hydroprocessed Esters and Fatty Acids (HEFA) – a process that refines vegetable oils, waste oils, or fats into SAF through a process that uses hydrogen.
[42] SkyNRG press release, February 2026.

Accelerating data centre interconnection in power constrained, high-risk grid markets

Asset: Calibrant Energy & Aligned Data Centers

Sector: Battery storage

Location: United States



Opportunity: Utilities across the US are experiencing unprecedented electricity demand[43], driven by rapid growth in AI workloads, onshoring of manufacturing, and increasing electrification.

Peak power demand is projected to grow by 20 per cent over the next decade, with new data centre load alone expected to add as much as 100 GW by 2035 - equivalent to 10 per cent of total current US energy generation capacity.[43] As demand for high-performance computing and AI workloads accelerates, data centres are encountering tightening grid constraints and increasing interconnection delays. Conventional infrastructure responses – new substations, transmission lines and additional power generation – require substantial capital and can, in some cases, add up to seven years to grid connection.

For Aligned Data Centers' (**Aligned**) Hillsboro campus, the local utility's initial assessments indicated a multi-year wait before sufficient capacity could be made available, creating a critical barrier to bringing new data centre infrastructure online.

Approach: Through its role as an active manager, MAM introduced two of its investee companies, Calibrant and Aligned, and the local utility to enable the development of a 31 MW / 62 MWh on-site battery energy storage system (BESS).

Developed using Calibrant's proprietary Path-to-Power framework - a replicable, scalable solution – the BESS functions as a grid-responsive asset, designed to discharge during peak demand, bolster grid reliability and help ensure uninterrupted service.

The project represents the first-of-its-kind purpose-built BESS in the United States specifically designed to accelerate interconnection for a large data centre load, with safety, domestic manufacturing, and continuous monitoring embedded in the design.[44] It also demonstrates a new model for large power users to take greater control of their energy supply, benefiting the whole system and avoiding costly grid upgrades that would have otherwise likely been passed on to ratepayers.

Outcome: The on-site BESS enables Aligned's Hillsboro campus to come online years ahead of conventional grid upgrade timelines, with the system planned to be operational in second half of 2026.[44]

By converting the data centre's load from a potential grid liability into a dynamic grid asset, the local utility is able to control flexibility during capacity-constrained periods, helping to maintain reliable service without additional stress on the grid. The solution can also lower cost pressure on local utility ratepayers by helping avoid costly grid upgrades and spreading fixed grid costs across a larger customer base.

3.1.1.4 Stakeholder engagement on climate

As set out in section 2.1, climate remains a significant and enduring systemic risk across MAM's portfolios, and one that cannot be addressed through any single relationship or forum.

During the reporting period, we contributed to the development of climate standards and frameworks through industry bodies, including the IIGCC Climate Resilience Investment Framework and the IGCC Resilient Infrastructure guide, and participated in the NZAM initiative and the PRI Climate Reference Group, as set out in section 2.2. We

[43] North American Electric Reliability Corporation, '2024 Long-Term Reliability Assessment', July 2025.
[44] Calibrant Energy, 'Aligned and Calibrant to Deploy First-of-its-Kind On-Site Battery Storage Project to Unlock Utility Power for Data Centers', October 2025.

engaged directly and collaboratively with investee companies on climate, as set out in Chapter 4, and responded to clients' sustainability-related preferences and requirements, as set out in section 5.1.

Partnering with communities to enable renewable energy delivery in Australia



Asset: Aula Energy

Sector: Renewables, (Wind & Solar)

Location: Australia

Opportunity: Trust and community engagement are among the most complex challenges facing Australia's renewable energy sector.

The Australian Clean Energy Council identifies social licence as one of the most important issues facing the renewables sector, with community opposition and poorly managed engagement leading causes of project delays and uncertainty.[45] The cost is material, with analysis from the Australian Energy Market Operator finding that delays and additional costs associated with low social licence results in up to $A4 billion in reduced net market benefits.[46]

Recognising this, Aula has developed a proactive community engagement framework as a core driver of project delivery and long-term value creation.

Approach: In 2023, Macquarie Asset Management (MAM) launched Aula to develop, build, own and operate onshore renewable energy projects across Australia.

Through board representation and active ownership, MAM collaborated with Aula's management to embed social licence and community alignment into the core of its governance and strategy - driven by a structured community engagement framework built on early, intentional and tailored engagement with local communities and Traditional Owners.

At Aula's 228 MW Boulder Creek Wind Farm (BCWF) in Queensland and 256 MW Carmody's Hill Wind Farm (CHWF) in South Australia, both currently under construction, Community Liaison Groups have been established to empower local stakeholders, ensure local voices shape project outcomes and directly influence the allocation of community-led benefit funds.

At CHWF, consistent stakeholder management over a five-year period was instrumental in securing community confidence ahead of Final Investment Decision in December 2025.

At BCWF, Cultural Heritage Investigation Management Agreements are in place with the Traditional Owners of the land, ensuring a collaborative approach to protecting and managing cultural heritage throughout construction and into operations.

Outcome: Across both projects, key community stakeholders have access to timely and transparent information, genuine opportunities to provide feedback, and direct influence over how community benefit funds are distributed. This approach has strengthened community relationships, enabled early resolution of issues, and helped build the social licence necessary for successful project delivery.

During their construction phases, BCWF and CHWF are expected to generate up to 250 and 75 local jobs respectively. Community Benefit Funds totalling $A16 million have also been established across both projects, with 48 grants supported to date by the Community Liaison Groups who oversee the allocation of funds to ensure they are used in ways that provide the most value to local residents.

At BCWF, Darumbal People and Gangulu People, part of the Gaangalu Nation Peoples, have been engaged as Cultural Heritage Monitors and Rangers. Part of their work has involved identifying culturally and environmentally significant plants, including Gumbi Gumbi and Bottle trees, with some translocated to a native garden established by the Darumbal Peoples and other areas of the project site to ensure their continued connection to Country. As well as the Gumbi Gumbi and Bottle trees, a cycad translocation management plan is in place which has involved the collection of 804 cycad seeds, the establishment of a nursery to grow cycad plants from seeds, and the

[45] Clean Energy Council, Doing Renewables Right.
[46] AEMO, 2024 Integrated System Plan - Appendix 8: Social Licence, June 2024.

translocation of 2,828 cycad plants across the project site. The plants are marked and GPS recorded to enable ongoing monitoring throughout the project lifecycle.

3.2 Social

3.2.1 Work Health and Safety (WHS)

WHS risks are inherent in infrastructure investments, and as one of the world's largest infrastructure managers, we recognise, support and promote the right of every worker to return home safely from their workplace. Where operational risks are significant and our influence is greatest, we have integrated WHS into the Real Assets investment lifecycle, as we consider effective management to be an indicator of operational quality, which can in turn support investment returns.

During the reporting period, we updated our Real Assets Safety Alignment Framework expectations to reflect insights and lessons learned from across our investment portfolio. The update supports the non-executive directors we nominate to Real Assets investee company boards in their oversight of WHS risks and continues to promote intra-industry forums where lessons can be shared between organisations and across regions.

