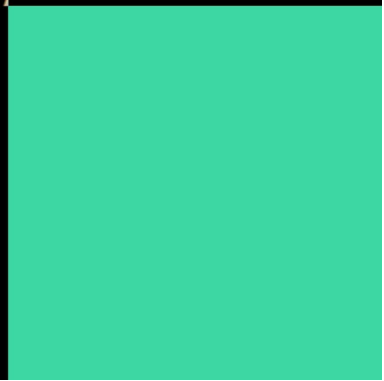




Macquarie Asset Management

# Our approach to decarbonisation

May 2026



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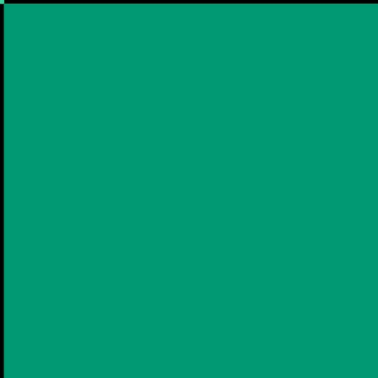
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# 01

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## Introduction



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# 1. Introduction

## 1.1 About MAM

Macquarie Asset Management (**MAM**) is a leading global asset manager, trusted by institutions, individuals and communities to responsibly manage \$A720 billion in assets.<sup>1</sup> MAM provides clients with a diverse range of investment solutions – including real assets, real estate, credit, and equities – that seek to deliver superior risk adjusted returns.

Refer to MAM's website for further information at [www.macquarie.com/mam](http://www.macquarie.com/mam).

MAM is part of Macquarie Group (**Macquarie**), a diversified financial services group providing clients with asset management, finance, banking, advisory, and risk and capital solutions across debt, equity and commodities. Founded in 1969, Macquarie Group employs over 19,000 people in 31 markets and is listed on the Australian Securities Exchange.

Refer to Macquarie's website for further information at [www.macquarie.com](http://www.macquarie.com).

## 1.2 About this document

This document provides information regarding MAM's approach to decarbonisation with respect to our financed emissions, which are the greenhouse gas (**GHG**) emissions attributed to our off-balance sheet lending and equity investment activities undertaken on behalf of clients. The emissions arising from MAM's own business operations and those pertaining to on-balance sheet investments fall under Macquarie Group's climate strategy. For further information on Macquarie Group's climate strategy, scope and progress, please see Macquarie Group's Sustainability Report, available [here](#).

This document reflects our approach as at May 2026. Progress on MAM's climate-related targets is also reported in Macquarie Group's Sustainability Report.

## 1.3 Overview

Recent international assessments from the International Energy Agency<sup>2</sup> and the World Meteorological Organization<sup>3</sup> report record global mean temperatures with growing implications for economies and energy systems worldwide.

With global energy demand continuing to grow and current emissions trajectories falling short of long-term temperature goals established under the Paris Agreement<sup>4</sup>, global asset managers have an important role to play in supporting investment in, and transition to, a low-carbon and climate resilient economy. MAM seeks to contribute to this transition while delivering sustainable long-term value for clients through its Decarbonisation Strategy.

As an active manager, we support the decarbonisation of our portfolio in a way that is consistent with our fiduciary duties, client mandates, fund investment objectives and other legal obligations, to mitigate and manage the risks of climate change and enhance the long-term value of the businesses in which we invest on behalf of our clients. We also engage with a wide range of stakeholders to help refine our approach, share knowledge and collaborate on the challenges and opportunities presented by the energy transition.

Since MAM first set out its net zero ambitions in 2020, there have been significant developments in this area - including new methodologies that were not available at that time, a deeper understanding of the various pathways to net zero and their associated challenges across the sectors and asset classes in which MAM invests, and evolving regulations and reporting standards.

In light of ongoing developments, MAM has periodically refined its Decarbonisation Strategy by specifying the methodologies, interim targets and metrics by which MAM will measure progress across asset classes and aligning its approach to available industry guidance.

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<sup>1</sup> As at 30 September 2025, excluding assets acquired by Nomura on 1 December 2025. MAM Private Markets Assets under Management (AUM) includes equity yet to deploy and equity committed to assets but not yet deployed.

