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OPPORTUNITIES TO EMBED FUNDAMENTAL LABOUR RIGHTS IN MACQUARIE'S INVESTMENT STEWARDSHIP PRACTICES

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Please note that this brief is for informational purposes only, and is not intended to provide, and should not be relied on for investment, legal, tax or accounting advice. Trustees should consult their own advisors and investment professionals to evaluate the merits and risks of any investment.

About the Global Unions' Committee on Workers' Capital (CWC) Asset Manager Report Series

The CWC Asset Manager Report Series examines the performance of some of the world's largest asset managers on workers' rights and global trade union priorities. The asset managers profiled rely on a client base that includes pension funds across the globe. Many of the trustees who sit on these pension funds are CWC network participants.

The reports evaluate the strength of the asset managers' stewardship frameworks, the impact of their stewardship practices on workers' rights and their degree of alignment with the ILO Fundamental Principles and Rights at Work and rights-based frameworks such as the UN Guiding Principles for Business and Human Rights (UNGP) and the OECD Guidelines for Multinational Enterprises (MNEs).

I. CWC Baseline Expectations of Asset Managers

The CWC Asset Manager Reports review the stewardship policies and practices in public equities (engagement and proxy voting), alternative investments and policy advocacy for some of the world's largest asset managers. It then assesses the consistency of those practices with the CWC Secretariat's Baseline Expectations around fundamental labour rights. The following Baseline Expectations have guided the research and analysis that underpin this report:

- Adopt the promotion of fundamental labour rights and responsible business conduct as an engagement priority and a proxy voting guideline;
- Commit to engaging companies when trade unions provide evidence of adverse human rights impacts and reporting back publicly on the outcome of those engagements;
- Adopt a position of "neutrality" in public equities and private market investments when workers exercise their right to associate and to bargain collectively; and
- Commit to a dialogue with the CWC and its asset owner representatives once a year to discuss trade union priorities that are relevant to investment stewardship.

II. Recommendations for Macquarie

The recommendations formulated in this report were based on a review of key Macquarie corporate disclosures at the Group and subsidiary level, as well as news reports and consultations with trade unions that participate in the CWC.¹ The three main areas of analysis for this report were: (1) Macquarie Group Limited documents; policies and practices in (2) the securities management division (equity and fixed income) and (3) real assets (real estate and infrastructure) divisions of Macquarie Asset Management.

The recommendations fall into two overarching categories: (1) stewardship framework and (2) stewardship practices in real assets. This report does not feature sections on stewardship practices for public equities and policy advocacy, but the CWC Secretariat may add them at a later date.

(1) Stewardship Framework

- Endorse the concept of double materiality for its asset management operations in its Environmental and Social Risk (ESR) policy;
- Add a clause to its ESR policy on the provision of remedy when adverse impacts occur;
- Adopt and publish a group wide set of proxy voting guidelines that would describe how Macquarie intends to hold companies and boards accountable when adverse labour rights impacts occur;
- Centralise oversight of proxy voting execution to ensure that voting at Macquarie branded and managed funds is done in accordance with group-wide proxy voting guidelines that comprise principles to hold companies and boards accountable when adverse labour rights impacts occur; and
- Add an engagement priority to its ESG strategy to engage with companies on their labour rights impacts – in line with its responsibilities under the UNGPs and OECD Guidelines.

(2) Stewardship in Real Assets

- Develop a set of commitments jointly with global trade unions to ensure a just transition for workers in assets in the power and petrochemicals sectors. The commitments would be based on the ILO Guidelines for just transition and would require the company to:
 - a. Inform, engage and come to an agreement with workers and their unions on any plan for decarbonization, restructuring, or closure of the asset;
 - b. Apply the principles of “retain, retrain, and redeploy” in transition or restructuring plans;
 - c. Embed jobs and labour rights guarantees to apply to new buyers for at least 10 years when Macquarie sells or transfers assets; and
 - d. Uphold neutrality when workers exercise their fundamental rights to freedom of association and effective collective bargaining, including the right to join or form a union at workplace or industry level.
- Join the Cleaning Accountability Framework to demonstrate its commitment to identifying and mitigating human rights impacts in its Australian real estate portfolio; and
- Review how the ESR Policy is being applied at the three assets under watch by trade unions: Cadent Gas (UK), Wheelabrator (USA) and Viamed Salud (Spain).