Transforming safety performance across Odinsa's transport platform



Asset: Odinsa Transport Platform

Sector: Transport (toll roads and airports)

Location: Colombia and Ecuador

Opportunity: In 2022, a MAM-managed fund acquired a 50 per cent stake in Odinsa's transport platform, co-investing alongside Odinsa in four roadway concessions and two international airports across Colombia and Ecuador.

The platform spans 774 kilometres of roads and two airports serving more than 52 million passengers annually, supported by more than 8,000 employees and contractors across diverse terrains, climates and regulatory environments.

Managing workplace health and safety (WHS) across such a geographically dispersed transport network, while continuing major construction alongside live road and airport operations, required a more consistent approach to safety management. With safety practices at varying stages of maturity across the region, there was an opportunity to strengthen governance, consistency and accountability across the platform to reduce incidents across both operating and construction activities.

Approach: Leveraging MAM's safety specialists and global best practices, MAM supported Odinsa to implement a platform-wide safety improvement plan focused on building a stronger and more consistent safety culture.

This included establishing a Safety Alignment Framework, appointing a dedicated safety specialist and creating a joint WHS Committee - comprising of Board level representatives from Odinsa and MAM, as well as MAM's LATAM WHS Operating Partner - to oversee safety performance and review incidents. A comprehensive assurance framework was also implemented, covering both internal activities and contractor operations, to support the WHS Committee's oversight and control effectiveness.

Partnering with external advisers DSS+, Odinsa drove a top-down shift in safety culture launching initiatives such as '11 Life-Saving Rules' and comprehensive training for leaders, frontline teams and contractors, to identify and manage the precursors of serious injuries and fatalities.[47]

To drive accountability at the leadership level, WHS metrics were incorporated into management's short-term incentive plan, directly linking safety performance to reward.

[47] Odinsa, 2025 Integrated Report.

Outcome: Odinsa's commitment at Board level, supported by the joint WHS Committee, technical guidance from DSS+ and MAM's safety specialists, have helped drive a significant improvement in safety performance across the platform.

From 2023 to 2025, the Lost Time Injury Frequency Rate (LTIFR) across Odinsa's roads and airports have both declined by over 90 per cent - a significant achievement while active construction programs continued alongside ongoing operations.[48]

Beyond the reduction in injuries, the platform has demonstrated that consistent safety standards can be embedded across geographically diverse assets with differing operational risk profiles. The strengthened governance model has deepened collaboration between MAM and Odinsa while creating safer outcomes for employees, contractors, road users and airport passengers.

3.2.2 Modern slavery and human rights

We respect fundamental human rights as set out in the Universal Declaration of Human Rights and core United Nations and International Labour Organization conventions, in line with the UN Guiding Principles on Business and Human Rights.

During the year, human rights and modern slavery risks remained a focus across our private markets portfolio. We assessed these risks during due diligence on new investments, with material risks escalated for enhanced review where appropriate. Following investment, our nominee directors and investment teams engaged with investee company management to support the implementation of frameworks that identify and manage material human rights and labour-related risks, with targeted oversight for investee companies operating in higher-risk sectors or jurisdictions.

Within our Green Investments business, work continued to strengthen the management of modern slavery and broader human rights risks in renewable energy supply chains. This included applying supplier due diligence and standard-setting across investee company procurement, engaging suppliers and investee companies on supply-chain risk management and delivering human rights and modern slavery training for nominee directors. Within our listed equities business, Supply Chain & Modern Slavery has been identified by the MSI team as one of its material portfolio sustainability themes, prioritised for stewardship across its strategies. Where the theme is material to a holding, MSI may engage with investee companies and exercise proxy voting to seek improved management and disclosure of supply-chain and modern slavery risks.

MSI is also a member of the company engagement workstream of Investors Against Slavery and Trafficking Asia Pacific (IAST APAC), an investor-led initiative convened by asset managers and asset owners to engage with listed companies in the Asia Pacific region, through which it conducts engagements with investee companies. During the year, MSI engaged with an ASX listed company through its participation in IAST APAC.

[48] Calculated as the number of injuries x 200,000/actual hours worked.

Case Study: Collaborative participation to strengthen human rights risks assessments



Sector: Cross-sector

Asset class: Equities

Context & actions

To support the advancement of human rights stewardship across investment portfolios, MSI team participated in the Responsible Investment Association Australasia's (RIAA) Human Rights Working Group (HRWG).

The working group brings together institutional investors to strengthen industry understanding and capabilities in assessing and managing human rights risks within investment portfolios and stewardship activities. A session attended by MSI focused on emerging human rights considerations associated with artificial intelligence (AI), including a presentation from a leading Australian university on current and evolving risks linked to AI adoption.

Outcomes & investment relevance

The forum enabled MSI to exchange perspectives with investors and subject-matter experts on emerging human rights risks and evolving stewardship expectations, with discussion centred on the governance, risk oversight and due diligence needed to address human rights impacts across technological developments and global supply chains.

Participation deepened MSI's understanding of how human rights considerations, including emerging AI-related risks, can be incorporated into engagement and risk assessment. These insights inform MSI's thematic research and engagement priorities across material portfolio themes including human capital, privacy and data security, and supply chain and modern slavery.

3.3 Governance

3.3.1 Conflicts of interest

As part of a diversified global financial services group, MAM may from time to time have interests that conflict with those of our clients. Identifying and managing those conflicts fairly, so that clients' interests come first, is fundamental to acting as a responsible steward.

The most significant conflict arising from our position within a listed financial services group concerns the shares of our own parent company, as described in the case study below.

Voting parent company shares

MAM is part of Macquarie Group Limited (MGL), a listed company on the Australian Stock Exchange (ASX: MQG). As part of our public Systematic Investments activities, several MAM-managed funds hold shares in MQG which gives rise to a potential conflict of interest where MAM is required to vote on company resolutions. As a subsidiary of MGL, MAM may have interests beyond those of a typical investor, potentially influencing voting decisions. Our fiduciary duty requires us to act in the best interests of our clients, such that we do not allow our relationship with MGL to impact proxy voting decisions on MQG securities. To address this, MAM's Proxy Voting Policy stipulates that, except as permitted by law, MAM will not vote in relation to related party securities on proposals in which MAM has an interest other than as an investor and will generally abstain from voting on proposals related to MGL or on entities controlled by MGL. The selection of MQG in our portfolios is based purely on our standard quantitative investment model. The model considers all stocks within an investment universe based on public company data. Investment decisions for MQG are made independently by the model, without manual influence.

3.3.3 Cybersecurity

Section 2.1 sets out why cyber risk is systemic across the sectors we invest in. During the year, the emergence and rapid advancement of frontier AI models introduced a new dimension to the threat landscape.

These models can identify previously unknown software vulnerabilities at a pace and scale not seen before, shortening the window between a vulnerability's existence and its exploitation. In response, we supported our Real Assets investee companies in strengthening the accuracy of their asset records and reducing patching windows, as appropriate, to minimise the risk of disruption from these emerging threats, applying our National Institute of Standards and Technology (NIST)-aligned Cyber Governance Framework through the NEDs we nominate to our investee company boards.

4. Engaging with our investee companies to create value

Where a risk or opportunity is identified as material, we engage with the companies we invest in to protect and build long-term value for clients. The underlying aim is to encourage investee companies to identify and manage the material risks and opportunities associated with their businesses, and so to preserve and enhance the value of our clients' assets.