<sup>2</sup> International Energy Agency, 'World Energy Outlook 2025', November 2025

<sup>3</sup> World Meteorological Organisation, 'State of the Climate Update for COP30', November 2025

<sup>4</sup> United Nations Environment Program, 'Emissions Gap Report 2025', November 2025.

Furthermore, in December 2025, MAM completed the sale of its North American and European public investments business to Nomura. Following completion of that transaction, MAM reviewed its Decarbonisation Strategy and climate-related targets to ensure its approach remains appropriate and reflective of its business and underlying





asset classes. This included revising some of its interim targets, removing the 2030 asset alignment target for liquid credit and listed equities and the 2030 engagement threshold target that applied to its fixed income, listed equities and real estate businesses.

### MAM's approach to climate risks and opportunities

As a global asset manager, MAM's fiduciary duty to act in the best interests of its clients requires it to consider material climate-related risks and opportunities in its investment decisions, with a focus on supporting long-term value creation.

MAM's approach reflects the way in which it invests across its portfolio, having regard to material climate-related risks and opportunities, and supports the transition to a low-carbon economy.

MAM's efforts are focused on four key actions. This document outlines MAM's approach to decarbonising its portfolio:

MAM's approach to climate			
	01		02
<b>Managing climate risks</b>		<b>Decarbonisation</b>	
<p>Action to support the identification, assessment, monitoring, management and reporting of physical, transition and liability climate risks.</p> <p>For further detail on MAM's approach to managing climate risk, see the latest MAM TCFD Report <a href="#">here</a>.</p>		<p>Adopting appropriate methodologies, targets, and implementation strategies across asset classes to support the decarbonisation of our portfolio.</p>	
			03
		<b>Investing in climate solutions</b>	
		<p>Facilitating client investment in technologies, services and solutions that mitigate impacts and enhance adaptation and resilience opportunities.</p> <p>For further detail on MAM's investments in climate solutions, see <a href="#">MAM Green Investments</a>.</p>	
			04
		<b>Stakeholder engagement</b>	
		<p>Engaging with clients, industry and government to address challenges and barriers to drive an orderly and just transition to a low-carbon economy.</p> <p>For further detail on MAM's approach to stakeholder engagement, see the latest MAM Stewardship Report <a href="#">here</a>.</p>	

Supporting the transition to a low-carbon economy is a complex challenge, where policy, technologies and frameworks continue to be developed and refined. MAM regularly reviews its Decarbonisation Strategy and climate-related targets and approaches to ensure they remain appropriate for its business and take into account recent developments.

As a leading global infrastructure manager, MAM continues to support carbon-intensive industries, including those in the electricity, water, gas, agriculture, transport, mining, oil and waste sectors, in recognition that these are industries providing

products and services that communities rely on. MAM also recognises 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, MAM believes that engagement with investee companies, rather than divestment, supports the development of sustainable long-term solutions.

We will provide updates on areas of improvement, enhancements to our methodologies and targets, and our progress through our annual sustainability reporting.



# 02

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## Our Approach



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## 2. MAM's Decarbonisation Strategy

### 2.1 Our approach

Consistent with Macquarie Group's climate strategy, MAM's ambition is to support the goals of the Paris Agreement<sup>5</sup> by managing its portfolio in line with its Decarbonisation Strategy.

MAM's Decarbonisation Strategy applies to assets that MAM manages directly on behalf of clients. It does not apply to assets held on Macquarie's balance sheet (which fall under Macquarie Group's climate strategy) or assets managed by third-party managers.<sup>6</sup> MAM applies its strategy consistent with its fiduciary duties, client mandates, fund investment objectives and other legal obligations.

How MAM pursues its Decarbonisation Strategy differs across its portfolio, and progress with individual assets is dependent on the degree of MAM's control or influence, its fiduciary duties, and technological and regulatory developments.

Under MAM's Decarbonisation Strategy,

- MAM encourages investee companies across all asset classes within MAM's portfolio to implement emissions reduction strategies.
- In addition, for assets within its Real Assets and Real Estate portfolios where MAM has control or significant influence, MAM aims to manage those assets in line with net zero Scope 1 and 2 emissions by 2040. Whether MAM has control or significant influence is determined by reference to the criteria set out in section 2.1.1.