III. Macquarie Group Limited at a Glance

Australia-headquartered Macquarie Group Limited (“Macquarie”) is a publicly-listed, top 60 global asset manager with AUD² 563.5bn in assets under management (AUM).³ While Macquarie is most known for being the largest infrastructure manager in the world (AUD 157.8bn in AUM), it is also an important securities (i.e., equities and fixed income) (AUD 357.4bn) and real estate (AUD 18.8 bn) manager.⁴ Despite its relatively larger portfolio of securities, the manager generates the majority of its investor client fees through its real asset platform (61% of AUD 2.6bn in base and performance fees).⁵

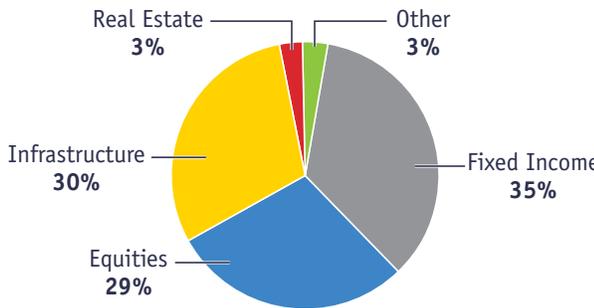
Macquarie Asset Management (MAM), and, to a lesser extent, Macquarie Capital, were the two operating segments that were in-scope for this report.⁶ These are the divisions that operate assets and invest the capital of clients, rendering them most relevant for the purpose of the CWC Asset Manager Accountability Initiative.

MAM is comprised of the Macquarie Infrastructure and Real Assets (MIRA) and Macquarie Investment Management (MIM) divisions. MIRA's AUD 195.1bn portfolio includes investments around the globe in utilities, renewables, agriculture, digital infrastructure and real estate⁷ via more than 25 unlisted funds with a variety of thematic and geographical focusses. Macquarie deploys capital raised from more than 650 pension funds, sovereign wealth funds and insurance companies worldwide, with 54% of its income originating from North America and 29% from EMEA.^{8,9} The securities management operation, MIM, has a AUD 360.6bn portfolio in equity and fixed income with important client bases in the insurance industry and the US “active-focused”

mutual fund industry (Delaware Funds series). In April 2021, Macquarie acquired the asset management division of Waddel & Reed Financial Inc, a US-based active manager.¹⁰

Finally, Macquarie Capital provides advisory services, invests alongside clients, and develops, constructs and operates renewable energy assets. In 2017, it acquired the UK Green Investment Bank from the UK Government and now operates this green infrastructure developer and investor platform as the Green Investment Group.¹¹

TABLE 1: MACQUARIE AT A GLANCE

Assets Under Management	AUD 563.5bn (approximately USD 426.4bn) ¹² at March 2021 ¹³												
Ranking among global asset managers	<ul style="list-style-type: none"> • Ranking of largest money managers (2020 P&I/TAI 500):¹⁴ 60 • Ranking of largest infrastructure managers (IPE 2020):¹⁵ 1 • Ranking of largest real estate managers (IREI 2020):¹⁶ 87 												
Assets under management breakdown	 <table border="1"> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Fixed Income</td> <td>35%</td> </tr> <tr> <td>Equities</td> <td>29%</td> </tr> <tr> <td>Infrastructure</td> <td>30%</td> </tr> <tr> <td>Real Estate</td> <td>3%</td> </tr> <tr> <td>Other</td> <td>3%</td> </tr> </tbody> </table>	Category	Percentage	Fixed Income	35%	Equities	29%	Infrastructure	30%	Real Estate	3%	Other	3%
Category	Percentage												
Fixed Income	35%												
Equities	29%												
Infrastructure	30%												
Real Estate	3%												
Other	3%												
Headcount details	<ul style="list-style-type: none"> • Responsible investment staff at MAM: 10¹⁷ • Total employees: 16,459 employees across 32 countries • Indirect employment footprint: 130,000 employed via MIRA assets¹⁸ 												
Headquarters	Sydney, Australia												

IV. Labour Rights in Macquarie's Investment Stewardship Framework

Macquarie Group has a group-wide policy that refers to the ILO fundamental labour rights, including freedom of association and collective bargaining. Its series of recent net zero commitments covering group wide activities will have important ramifications for the firm's

approach to upholding fundamental labour rights in its investment portfolio.¹⁹ Addressing a series of gaps between the Macquarie Group-wide policy on fundamental labour rights and the role of these rights in its investment stewardship framework would strengthen the manager's ability to fulfil its commitments.