How we engage reflects our level of ownership and influence. Where our position is more limited, engagement is the principal tool. Where we hold control or significant influence, such as in Real Assets, we exercise deeper, ongoing oversight.

Engagement is prioritised by materiality and may take different forms, for example addressing a specifically identified risk at an individual company, prioritising the companies presenting the greatest risk within a portfolio, engaging across several companies to gauge responses to a common theme, or supporting a company's existing positive actions.

This approach, and its place in our investment processes, is set out in full in Our Approach to Sustainability and Stewardship. This chapter shows how that approach was put into practice during the year, through the issues we prioritised, the engagements we pursued, and the outcomes achieved.

4.1 Engagement in public markets

In public markets, we typically hold smaller, non-controlling positions across a broad universe, so we pursue our stewardship principally through active dialogue with a targeted objective, supported by voting. Our approach to engagement differs between teams, reflecting each team's distinct mandates, holdings and ability to influence the companies they invest in. Given our minority holdings in these companies, it is difficult to draw a direct correlation between an investment team’s engagement activities and a company’s actions. This section focuses on our Systematic Investments listed equities and Liquid Credit businesses, where our engagement and voting activity is concentrated.

Systematic Investments

Engagement is only conducted where a specific issue is identified for MSI’s focus, and to set targeted objectives. Engagement activity without a clear purpose otherwise diverts company time and resources.

During the year, MSI identified companies for engagement through a tiered set of criteria:

- those representing our largest holdings by market value;
- those most exposed to the sustainability themes carrying the greatest weight across our portfolios, such as decarbonisation, modern slavery, cyber security and work health and safety;
- those characterised by weaknesses in their management of sustainability risk that may pose a threat to their operational resilience, regulatory compliance or long-term financial value;
- those falling below our minimum governance standards; and
- those involved in incidents breaching international norms and conventions.

Engagement was tailored to the criteria each company met. Our largest holdings by market value and the companies most exposed to these sustainability themes received the most intensive oversight and engagement.

Multi-year engagement on board oversight of safety and culture



Asset class: Equities

Sector: Metals & Mining

Context & actions

MSI engages with Rio Tinto given the company's relevance to MSI portfolios and its exposure to material Environmental, Social and Governance (ESG) themes. MSI's engagement focuses on issues assessed as material for Rio Tinto to build better visibility over how the company identifies, governs and responds to these risks and to communicate MSI's expectations directly to Rio Tinto's Board. MSI's engagement over several reporting periods has created a multi-year record against which the Board's oversight of culture, safety and project execution can be considered, particularly following the Juukan Gorge incident and, subsequently, the fatalities reported at the Simandou project in Guinea.

MSI's engagement initially focused on Rio Tinto's social licence to operate, it's decarbonisation strategy, and board governance, before extending to human capital management, including culture and safety. Rio Tinto's Simandou project became a material focus because of its scale, joint venture (JV) structure, location and heightened political risk - characteristics that increased the likelihood of environmental and social risks arising outside Rio Tinto's direct operational control, while remaining relevant to the Board's oversight. MSI used successive meetings to test whether the Board's understanding of the safety risk profile at the Simandou project was keeping pace with publicly reported incidents. Earlier engagements had established that the project was expected to meet the standard implied by Rio Tinto's public ESG commitments. However, as incidents at the Simandou project's port and rail works operated by the JV partner increased in frequency and severity, MSI challenged whether they should continue to be characterised as isolated given the Board's acknowledgement of site-specific challenges including training and language barriers. MSI also raised that consequence management should extend beyond disclosure and be reflected within the remuneration structure.

Outcomes & investment relevance

Rio Tinto acknowledged the importance of accountability, including through the application of relevant remuneration metrics. As safety incidents reoccurred and increased in severity, MSI raised with the Board whether additional accountability mechanisms were required to reinforce the importance of safety performance to management. Rio Tinto subsequently increased the safety weighting within its short-term incentive metrics, a change directionally consistent with MSI's position.

Sustained engagement has allowed MSI to revisit concerns against prior explanations, distinguish a pattern of risk from isolated events, and better assess whether board oversight is responding to emerging evidence. MSI continues to monitor the Board's oversight of safety and culture, which informs its view of governance risk in the holding.

Engaging on board independence and executive remuneration



Asset class: Equities

Sector: Information Technology

Context & actions

WiseTech Global (WTC) is a global technology company that develops, sells and supports software for the international logistics industry, operating through its flagship CargoWise platform. WTC was reviewed as part of MSI's stewardship process due to governance concerns relating to its former CEO. As a result, governance has remained a key area of engagement, with particular focus on board independence, board composition, and executive remuneration. MSI's engagement began in 2023, with concerns raised regarding board tenure, turnover of independent directors, and the concentration of influence held by the founder and then-CEO. These concerns intensified following the departure of four independent Non-Executive Directors, including the then-Chair in February 2025, and the findings of a board-commissioned review into an undisclosed conflict of interest involving the CEO. Throughout this period, MSI engaged directly with the Chair and Lead Independent Director to communicate expectations on board independence, succession planning, and remuneration governance. With these concerns not sufficiently addressed ahead of WTC's 2025 AGM, MSI escalated through voting action.

Outcomes & investment relevance

MSI voted against the re-election of an Executive Director, reflecting its view that, in light of the governance failures over the preceding twelve months, it was no longer appropriate to retain an additional Executive Director alongside the Executive Chair. This view was reinforced when WTC’s Executive Director and Co-Founder sold all shareholdings (~8 per cent) to the former CEO in November 2024. While MSI acknowledged the potential for the Co-Founder to provide corporate memory to the three new Executive Directors appointed during 2025, MSI concluded that the former CEO’s continued presence on the board would sufficiently preserve this continuity. MSI also voted against the remuneration report on the basis that the unearned portion of the FY25 short-term incentive was to be re-tested and carried forward into FY26, inconsistent with market practice, where unmet incentives are typically forgone. Both resolutions attracted significant shareholder opposition, with the remuneration report receiving approximately 49 per cent of votes Against. MSI regards its voting as a proportionate escalation of concerns raised through prior engagement and continues to monitor WTC's board composition, independence and remuneration governance to assess whether the company's practices evolve in line with investor expectations.

Liquid Credit

Engagement is primarily undertaken to improve our assessment of an issuer's ability to manage material risks and maintain long-term financial resilience, rather than to achieve specific corporate outcomes. As a debt investor, our ability to influence issuer behaviour is inherently more limited than that of equity investors given the absence of voting rights.

The MAM Liquid Credit team takes a targeted and risk-based approach to issuer engagement, recognising that engagement resources are best directed towards issuers and topics where additional insights could meaningfully enhance our understanding of credit risk.

In determining engagement priorities, we may consider factors such as the materiality of portfolio exposures, proprietary sustainability risk assessments, sector-specific risks, emerging controversies, changes in an issuer's risk profile, and opportunities to engage through debt issuance or ongoing investor dialogue.