While we will move faster where possible, we acknowledge numerous real-world constraints that will mean that our 2040 aim for Real Assets and Real Estate is not possible for some assets, despite MAM having control or significant influence.

Those include:

1. assets where management in this way would be inconsistent with MAM's fiduciary duties or other legal or regulatory obligations of MAM
2. assets operating in a sector with limited credible pathways to net zero
3. assets where decarbonisation efforts are impacted by technological limitations

4. assets restricted from being managed in line with net zero due to legal or regulatory obligations, shareholder agreements or other contractual arrangements specific to an individual investment or fund
5. assets where shareholder or board approval is required for the asset to set a net zero target and the requisite majority declines to approve (or otherwise advise that they will not approve) setting such a target
6. assets not yet operational.

MAM joined the Net Zero Asset Managers (**NZAM**) initiative in 2021 and made its first disclosure under NZAM guidance in May 2022. As a signatory to the NZAM initiative, MAM has committed to the seven actions as outlined in the [NZAM Commitment Statement](#), where consistent with our fiduciary duties and, where applicable, client mandates, fund investment objectives and other legal obligations.

#### 2.1.1 Determining control or significant influence

Whether or not MAM has control or significant influence over an asset is a critical determinant of whether we manage that asset in line with net zero Scope 1 and 2 emissions by 2040.

MAM generally only has control or significant influence for those assets **within our Real Assets and Real Estate businesses** where we have significant shareholdings and board representation. We have adopted the following concepts to determine whether we have control or significant influence:

- **Real Assets:** assets in which MAM has a shareholding of 25 per cent or more and board representation.<sup>7</sup> This approach is consistent with the Net Zero Investment Framework (**NZIF Infrastructure guidance**) published by the Paris Aligned Investment Initiative (**PAII**).
- **Real Estate:** assets within band 1a of the NZIF [Private Equity guidance](#) (which MAM interprets as having a shareholding of more than 50 per cent and more than 50 per cent of board voting seat appointments).

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<sup>5</sup> The Paris Agreement's central aim is to strengthen the global response to the threat of climate change by maintaining a global temperature rise this century well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5°C.

<sup>6</sup> Assets managed by third party managers includes, but is not limited to, MAM's Secondaries, Wealth Solutions, and External Manager Solutions businesses.

<sup>7</sup> The NZIF [Infrastructure guidance](#) (March 2023) uses the terminology "meaningful influence or control influence."

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MAM generally only has the ability to influence an asset's impact on its Scope 1 and 2 emissions, therefore our 2040 commitment only applies to Scope 1 and 2 emissions.

### 2.1.2 External dependencies

The pathway to net zero is unlikely to be linear. While we have set our approach based on the currently available information and methodologies, we have identified external dependencies outside our control that may impact our ability to make progress on our Decarbonisation Strategy and meet our climate-related targets.

The external dependencies we have identified include:

- **Government policy action:** governments need to implement further legislative and regulatory changes to meet their own commitments under the Paris Agreement and to create the enabling financial environment that will make net zero possible
- **Achievement of government targets:** existing government targets need to be met, including but not limited to climate adaptation targets and targets relating to the decarbonisation of energy supplies (such as developing efficient ways to deliver variable renewable energy to the grid and the introduction of appropriate grid stability mechanisms)
- **Supportive regulatory framework:** the regulatory environment for asset managers needs to support the integration of net zero considerations in investment decision making
- **Client demand:** client demand for net zero-aligned portfolios needs to increase over time as government policy and regulatory change is implemented
- **Methodological development:** credible net zero methodologies need to be developed for asset classes or investment strategies where agreed methodologies do not currently exist
- **Market pressure on companies:** consumer demand and investor pressure need to encourage companies to adopt net zero plans where not already in place
- **Technological advancement:** technological advancements need to occur that assist with reducing GHG emissions, including currently available technologies becoming commercially viable.

Please see Section 2.3 for further information on how we intend to address some of these dependencies over the coming years.

Should some of these key external dependencies not be realised, it will become increasingly challenging for us to make progress against our Decarbonisation Strategy and meet our climate-related targets.