With respect to the ILO Fundamental Principles and Rights at Work, the group-wide Environmental and Social Risk (ESR) policy includes an approach to human rights that is guided by the Universal Declaration of Human Rights and core ILO conventions.²⁰ The group's Work Health and Safety policies are also based on international standards.²¹ The ESR policy recognizes the importance of "material environmental and social risks" and sets out a requirement for Macquarie businesses to maintain due diligence processes. It recognizes the responsibility of business to respect rights such as freedom of association and collective bargaining but it does not elaborate on the provision of remedies or reference the OECD Guidelines for MNEs or the UNGPs.

While the ESR policy states that "fund asset investments are reviewed for E&S risks as part of their investment process," disclosures around the implementation of this review are uneven across different asset classes. On the real asset side, the MIRA ESG framework incorporates multiple policies that require the "identification and management of sustainability issues throughout the investment lifecycle."²² The approach is "materiality-based" and does not depend on one standardized set of sustainability considerations. Rather, specific ESG issues are emphasized based on the industry, asset type, physical location and due diligence outcomes.

On the public equities and fixed income side of MAM, there is no description of stewardship priorities other than the group's commitment to invest and manage its portfolio in line with net zero by 2040. The group's ESG strategy does not refer to fundamental labour rights. Its March 2021 Sustainable Finance Disclosure Regulation states that individual equity and fixed income investments teams consider "the PASI [principal adverse sustainability impacts] indicators that they believe are material to their overall assessment of portfolio companies and/or in response to client preferences" and those indicators include "Violations of UN Global Compact Principles."²³

MAM lacks the transparency and oversight of other leading global asset managers when it comes to proxy voting. Its proxy voting policy is only available upon request.²⁴ In the US, the investment adviser for Delaware Funds, a Macquarie unit, does not publicly disclose its specific proxy voting guidelines and the high level proxy voting policies that it does disclose suggest a favorable bias toward the position of management.²⁵ The five sub-advisers who manage a portion of Delaware Funds have all contracted proxy voting execution to an agent - three of those sub-advisors (Mondrian, Jackson Square, ZCM) have either fully or partly adopted the guidelines of external voting agents while two sub-advisors (Smith AM and Wellington) have their own proxy voting policies.²⁶ This is problematic from an oversight perspective and it dilutes the ability of Macquarie to hold companies accountable when adverse labour rights impacts occur.

On the public equities and fixed income side of MAM, there is no description of stewardship priorities other than the group's commitment to invest and manage its portfolio in line with net zero by 2040.

CWC SECRETARIAT RECOMMENDATIONS:

Macquarie recognizes its responsibilities to mitigate adverse human rights impacts under key international frameworks at the group level, but does not explicitly reference the UNGPs or OECD Guidelines for MNEs. The asset management division needs to better demonstrate how these principles translate into investment stewardship practices in the real asset and securities management platforms to effectively align stewardship with the concept of double materiality. Double materiality implies that an asset manager considers ESG issues that have a financially material impact on the company AND the environmental and social impacts of the company on its external environment and stakeholders such as workers.²⁷

The CWC Secretariat recommends that Macquarie Asset Management:

- Endorse the concept of double materiality for its asset management operations in its ESR policy;
- Add a clause to its ESR policy on the provision of remedy when adverse impacts occur;
- Adopt and publish a group wide set of proxy voting guidelines that would describe how Macquarie intends to hold companies and boards accountable when adverse labour rights impacts occur;
- Centralise oversight of proxy voting execution to ensure that voting at Macquarie branded and managed funds is done in accordance with group wide proxy voting guidelines that comprise principles to hold companies and boards accountable when adverse labour rights impacts occur; and,
- Add an engagement priority to its ESG strategy to engage with companies on their human and labour rights impacts in line with its responsibilities under the UNGPs and OECD Guidelines.

As the largest infrastructure asset manager across the globe, Macquarie's policies and practices with regard to labour rights in its real asset portfolio have paramount importance.