Engaging on the impact of corporate restructuring on climate targets



Asset class: Liquid Credit

Sector: Transport

Context & actions

We engaged with one of Australia's largest rail freight operators, hauling bulk commodities -predominantly coal - and operating a rail network coal producers rely on to reach port. Its concentration of earnings in coal-related activities and exposure to decarbonisation policy make transition risk a material credit consideration. Engagement was prompted by commentary following a broker-hosted investor conference referencing a restructuring purported to affect teams supporting sustainability and decarbonisation. MAM LC considered this potentially detrimental to the issuer's credit transition trajectory and broader credit risk profile and, in May 2025, members of MAM's Credit Research and Sustainability teams met the issuer's senior leadership to better understand its transition strategy, commitments and investment in decarbonisation.

Outcomes & investment relevance

The issuer's senior leadership clarified that the team changes related to a broader restructuring of support services rather than a change in strategy, commitments or investment in decarbonisation initiatives. They also reaffirmed their net zero and interim 2030 targets (a 10 per cent reduction in GHG intensity against a 2021 baseline) and outlined a new development supporting battery-locomotives, with a first prototype soon to be trialled with a mining customer. A broader roll-out of battery-locomotives remains subject to commercial viability. Progress on fleet decarbonisation through the use of lower-carbon fuels such as hydrogen remains constrained by cost and supply.

MAM LC sought confirmation that future disclosures would reaffirm these commitments, and has since been able to confirm this using third-party ESG data indicating commitment to alignment under the Net Zero Investors Framework. The engagement gave MAM LC comfort as to the issuer's continued commitment to its transition plan however, coal-related earnings concentration and execution risk around unproven decarbonisation technology at scale remain key credit considerations.

Assessing governance readiness for prudential change



Asset class: Liquid Credit

Sector: Financials

Context & actions

Merger activity over the past couple of years has pushed several Australian mutual banks towards, or across, the Australian Prudential Regulation Authority's (APRA's) Significant Financial Institution (SFI) threshold, which brings a step-change in prudential obligations across liquidity, treasury systems, governance and risk management.

Given the direct relevance of SFI status to an issuer's credit profile and the varied readiness across the sector, MAM LC Credit Research team engaged with several issuers to assess their preparedness and approach to SFI implementation. During FY25 the team engaged with four issuers and In March 2026, conducted follow-up engagements with three issuers following APRA's decision to raise the SFI asset threshold from $20bn to $30bn.

Outcomes & investment relevance

During engagements throughout FY25, MAM LC observed differing levels of preparedness across the mutual banking sector. One bank, which had crossed the SFI threshold following a merger of two mutual institutions, appeared comparatively well prepared, describing work to uplift reporting and risk frameworks and treasury's role in liquidity and interest-rate-risk stress testing.

Another bank, which had also crossed the SFI threshold following merger activity, however appeared less advanced in its transition with a multi-year treasury system project underway and perceived reluctance to implement interim liquidity solutions ahead of the new system's completion. The bank indicated that its transition to High Quality Liquid Asset (HQLA) reporting and other governance enhancements was progressing, but identified challenges relating to asset run-off methodology and Liquidity Coverage Ratio (LCR) calculations. During the engagement, MAM LC raised concerns over the pace of transition and contingency planning.

In March 2026, MAM LC conducted follow-up engagements following APRA's decision to raise the SFI threshold from $20bn to $30bn - a change that would permit some smaller SFIs to revert to non-SFI status. Discussions highlighted a range of approaches across the sector. One bank indicated that it intended to continue operating to the higher prudential standard despite qualifying for regulatory relief, while another outlined its voluntary adoption of SFI-equivalent practices, including daily shadow LCR reporting. MAM LC viewed these decisions as positive, creditor-relevant governance signals that demonstrated a continued commitment to elevated risk management and reporting standards. By contrast, another bank indicated that it remained some way from full LCR readiness and expected that completion of its banking system integration could take several years. This was broadly consistent with the slower readiness first identified in FY25. This relativeness weakness is expressed through a comparably lower governance score assigned by the MAM LC team than peers.

These observations continue to inform MAM LC's governance assessments and ongoing credit monitoring, with issuers demonstrating stronger preparedness and a willingness to maintain higher standards viewed more favourably from a governance perspective.

4.1.1 Collaborative engagement

MSI participates in collaborative stewardship initiatives, including Climate Action 100+ and the Investor Group on Climate Change (IGCC), to inform its technical understanding of complex issues. Such participation is coordinated by the relevant investment team's sustainability-focused members.

Where timelines, milestones or objectives are set for a collaborative initiative, they may be determined by the initiative, by MSI, or jointly, depending on the company and the nature of the engagement. The relevant investment team monitors progress against them and may revise its participation accordingly. Participation in an initiative does not constitute agreement by MAM, or by any individual investment team, with every objective pursued under that initiative. Nor does it bind any investment team to act in a particular manner.

4.1.2 Exercising voting rights

Our MSI team retains Institutional Shareholder Services (Australia) Pty Ltd ("ISS") as its Proxy Agent, responsible for vote execution, administration and voting infrastructure, and as its Proxy Advisor, responsible for providing research and recommendations on the exercise of votes in accordance with the Proxy Voting Guidelines.

We generally vote in line with our proxy advisor's recommendations, retaining discretion to vote counter to a recommendation where we consider it in the clients' best interests, and recording our rationale for our Proxy Voting Committee's review. Our proxy voting process and the role of that Committee are set out in Our Approach to Sustainability and Stewardship. Section 5.3 sets out how we monitor ISS's performance as our Proxy Advisor.

Where a company is unwilling to engage, does not act on the expectations we have set, or cannot evidence that it is managing the issues raised, we may escalate. Voting is generally the first step, with the resolution chosen to reflect the issue concerned. We may also place a company under closer monitoring through our data screens and alerts and, as a last resort and only for funds with a sustainability objective, divest.

Voting statistics

Our proxy voting activity is publicly disclosed via the MAM Proxy Voting Dashboard, hosted by ISS, which provides voting statistics and access to our voting policies.

For the period 1 April 2025 to 31 March 2026:

Meetings available to vote	**4,522**
Meetings voted	4,496 (99.4%)
Proposals available to vote	48,870
Proposals voted	48,473 (99.2%)
Votes with management	89%
Votes against management	11%

4.2 Engagement in private markets

In our Real Assets and Real Estate businesses, our greater ownership and influence mean we steward our investments closely through ongoing oversight and engagement. Where a MAM-managed fund holds a significant ownership interest, we may do this through nominating non-executive directors to investee company boards. Such NEDS monitor the management of material sustainability risks and opportunities at asset level and maintain dialogue with investee company management. Our Portfolio Performance Group (PPG) also provides specialist expertise to boards and management teams of investee companies. The team comprises senior experts from sustainability, cyber security, human capital, inclusion, and work health and safety, who provide tailored day to day support to investee companies as necessary. Where material risks are identified, we may also undertake deep dive reviews or increase our engagement with the investee company.

Our level of support flexes to the needs of individual investee companies. In some cases this year, PPG stepped up its involvement with companies working through specific capability gaps, for example on regulatory disclosure or aligning with impact investors' environmental and social expectations. This included weekly engagement and coaching, attendance at sustainability and HSE sub-committees, and connecting companies with expert advisors where additional capability was needed.

During the year, we also engaged investee company leadership on sustainability considerations through periodic regional sustainability leadership forums, covering topics including renewable fuels, physical climate risk, and evolving sustainability disclosure frameworks such as the EU Corporate Sustainability Reporting Directive.