One of the most significant challenges to MAM's Decarbonisation Strategy is the uncertainty in many of the areas MAM is seeking to address. For example, climate data, models and methodologies used are often relatively new, are rapidly evolving and are not of the same standard as those available in the context of other financial information, nor are they subject to the same or equivalent disclosure standards, historical reference points, benchmarks or globally accepted accounting principles.

Given the uncertainty as to the nature of future policy and market responses to climate change, including between regions, and the effectiveness of any such response, MAM will continue to monitor, assess and evaluate its Decarbonisation Strategy and climate-related targets.

## 2.2 Interim targets

In line with MAM's obligations as a member of the NZAM initiative, in 2022 MAM set the following interim targets in relation to assets within its Real Assets and Real Estate businesses that MAM manages directly on behalf of clients. MAM has used the NZIF as the basis for its interim targets - see further detail on the NZIF categories in section 2.2.3.

The interim targets are intended to support MAM's Decarbonisation Strategy. Portfolio holdings that are in scope for MAM's interim targets include both assets where MAM encourages the adoption of emission reduction strategies (that have set long term net zero goals targeting a date later than 2040) and those assets where MAM has control or significant influence where MAM is managing them in line with net zero Scope 1 and 2 emissions by 2040 (that have set long term net zero goals of 2040 or sooner).

The targets exclude 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.

## 2.2.1 Real Assets

Methodology		
Adapted from the <a href="#">Infrastructure Component of the NZIF</a> issued by the PAII.		
Interim targets	Year <sup>8</sup>	Description
Asset Alignment Targets	2030	<p>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 only) per the Methodology.</p> <p>"Real Assets in-scope portfolio holdings" refers to the total Real Assets AUM excluding (i) client capital that is yet to be deployed and (ii) assets where MAM has deemed it is not in line with its fiduciary duties, client mandates, fund investment objectives or other legal obligations to manage the asset in line with its Decarbonisation Strategy.</p>
Metrics used to measure progress		
Asset Alignment Metric	Percentage of Real Assets in-scope portfolio holdings by AUM 'aligning to a net zero pathway' or 'aligned to a net zero pathway' (Scope 1 and 2 emissions only).	