In our Private Credit strategy, reflecting our more limited influence, our approach involves ongoing monitoring accompanied by targeted engagements where required. Where appropriate, we look to negotiate the terms of our financing agreements to include sustainability-related covenants such as ongoing emissions reporting, or margin ratchets to incentivise sustainability improvements and mitigate risk. For example, during the year we engaged with several borrowers in our direct lending strategy to implement margin ratchets post-investment. The KPIs included emissions reduction, expansion of mentorship programmes and waste reduction.

In private markets, we generally escalate any concerns through direct discussions at senior levels of the investee company, drawing on our relationships with company management and the non-executive directors we nominate. No escalation of this kind was required in our private markets portfolios during the reporting period.

Integrating stewardship into Private Credit's sustainability framework

Borrower Engagement and Reporting Framework

Stewardship in private credit involves ongoing monitoring and, where appropriate, dialogue with borrowers throughout the life of an investment. During the year, MAM Private Credit continued to enhance its proprietary Borrower Engagement and Reporting Framework, a structured approach that supports stewardship actions including sustainability-related data collection for analysis and reporting, borrower engagement and portfolio monitoring. The framework helps investment teams identify material sustainability risks and opportunities, while providing clients with greater transparency on sustainability-related performance and outcomes.

Each year, borrowers are asked to provide information on a range of sustainability topics, including climate, governance and workforce-related factors. Responses are reviewed by investment, portfolio monitoring and sustainability specialists and assessed against predefined risk indicators to identify areas requiring further investigation or engagement.

Where material risks or opportunities are identified, MAM engages directly with borrowers to gain additional insight, discuss mitigation measures and support improvements in sustainability performance or disclosure practices. Insights generated through this engagement process are incorporated into annual credit reviews and ongoing portfolio monitoring activities, helping inform future investment decision-making and risk oversight.

Post investment engagement

During the reporting period, MAM engaged with the financial sponsor of a testing, inspection and certification services provider to agree key performance indicators (KPIs) and targets for an ESG margin ratchet in its financing arrangements. The proposed KPIs were assessed against the Sustainability-Linked Loan Principles and link financing terms to performance against measurable sustainability indicators. Each KPI is assessed annually and is subject to progressive annual targets that reach the following by 2029:

1. a 25 per cent reduction in greenhouse gas emissions per full-time employee;
2. an increase in the proportion of leased and owned electric or hybrid vehicles to 70 per cent; and
3. an increase in the percentage of office electricity consumption from green or renewable energy 95 per cent.

The ratchet aims to advance the borrower's sustainability strategy, contribute to operational efficiency, and support the borrower's capacity to meet its contractual obligations. The engagement illustrates how MAM's borrower engagement approach can translate insights into contractual measures that incentivise sustainability improvements and lower debt financing costs.

Financing temporary accommodation properties in central London



Asset class: Private Credit

Sector: Social housing

Context:

Westminster faces some of the highest levels of rough sleeping in the UK, while a shortage of social homes simultaneously increases pressure on temporary accommodation.[49]

Securing stable, long-term access to housing assets is critical to providing continuity for residents awaiting permanent housing solutions.

At the same time, there is a need for cost-effective, long-term financing structures that allow local authorities to manage housing supply while also improving asset quality.

Actions:

Macquarie Asset Management, on behalf of a large UK insurance provider, provided £235 million of long-term, inflation-linked financing to Westminster City Council (WCC) to acquire more than 350 temporary accommodation properties.[50]

The financing has a 42-year term, including an initial two-year rent-free period, and provides WCC with guaranteed rent levels and an option to own the properties at maturity.

As part of the agreement, WCC will refurbish the portfolio to a minimum EPC rating of 'C', supporting improvements in energy performance. The structure delivers long-term stable cashflows for our client while enabling WCC to secure and enhance housing assets.

Outcomes:

The transaction enables WCC to deliver a critical housing supply for vulnerable residents and provide greater certainty for those awaiting longer-term housing solutions.

The long-term financing structure supports cost-effective delivery of housing, while ensuring assets are upgraded to improved energy efficiency standards.

[49] Westminster City Council Housing Strategy 2026–2031 Summary.
[50] Macquarie Asset Management and Phoenix Group finances more than 350 temporary accommodation properties in central London

5. Engaging our clients and overseeing our partners

Beyond the companies we invest in, our stewardship is shaped by our clients' objectives and preferences, and delivered with the support of external service providers, and where relevant, external managers.

This chapter reports on how we engaged our clients during the year, how we monitored the service providers who support our stewardship, and how we oversaw the partners acting on our behalf. The standing approach to each of these is set out in Our Approach to Sustainability and Stewardship.

5.1 Understanding our clients

During the year, we engaged our clients on sustainability and stewardship through regular reporting on fund and investment activity, knowledge-based events, webinars and thought leadership, as well as direct dialogue through our client relationship teams. For prospective clients, we set out our approach to stewardship and reporting from the outset, including, for our listed equities clients, a summary of our proxy voting approach.

Industry events remain one of the most direct ways we engage with clients and test our thinking against their priorities. During the year, Macquarie Group was a sponsor of the inaugural Mexico Climate Action Week, where we curated a panel within the event's sustainable finance agenda and hosted a dedicated session for investors, providing an opportunity to deepen dialogue with current and prospective investors and local partners.

We also draw on client feedback, gathered through meetings, surveys and the questionnaires clients issue on our sustainability approach, to understand the issues most important to them and, where appropriate, to inform our stewardship approach, product offering and reporting.

5.2 External manager oversight

Only a small proportion of MAM's total AUM (~3%) is managed via external managers. Where this occurs, it is can be through passive, minority positions in external funds, or through externally managed investment strategies and sub-advisory arrangements, including investment management agreements.

Our selection process includes due diligence on prospective managers, which may include governance, risk management, compliance, operational considerations, investment capabilities and sustainability-related documentation. Once appointed, ongoing due diligence and oversight is also conducted periodically.

We request and review managers' own sustainability-related documentation where available, including sustainability and stewardship policies and reports, and communicate our expectations through due diligence, contractual arrangements and ongoing engagement. Our oversight also includes monitoring of investment and operational performance, and risk assessment of issues and incidents.

This oversight is exercised through established governance forums, including manager oversight and due diligence committees, which review the areas above alongside compliance with contractual obligations, including any mandate-specific exclusions.

No sustainability-specific escalations were required with any external manager during the reporting period. Interactions occurred through the ordinary course of manager oversight, relating to matters such as investment performance, mandate compliance, and operational and compliance matters.

5.3 Proxy advisors

As set out in section 4.1.2, MSI retains ISS as our Proxy Advisor. We monitor ISS to ensure the quality and accuracy of its research and recommendations.

MSI reviews alignment between ISS's recommendations and the Guidelines by conducting sample-based reviews of votes cast.

The Guidelines are developed on the basis of best-practice alignment and are subsequently amended having regard to engagement experience. The Guidelines are applied across proxy season cycles and reviewed to assess their effect and implementation. As the Guidelines are developed for MSI's approach, they are intended to represent the manner in which MSI votes. Accordingly, instances where a vote against the Guidelines occurs are reviewed to determine whether this reflects an interpretation of the Guidelines or an error on the part of the Proxy Advisor. Such instances are raised on a case-by-case basis or considered as part of the annual review cycle where broader patterns are identified.

MSI operates a data review process in respect of its Proxy Advisor, conducted on an annual basis or otherwise as required, to determine what data is held and where it is stored

5.4 Data and research providers

Given the scale and diversity of our portfolios, we draw on a range of third-party sustainability data and research providers, listed in Appendix B, to supplement our own research and extend our coverage across sectors, geographies and asset classes.

When selecting a provider, our sustainability and investment professionals assess the quality of research produced, through consultation with each provider and review of its research process. They also periodically assess other providers as a basis for comparison and as potential replacements or complements.

Once onboarded, ongoing monitoring is embedded in the day-to-day use, rather than taking the form of a discrete review.

During the year, following the completion of the Nomura transaction, certain data provider arrangements that previously supported the broader public investments platform were reviewed to ensure that the Liquid Credit and MSI listed equities businesses continued to have access to data and research modules considered relevant to their client, investment, and regulatory needs.

6. Metrics and targets

In this section, we provide metrics we use to assess and manage relevant sustainability and climate-related risks within our in-scope portfolios of assets under management. Disclosures relating to MAM's own business operations, and those pertaining to on-balance sheet investments, are not included in the metrics provided in this Report. For further information related to MAM's own operations please see the FY2026 Macquarie Group Sustainability Report.

6.1 MAM financed emissions

MAM-wide financed emissions are not yet reported. Following the transfer of MAM's North American and European public investments business to Nomura in December 2025, the composition of our portfolios changed significantly, and we have been developing the methodology and data infrastructure required to calculate financed emissions across our remaining portfolios on a consistent basis. We expect to report our financed emissions from FY2027.

MAM's UK regulated entities, MIMEL[51] and MIRAEL[52], disclosed financed emissions for their portfolios within their 2025 Sustainability Entity Report.

6.2 Net zero progress

In line with our commitments as a member of the Net Zero Asset Managers initiative, in 2022 we set interim targets for assets within our Real Assets and Real Estate businesses that we manage directly on behalf of clients, using the Net Zero Investment Framework (NZIF) as the basis for these targets.

As described in section 3.1.1.2, during the year we reviewed and republished our Decarbonisation Strategy and interim targets. Full methodology, target definitions and how our baseline was established are set out in Our Approach to Decarbonisation. Our progress against those targets is also reported in the Macquarie Group FY26 Sustainability Report; the section below summarises that same progress. We have not sought formal third-party validation of our climate-related targets or our methodology for measuring progress against them.

Asset class	2030 target	Baseline (2019)	FY2026 progress
Real Assets	By 2030, MAM aims to have 100% of Real Assets in-scope portfolio holdings meeting the criteria for aligning to a net zero pathway or aligned to a net zero pathway (Scope 1 and 2 emissions) per the Net Zero Investment Framework (Infrastructure criteria). The target excludes assets acquired within the 24 month period prior to 31 March 2030 that may not be aligned or aligning with net zero by the target date due to their recent acquisition.	0%	68% of Real Assets in-scope portfolio holdings are aligning to a net zero pathway or aligned to a net zero pathway (Scope 1 and 2 emissions).
Real Estate	By 2030, MAM aims to have 100% of Real Estate in-scope portfolio holdings meeting the criteria for aligning to a net zero pathway or aligned to a net zero pathway (Scope 1 and 2 emissions) per the Net Zero Investment Framework (Private Equity criteria). The target only applies to assets in influence band 1a and excludes assets acquired within the 24 month period prior to 31 March 2030 that may not be aligned or aligning with net zero by the target date due to their recent acquisition.	0%	66% of Real Estate in-scope portfolio holdings are aligning to a net zero pathway or aligned to a net zero pathway (Scope 1 and 2 emissions).

[51] Macquarie Investment Management Europe Limited (MIMEL), a MiFID investment firm, which undertakes MAM's Credit and Insurance activities in the UK

[52] Macquarie Infrastructure and Real Assets (Europe) Limited (MIRAEL), an alternative investment fund (AIF) manager with MiFID top-up permissions, which undertakes some of MAM's Real Assets activities in the UK

6.2.1 Real Assets

Real Assets in-scope portfolio holdings refers to the total Real Assets AUM excluding:

- client capital that is yet to be deployed; and
- assets where we have deemed it is not in line with our fiduciary duties, client mandates, fund investment objectives or other legal obligations to manage the asset in line with our Decarbonisation Strategy.

Currently, 92% of our Real Assets AUM is in-scope. Of the remaining 8%, 6% consists of client capital that is yet to be deployed and 2% is invested capital in assets that we are unable to manage in line with our Decarbonisation Strategy, for the reasons set out above.

Full breakdown of NZIF alignment for in-scope portfolio holdings:

NZIF Alignment	% AUM of assets with a long-term goal of net zero by 2040 or sooner (Scope 1 and 2 emissions)	% AUM of assets with a long-term goal of net zero by a date later than 2040 (Scope 1 and 2 emissions)	Total
Aligning to a net zero pathway / Aligned to a net zero pathway	58%	10%	68%
Committed to aligning	7%	13%	20%
Not aligned			12%
Total			100%

Reading the table

Aligning / aligned to a net zero pathway: assets with a long-term goal of net zero (Scope 1 and 2 emissions) by 2040 or sooner. These are typically assets where we have control or significant influence and are not subject to any of the 6 constraints outlined in our Decarbonisation Strategy.

Committed to aligning: these assets have set long-term goals, but their interim targets are either absent or are not ambitious enough to be considered science-based. They typically sit in hard-to-abate sectors, such as waste, utilities, and transport, reliant on abatement technologies that are currently not available at scale or are not economically feasible in the near-term, including carbon capture utilisation and storage, green hydrogen, and electrified alternatives to diesel-powered vehicles and equipment.

Not aligned: these are assets that have not yet set long-term net zero goals. The majority (8%) are new acquisitions still within our 24-month transition period to establish targets and net zero plans. The remaining 4% have experienced operational challenges leading to delays in meeting NZIF criteria. We will continue to work with these assets to meet the NZIF criteria.

6.2.2 Real Estate

Real Estate in-scope portfolio holdings refers to the total Real Estate AUM that falls under influence band 1a per the NZIF Private Equity criteria, excluding:

- assets that do not fall within influence band 1a,
- client capital that is yet to be deployed; and
- assets where we have deemed it is not in line with our fiduciary duties, client mandates, fund investment objectives or other legal obligations to manage the asset in line with our Decarbonisation Strategy.

Currently, 64% of our Real Estate AUM is in-scope. Of the remaining 36%, 16% is invested capital in assets that do not fall within influence band 1a, 3% is client capital yet to be deployed, and 17% is invested capital in assets we are unable to manage in line with our Decarbonisation Strategy, for the reasons set out above. Where possible, we encourage assets outside influence band 1a to set emissions reduction strategies in line with our Decarbonisation Strategy.