## 2.2.2 Real Estate

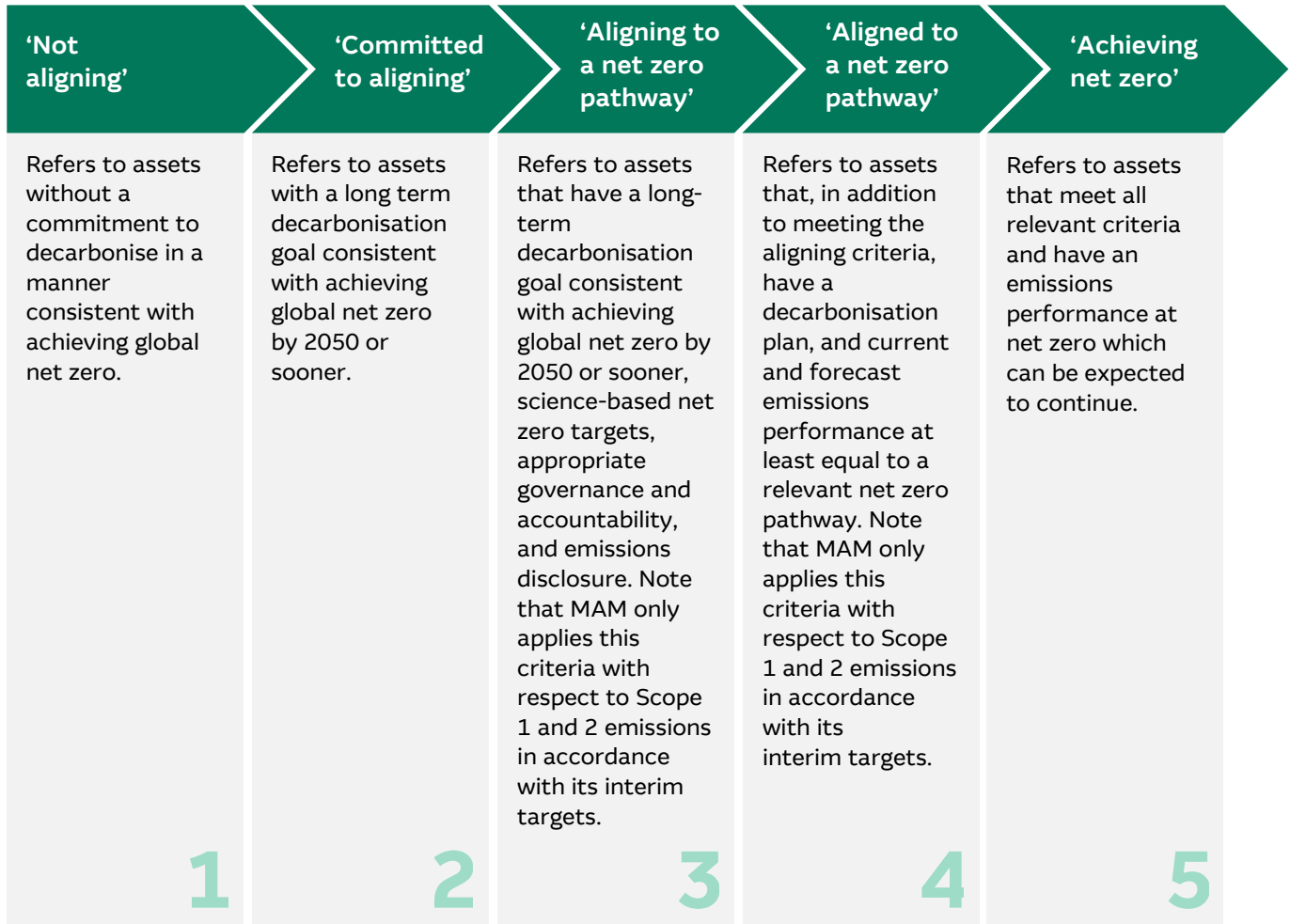
Methodology		
Adapted from the <a href="#">Private Equity Industry Component of the NZIF</a> issued by the PAII.		
Interim targets	Year	Description
Asset Alignment Targets	2030	<p>By 2030, MAM aims to have 100% of Real Estate in-scope portfolio holdings meeting the criteria for 'aligning to a net zero pathway' or 'aligned to a net zero pathway' (Scope 1 and 2 emissions only) per the Methodology.</p> <p>"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 and excludes (i) assets that do not fall within influence band 1a, (ii) client capital that is yet to be deployed and (iii) assets where MAM has deemed it is not in line with its fiduciary duties, client mandates, fund investment objectives and other legal obligations to manage the asset in line with its Decarbonisation Strategy.</p>
Metrics used to measure progress		
Asset Alignment Metric	Percentage of Real Estate in-scope portfolio holdings by AUM in influence band 1a 'aligning to a net zero pathway' or 'aligned to a net zero pathway' (Scope 1 and 2 emissions only)'.	

<sup>8</sup> Across all tables, where MAM has set interim targets for the year 2030, we intend to reach these by 31 March 2030.

### 2.2.3 Methodology

MAM's interim targets reference the proportion of Real Assets in-scope portfolio holdings and Real Estate in-scope portfolio holdings that are aligning or aligned to a net zero (Scope 1 and 2 emissions) pathway per the relevant criteria under the NZIF methodology. A breakdown of MAM's NZIF alignment is disclosed through our annual sustainability reporting.

There are five different categories used by the industry to assess alignment to net zero of their underlying investments under the NZIF methodology, each with their own criteria, which can differ slightly across different asset classes. MAM assesses portfolio companies against these criteria, as specified below:



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## 2.3 Implementation across asset classes

MAM manages a diverse suite of products and asset classes on behalf of our clients, with different levels of ownership in, and influence over, the assets in which we invest. As a result of this, the way we exercise our fiduciary responsibilities varies between asset classes and, accordingly, so does the way we implement our Decarbonisation Strategy.

We have considered the methodologies, tools and resources currently available in the market in implementing our Decarbonisation Strategy. MAM has used the PAII NZIF and supporting asset class-specific guidance to inform our approach to net zero across each of our asset classes. Further detail is provided by asset class below.