Full breakdown of NZIF alignment for Real Estate in-scope portfolio holdings:

NZIF Alignment	% AUM of assets with a long-term goal of net zero by 2040 or sooner (Scope 1 and 2 emissions)	% AUM of assets with a long-term goal of net zero by a date later than 2040 (Scope 1 and 2 emissions)	Total
Aligning to a net zero pathway / Aligned to a net zero pathway	66%	0%	66%
Committed to aligning	14%	0%	14%
Not aligned			20%
Total			100%

Reading the table

Aligning / aligned to a net zero pathway: assets with a long-term goal of net zero (Scope 1 and 2 emissions) by 2040 or sooner. These are typically assets where we have control or significant influence and are not subject to any of the 6 constraints outlined in our Decarbonisation Strategy.

Committed to aligning: the majority of these assets (10%) are platforms that have set long-term net zero goals but have either limited or no operational assets, or are in early stages of operations and are working to meet the additional NZIF criteria, for example establishing their emissions baseline after one full calendar year of operations. One investment (4%) has adopted a long-term net zero goal, interim targets, and initiatives, but lacks a costed net zero business plan.

Not aligned: these are assets that have not yet set long-term net zero goals. We will continue to work with these assets to meet the NZIF criteria.

6.3 Green Investments AUM

As set out in section 3.1.1.3, as at 31 March 2026, MAM's Green Investments strategies represented approximately $A30 billion in assets under management, more than six times the level at FY2022, reflecting the scale of our dedicated investment in the energy transition.

6.4 Voting data

Our proxy voting activity is publicly disclosed via the MAM Proxy Voting Dashboard, hosted by ISS, which provides voting statistics and access to our voting policies.

A summary of our proxy voting statistics for the period, including the proportion of shares voted and voting outcomes, is set out in section 4.1.2 alongside our voting-related engagement examples.

Appendices

Appendix A: MAM's AUM[53] and client composition as at 31 March 2026

Figures rounded to the nearest $ billion, therefore components may not sum due to rounding	$Ab	%
AUM by asset class		
Real Assets	351	49%
Real Estate	26	4%
Credit & Insurance	235	32%
Solutions	110	15%
Total AUM	**722**	
AUM by region		
ANZ	326	45%
EMEA	200	28%
Americas	150	21%
Asia	47	7%
Total AUM	**722**	
AUM by investment style		
Actively managed	620	86%
Index-based	102	14%
Total AUM	**722**	
AUM directly or externally managed		
Directly managed	698	97%
Externally managed	25	3%
Total AUM	**722**	
AUM by client location		
ANZ	354	49%
EMEA	153	21%
Americas	102	14%
Asia	114	16%
Total AUM	**722**	

[53] As at 31 Mar 26. Assets under Management (AUM) excluding Real Estate is calculated as the proportional ownership interest in the underlying assets of funds and mandated assets that Macquarie actively manages or advises for the purpose of wealth creation, adjusted to exclude cross holdings in funds and reflects Macquarie's proportional ownership interest of the fund manager. AUM includes capital yet to deploy, and capital committed to assets but not yet deployed. Real Estate AUM represents the proportional gross asset value (including estimated total project costs for developments) of real estate assets owned by funds or managed by investee platforms

Appendix B: External Sustainability and Stewardship service providers

We use a range of external providers to support our sustainability and stewardship activities. How we select, monitor and hold these providers to account is set out in sections 5.3 and 5.4.

Third-party advisors used to support private markets due diligence and asset management are described in Our Approach to Sustainability and Stewardship, section 2.2.2.

Aladdin, by BlackRock	• MSCI ESG data available to add to portfolio profile • carbon footprint/carbon intensity report • MSCI, Sustainalytics and Refinitiv ESG risk ratings
Bloomberg	• Snapshot of a company's sustainability profile and sustainability ratings • Portfolio carbon footprint tool
FactSet	• MSCI ESG data available for screening • Access to MSCI, Sustainalytics and ISS sustainability research reports • Sustainability-related performance attribution available in Portfolio Analysis module
IFRS – SASB Standards	• The Sustainable Accounting Standards Board (SASB) materiality map which helps identify material sustainability factors by industry group.
ISS	• Proxy voting research • ESG data for screening • Tools to assess portfolios for climate scenario alignment and physical climate and transition risk
MSCI	• MSCI ESG data for screening • MSCI ESG research reports
RepRisk	• Research tools to support transaction and norms-based screening.
SLR	• Physical climate risk analysis for private markets portfolio
Sustainalytics	• Sustainalytics sustainability data for screening • Sustainalytics ESG Risk Ratings, Carbon Footprint, SFDR PAI and Controversy research reports • EU Taxonomy Solution

Appendix C: Alignment Indices

This Report has been structured to tell MAM's own sustainability and stewardship story, rather than being organised around the requirements of any single external framework. In doing so, its content naturally aligns with, and in some cases forms the actual disclosure for, several external frameworks.

This Report constitutes MAM's Activities and Outcomes Report under the Financial Reporting Council's UK Stewardship Code.

Alignment within this Report to the Task Force on Climate-related Financial Disclosures (TCFD) and the FCA's Sustainability Disclosure Requirements (SDR) is voluntary and partial; this Report does not constitute MAM's, MIMEL's or MIRAEL's regulatory reporting against either framework. Entity-specific detail, and content addressing MAM's specific activities and their outcomes during the year, is not duplicated in these indices. This is addressed in MIMEL's and MIRAEL's own annual regulatory reporting, and in MAM's complementary sustainability reporting, as referenced in section 1.3. Where content from this Report is incorporated by reference into a regulated entity's own regulatory reporting, that content forms part of that entity's regulatory disclosure to the extent so incorporated.

The indices below map each framework's disclosure requirements to their location in this Report.

Appendix C.1: Stewardship Activities and Outcomes Report index

The table below provides a summary of where this report aligns to the FRC Stewardship Code's 2026 Framework for the Activities and Outcomes Report. This report constitutes MAM's Activities and Outcomes Report under the FRC's UK Stewardship Code.

	Pillar	Disclosure requirement		Section Reference
	Introductory statement	Organisation at a glance		1.1
		Clients and portfolios		1.2
		Material changes since the Policies and Context Disclosure *(*Our Approach to Sustainability and Stewardship*)*		N/A, inaugural reporting year.
1	Signatories integrate stewardship and investment to deliver long-term sustainable value for their clients and beneficiaries.	Key stewardship themes		3
		Approach by asset class		4.1, 4.2
		Examples of integrating stewardship and investment processes		3.1.1, 4.1, 4.2
2	Signatories identify and respond to market-wide and systemic risks to promote well-functioning financial markets.	Key market-wide and systemic risks relevant to our investments		2.1
		Contribution to policy, standard-setting and regulation		2.2
		Engagement with issuers on these risks		4.1
3	Signatories engage to maintain or enhance the value of assets.	Selecting and prioritising issues for engagement		4.1,4.2
		Purpose of engagements		4.1,4.2
		Methods of engagement		4.1,4.2
		Engagement examples		4.1,4.2
		Escalation of engagement		4.1
4	Signatories actively exercise their rights and responsibilities.	Listed equities	Voting records	4.1.2
			Proportion of shares voted	4.1.2
			Rationale for voting decisions	4.1.2
			Votes forming part of an escalation process	4.1.2
			Conflicts of interest related to voting	3.3.1
		Other asset classes	Rights and responsibilities in other asset classes	4.1, 4.2
5	Signatories integrate stewardship considerations into their selection and oversight of external managers.	Stewardship considerations in tendering process		5.2
		Engagement with external managers		5.2
		Stewardship considerations in monitoring of managers		5.2
		Escalation with an external manager		5.2
6	Signatories monitor and hold to account stewardship service providers.	Proxy advisors	Use of Proxy Advisors	4.1.2, 5.3
			Monitoring quality and accuracy of their services	5.3

Appendix C.2: TCFD and SDR index — voluntary partial alignment

This report voluntarily and partially aligns with some of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the FCA's Sustainability Disclosure Requirements (SDR), as indexed below. However, it should be noted that MAM is not in scope of either regime and this Report does not constitute a regulatory disclosure.

The table below indexes all four pillars of the framework. Where an element is addressed in our companion report, Our Approach to Sustainability and Stewardship ('OATSS'), which sets out our enduring approach rather than in-year activity, the reference points there.

Pillar	Reg	Disclosure requirement	Section reference
Governance	SDR	The manager's approach to governance, with respect to managing sustainability risks and opportunities	• *OATSS: 2.1, 2.2*
	TCFD	a) Board's oversight of climate-related risks and opportunities.	• *OATSS: 2.1*
		b) Management's role in assessing and managing climate-related risks and opportunities.	• *OATSS: 2.1, 3.1*
Strategy	SDR	The actual and potential impacts of any material sustainability-related risks and opportunities on the manager's businesses, strategy and financial planning	• *OATSS: 4 (intro), 5.1, 5.2, 5.3*
	TCFD	a) Climate-related risks and opportunities identified over the short, medium, & long term.	• *OATSS: 5.1.2, 5.1.2.1*
		b) Impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	• *OATSS: 5.1.2.1, 5.1.2.2, 5.1.2.3*
		c) Resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	• *OATSS: 5.1.2.1* • MIMEL and MIRAEL Sustainability Entity Report
Risk management	SDR	How the manager identifies, assesses and manages sustainability-related risks	• *OATSS:* 3 (intro), 4.1, 4.2 • *SSIA*: 2 (intro), 3.1, 3.2, 3.3
	TCFD	a) Processes for identifying, assessing and managing climate-related risks.	• *OATSS:* 3 (intro), 4.1, 4.2, 5.1.2.1 • *SSIA:* 2 (intro), 2.1, 3.1.1.1
		b) Integration of these processes into the organisation's overall risk management.	• *OATSS:* 3 (intro), 3.1 • *SSIA:* 2 (intro), 2.1
Metrics & Targets	SDR	Metrics and targets used to assess and manage sustainability-related risks and opportunities	• *SSIA:* 6.1, 6.2, 6.3, 6.4
	TCFD	a) Metrics used to assess climate-related risks and opportunities in line with strategy and risk management process	• *SSIA:* 6.1, 6.2, 6.3
		b) Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas emissions and the related risks	• *SSIA:* 6.1, • MIMEL and MIRAEL Sustainability Entity Report
		c) Targets used to manage climate-related risks and opportunities and performance against targets	• *OATSS:* 5.1.2.2; • *SSIA: 6.2*

MAM does have two UK entities, MIMEL and MIRAEL, regulated by the Financial Conduct Authority (FCA). Both entities are in scope of the FCA's mandatory climate-related reporting requirements for UK asset managers, consistent with the recommendations of the TCFD. MIRAEL is separately in scope of the FCA's SDR. MIMEL and MIRAEL report against these requirements through their Sustainability Entity Report. Future reporting may draw on the voluntarily aligned information set out in this report.

Appendix C.3: SASB index

MAM's primary activity, and the subject of this Report, is asset management. In preparing this Report, MAM has considered the Sustainability Accounting Standards Board (SASB) Standard for Asset Management and Custody Activities. Industry-specific standards relevant to the operations of individual investee companies are a matter for those companies' own reporting. Any alignment is voluntary and partial. The table below identifies SASB metrics for which our reports contain relevant content, spanning both OATSS and SSIA where relevant. It does not represent full disclosure against each metric cited, nor a complete index of the Standard.

Given the diverse nature of MAM's portfolios, applying the Standard's own metrics uniformly and precisely across every underlying investment is not always practical. Where this is the case, SASB's disclosure topics have been considered in light of their overall intention, focused on their relevance to portfolio management and investment decision-making, rather than through the Standard's specific quantitative metrics.

Topic	Metric	Code	Interpretation of metric	Section reference
Employee Diversity & Inclusion	Percentage of gender and diversity group representation across employee levels	FN-AC-330a.1	We do not report aggregated workforce diversity metrics across our portfolio, as jurisdiction-specific legal definitions and reporting requirements are not applied consistently across regions. Instead, we disclose our approach to, and oversight of inclusion within our Real Assets portfolio, where our influence enables this practice.	• *OATSS:* 5.2.1.
Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	Amount of assets under management, by asset class, that employ (1) integration of ESG issues, (2) sustainability themed investing and (3) screening	FN-AC-410a.1	Our private markets businesses assess sustainability-related risks during screening and due diligence, and integrate sustainability throughout the investment lifecycle where material risks or opportunities are identified. Within public markets, this applies where sustainability risks are identified as material, noting some exposures, including cash, derivatives, passive strategies and certain externally managed assets, are outside the scope of this assessment.	• *OATSS:* 4.1, 4.2
	Description of approach to incorporation of ESG factors in investment or wealth management processes and strategies	FN-AC-410a.2	Our approach to incorporating sustainability factors varies by asset class and division, reflecting differences in ownership, influence and available data.	• *OATSS:* 4.1, 4.2
	Description of proxy voting and investee engagement policies and procedures	FN-AC-410a.3	Our approach to proxy voting and investee engagement includes how voting rights are exercised on behalf of clients, how engagement is used to identify and respond to material sustainability risks, and how these approaches differ between our public and private markets businesses.	• *OATSS:* 4.1. 6.2 • *SSIA:* 4.1, 4.2, 5.3, 6.4

Topic	Metric	Code	Interpretation of metric	Section reference
Financed emissions	Absolute gross financed emissions, AUM included in the disclosure and the methodology used	FN-AC-410b.1 to b.4	MAM-wide financed emissions are not yet reported. MIMEL and MIRAEL disclose financed emissions for their portfolios in their Sustainability Entity Report. We expect to report financed emissions covering MAM's portfolios in the FY27 Macquarie Group Annual Report under Australian mandatory climate reporting requirements, and in this Sustainability and Stewardship in Action report.	• *SSIA*: 6.1 • MIMEL and MIRAEL Sustainability Entity Report
Business ethics	Description of whistleblower policies and procedures	FN-AC-510a.2	Our staff are covered by Macquarie's Group-wide Whistleblower Policy. As part of our duty to be a responsible asset manager, we have an external, dedicated Escalation Hotline which is available for investee company staff to confidentially report any concerns they may have about C-suite level and senior management misconduct.	• *OATSS:* 5.3.1 • Whistleblower Policy
Activity metrics	Total AUM	FN-AC-000.A	We describe the composition of our assets under management qualitatively in this Report, by asset class, management style and geography. Our total AUM figure is reported annually.	• *SSIA*, 1.1; MGL Sustainability Report

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