Our approach is likely to evolve as the industry gains a deeper understanding of the various pathways to net zero and their associated challenges and opportunities across the sectors and asset classes in which we invest.

### 2.3.1 Real Assets & Real Estate

Across our Real Assets and Real Estate businesses, our approach to decarbonisation is focussed on supporting the long-term value creation and protection of our portfolio companies by managing financially material climate-related risks, improving operational efficiency and enhancing asset resilience.

Utilising MAM's proprietary System 7 Asset Management Framework, we work closely with our asset management teams and the management of our portfolio companies to set minimum net zero and decarbonisation requirements for each phase of the asset lifecycle. These standards are initially established on acquisition of the portfolio company and are reviewed regularly to reflect the latest science-aligned guidance and market conditions.

#### Pre-investment

MAM conducts comprehensive due diligence assessment on a prospective investment aiming to assess and minimise risk and understand opportunities to create value. Assessments are materiality based and may include:

- the prospective investment's ability to be managed in line with MAM's decarbonisation strategy
- GHG emissions inventory by source and scope, including any independent assurance

- whether the prospective investment has existing GHG emissions reduction targets including the scope, base year, baseline emissions, target year and target emissions
- any planned abatement measures and the associated operational and capital expenditure
- physical climate risk scenario analysis
- how vulnerable or resilient is the target to physical climate risks, including stranded asset risks
- for Real Estate portfolio companies, assessments may also include embodied carbon emissions and building certifications.

The material results of due diligence are considered as part of the investment decision. If the acquisition proceeds, a transition plan is completed which outlines remedial actions and improvement opportunities identified during due diligence.

#### Post-investment

We work closely with the Board and management of our portfolio companies to integrate commercially viable net zero business plans into their corporate governance, operational and capital allocation decisions.

MAM engages with our portfolio companies to complete the following steps:

- measure and verify Scope 1 and 2 GHG emissions (and, where feasible, decision-relevant information on material Scope 3 emissions)
- set science-aligned interim and long-term Scope 1 and 2 emissions targets
- identify viable abatement measures and integrate them into a board-approved net zero business plan
- report the progress of and refresh as necessary net zero business plans at least annually, as part of the budget and business planning process, recognising that pathways will evolve as technologies, policy, and frameworks develop.

These steps are actively supported by MAM through regular workshops conducted with internal sustainability and third-party experts.

Our portfolio companies may also draw on the expertise and capabilities of our specialist Green Investments team to support them in identifying solutions to install onsite renewables, as well as procuring green energy through Power Purchase Agreements, where appropriate.

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Where MAM portfolio companies are supported by third-party providers, our sustainability professionals may monitor the outputs provided and engage with them to seek to ensure services provided are in line with our expectations.

To assess progress, MAM undertakes annual 'deep dives' on each portfolio company, during which the asset management and relevant specialist teams convene to discuss the company's performance. These include assessments of sustainability management and performance, alignment with minimum standards and progress on key initiatives.

### 2.3.2 Private Credit

MAM Private Credit's approach to decarbonisation is guided by the [NZIF component for private debt](#) and is integrated throughout our investment process in accordance with our fiduciary responsibilities.

Decarbonisation and net zero considerations are integrated into analysis throughout the investment lifecycle to help assess the expected long-term performance of borrowers and their ability to meet contractual obligations (e.g. debt repayments or lease payments). Reflecting our position as debt investors, strong emphasis is placed on financially material risks and pre-investment processes.

#### Pre-investment

We consider the potential borrower's decarbonisation strategy, including interim and long-term targets, existing and planned decarbonisation actions, and fossil fuel exposure. Material risks identified, along with the level of control and influence over the new investment, are considered when making the investment decision. We also aim to collect key sustainability-related data points from our borrowers, and, where possible, include climate-related covenants in financing documents, such as covenants to require ongoing emissions reporting or margin ratchets to incentivise emissions reductions to support the management of financially material climate-related risks.

#### Post-investment

We conduct annual reviews for each borrower across a range of material sustainability topics, including decarbonisation and net zero. As part of this annual review, we assess each borrower against the NZIF framework, assigning an alignment category to support consistent monitoring of progress, engagement prioritisation and the management of climate-related credit risks over time. In addition, as part of our ongoing management of portfolios, we may engage with borrowers on their climate risk management

strategies and incidents, decarbonisation strategies, and emission reporting and regulatory costs.

MAM Private Credit's decarbonisation approach continues to evolve in response to developing regulations and industry frameworks. We also recognise that due to our diverse portfolio, in terms of both sector and geography, our borrowers are at different stages of their decarbonisation journeys. For borrowers earlier in this process, our focus is on improving data availability and quality through emphasising the importance of financially material climate datapoints and encouraging the collection and reporting of this data. We may also engage borrowers to encourage them to set net zero targets and develop mitigation strategies where climate-related risks are assessed as financially material and where consistent with the borrower's business model and jurisdiction.

Nascent and more specialised investment strategies within our Private Credit business, such as asset finance, are not currently aligned with a net zero methodology. We continue to review net zero methodologies as they evolve for these strategies and, where available, collect decarbonisation-related data.

### 2.3.3 Liquid Credit

MAM Liquid Credit's approach to decarbonisation is informed by the [NZIF](#) and focuses on identifying, and monitoring climate-related risks assessed to be material from a credit perspective. This approach reflects the bondholder's limited influence over issuers and focuses on downside risk, credit quality and an issuer's ability to meet its debt obligations.

MAM Liquid Credit's current approach is focused on directly held corporate issuers where net zero methodologies are most credible. Over time, we will consider the appropriateness of methodologies across other security types and asset classes.

Recognising ongoing limitations in the availability, consistency and comparability of fixed income climate data, our current priority is on identifying, assessing and refining the use of the best available data solutions, rather than setting portfolio level decarbonisation targets. This focus is intended to support informed prioritisation of decarbonisation considerations within credit analysis, issuer engagement and ongoing portfolio monitoring, and help underpin a pragmatic, credit-focused approach that can evolve over time as issuer disclosure, data quality and market standards continue to develop.

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### Pre-Investment

To mitigate downside risk and assess credit quality, the MAM Liquid Credit team uses a proprietary corporate ESG risk rating framework to assign directly held issuers a qualitative ESG risk rating from a credit risk perspective, which is driven by the assessment of whether the issuer is able to manage and respond to ESG risk events such that they do not lead to material credit risk. The framework may consider material climate risks, such as an issuer's GHG emissions and carbon intensity. Overall ESG risk ratings are considered alongside traditional credit metrics to inform security selection, relative value assessment and investment decision-making.

### Post-investment

Targeted engagement with issuers is undertaken where access is available and engagement is expected to support credit risk monitoring and analysis. As with all debt investors, investments do not have attached voting rights, which limits the level of engagement compared to equity investments. Where relevant, the investment team will seek to engage with corporate issuers on climate-related and other ESG issues as part of the analysis of debt issuance from these issuers. Engagement priorities are informed by factors including the materiality of climate-related risks to credit quality, the scale of portfolio exposure, sectoral risk characteristics and issuer-specific developments, including insights from proprietary ESG risk ratings. Engagements are documented and reviewed as part of ongoing credit oversight.

#### 2.3.4 Listed equities

Following the sale of MAM's North American and European public investments business to Nomura, MAM's only remaining listed equities business is the Macquarie Systematic Investments (**MSI**) team. The MSI team specialises in utilising quantitative techniques to achieve efficient risk-return outcomes across a spectrum of investment strategies.

### Pre-investment

Reflecting the nature of systematic benchmark-aware investment strategies and typically minority shareholdings, MSI's approach to decarbonisation, informed by [NZIF](#), focuses on two core levers as its primary means of influence: engagement with investee companies and the exercise of proxy voting rights. As such, MSI's pre-investment implementation is limited to client mandates with tailored portfolio construction strategies utilising custom benchmarks and/or screening criteria to meet their decarbonisation objectives.

### Post-investment

Drawing on publicly recognised frameworks and standards, MSI's ESG framework addresses climate-related risks and opportunities as a financially material portfolio theme and is considered as part of overall portfolio management. MSI's priorities are to strengthen the quality and coverage of emissions and transition-relevant data and to continue engaging with companies to support credible decarbonisation.

Engagements are prioritised through a structured framework that differentiates the level of oversight and engagement based on materiality, scale of portfolio exposure and the expected financial impact of sustainability-related risks and opportunities. Engagements are typically strategic in nature and reflect MSI's approach to better understand how climate-related factors may affect long-term company performance and, in turn, shareholder returns.

Proxy voting is executed systematically on a case-by-case basis, guided by MAM's Proxy Voting Policy. MSI's proxy voting guidelines generally support climate-related proposals unless a vote against a proposal is more favourable in enhancing shareholder returns.

MSI's engagement and proxy voting activities are intended to encourage stronger climate governance, clearer transition planning and improved disclosure, where aligned with enhancing long-term shareholder value. Oversight of climate-related risks and opportunities sits within MSI's specialist ESG pillar and is addressed through its investment stewardship framework as part of broader portfolio risk oversight.

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## 3. Glossary

Defined term	Definition
<b>AUM</b>	Assets under management
<b>ESG</b>	Environmental, social and governance
<b>Financed emissions</b>	Greenhouse gas emissions attributed to our off-balance sheet lending and equity investment activities undertaken on behalf of clients.
<b>GHG</b>	Greenhouse gas
<b>MAM</b>	Macquarie Asset Management
<b>MSI</b>	Macquarie Systematic Investments
<b>NZAM</b>	Net Zero Asset Managers initiative
<b>NZIF</b>	Net Zero Investment Framework
<b>PAII</b>	Paris Aligned Investment Initiative
<b>Scope 1 emissions</b>	Direct emissions from sources owned or controlled by a company.
<b>Scope 2 emissions</b>	Indirect emissions from the generation of purchased energy that is consumed by the company.
<b>Scope 3 emissions</b>	All other indirect emissions that occur in a company's value chain, including both upstream and downstream emissions.
<b>TCFD</b>	Task Force on Climate-related Financial Disclosures

# Important information

The name “Macquarie” in this document refers to the Macquarie Group which comprises Macquarie Group Limited ABN 94 122 169 279 and its worldwide affiliates. Macquarie Group comprises two separate subgroups, a banking group (including Macquarie Bank Limited ABN 46 008 583 542) and a non-banking group which includes Macquarie Asset Management (“MAM”), a full-service fund manager. MAM provides asset management services worldwide, specialising in equities, fixed income, multi-asset, infrastructure and renewables, real estate, agriculture, transportation finance and private credit via public and private funds, co-investments, partnerships and separately managed accounts.

This document provides general information in respect of Macquarie’s businesses. This document does not constitute an offer to sell or a solicitation of an offer to subscribe or purchase or a recommendation of any securities and may not be distributed in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. This document does not contain all the information necessary to fully evaluate the potential of an investment in any fund or other investment vehicle and does not take into account the investment objectives or financial circumstances of the recipient and, as such, no reliance should be placed on its contents. No person is authorised to give any information or to make any representation not contained in this document in connection with the matters described in this document, and, if given or made, such information or representation may not be relied upon as having been authorised.

This document contains climate related and other forward looking statements and metrics — that is, statements related to future, not past, events or other matters — including, without limitation, statements regarding our intent, belief or current expectations with respect to Macquarie’s businesses and operations, market conditions, results of operation and financial condition, risk management practices, targets, estimates, goals, ambitions, climate scenarios, target emissions and emissions intensity pathways and estimated climate projections. We use words such as “will”, “may”, “expect”, “indicative”, “intend”, “seek”, “would”, “should”, “could”, “continue”, “anticipate”, “believe”, “probability”, “risk”, “aim”, “commitment”, “target”, “goal”, “ambition”, “plan”, “estimate”, “outlook”, “forecast”, “assumption”, “projection”, or other similar words to identify forward looking statements. Climate-related forward-looking statements are particularly affected by uncertainties and factors such as:

- Evolving standards, definitions and methodologies
- Lack of accurate and reliable historical data, especially emissions data
- Complex calculations, modelling and scenario analysis
- Changing and uncertain climate related laws, regulations and policies

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