V. Labour Rights in Investment Stewardship Practices: Real Assets

As the largest infrastructure asset manager across the globe, Macquarie's policies and practices with regard to labour rights in its real asset portfolio have paramount importance. As of 30 March 2021, the firm's global real asset portfolio – managed via the MIRA unit, part of MAM - had AUD 189.4bn in assets allocated to infrastructure and real estate across more than 25 unlisted funds.²⁸ These assets include ports, roads, water, transport, renewable and fossil fuel energy, telecommunications, and residential and commercial real estate. They rely on a workforce of more than 130,000 employees and contractors around the world and are used by 100 million people daily.²⁹

a) Labour Rights in Infrastructure in the Context of the Net Zero 2040 Commitment

MAM, of which MIRA is a unit, has recently committed to “investing and managing its portfolio in line with global net zero emissions by 2040” and the Macquarie Group has committed to “aligning” its financing activity with the global goal of net zero emissions by 2050.³⁰ To reach the objective, the manager vows to strengthen its support for portfolio companies to manage the transition to net zero and increase investments in low carbon solutions.³¹ Macquarie's recent net zero announcements are bound to have ramifications for workers in industries that will be winding down or expanding as the world transitions to a low carbon economy.

It is evident that Macquarie's net zero commitment will have an impact on the workforce at infrastructure assets that generate revenues from fossil fuels. According to the International Energy Agency (IEA), reducing emissions to net zero emissions (NZE) by 2050 “calls for nothing less than a complete transformation of how we produce, transport and consume energy.”³² The affected assets in the MIRA portfolio could include utilities, power, energy and petrochemical storage assets that depend on fossil fuels (including coal, oil and natural gas) to generate revenues – some of those assets are described in table 2. Indeed, 68% of the MIRA portfolio is invested in the category “infrastructure assets (excluding renewable energy),” which include fossil fuel assets. Macquarie says that it is “actively encouraging and supporting assets to decarbonize”, and, in businesses with exposure to coal, the investment case “must incorporate a transition away from the dependency.”³³

TABLE 2: EXAMPLES OF MACQUARIE EXPOSURE TO FOSSIL FUEL DEPENDENT ENERGY ASSETS

Asset Name (Country)	Asset Details	Ownership Details	Climate Transition Risks with Impacts on Workers
Cleco Corporation (USA)	Controlling equity investment acquired in 2014 in a Louisiana based utility that operates at least two coal-powered generating units; ³⁴ retrofit from coal to natural gas expected at Big Cajun.	Macquarie Infrastructure Partners III (fund close: 2014)	In the International Energy Agency's Net Zero by 2050 (IEA NZE) scenario, all unabated coal fired power plants in advanced economies are to be phased out by 2030; ³⁵ Macquarie's exposure to the coal sector expected to run off by 2024 ³⁶ implies asset sale or retrofit with possible job displacement.
Adhunik Power & Natural Resources (India)	Greenfield debt and non-controlling equity investments in 2010 for Adhunik 540-MW (2*270 MW) coal-fired thermal power plants that became operational in 2012 and 2013.	Macquarie-SBI Infrastructure Fund (fund close: 2009)	In IEA NZE scenario, all unabated coal-fired power plants in developing countries are phased out by 2040; Macquarie exposure to coal sector expected to run off by 2024 ³⁷ implies asset sale or retrofit with possible job displacement.

Asset Name (Country)	Asset Details	Ownership Details	Climate Transition Risks with Impacts on Workers
Compania Logistica de Hidrocarburos (Spain)	Non controlling equity investment in 2017 in CLH, owner and operator of the largest refined oil pipeline network and oil storage capacity in Spain.	Macquarie European Infrastructure Fund 5 (fund close: 2016)	In IEA NZE scenario, significant investment in oil and gas pipelines are not needed; investments are needed to convert existing pipelines for the use of low emissions fuels ³⁸ and this implies possible job displacement.
Calon Energy (UK)	MIRA-led consortium acquired three gas fired power plants (Baglan Bay in 2012 and Sutton Bridge and Severn 2013). ³⁹ Calon, the operator, faced difficult conditions with the UK policy target of net zero and went into administration in June 2020. ⁴⁰ In 2021, Baglan Bay went into receivership; Sutton Bridge and Severn exited administration with a new business plan. ⁴¹	MPF Holdings	In the IEA NZE scenario, power generation using natural gas without carbon capture starts falling by 2030 and is 90% lower by 2040 ⁴² compared to 2020. Calon workers have been affected by the administration process triggered by insolvency that was partly caused by UK climate objectives, which left the assets stranded. This has created uncertainty around future employment opportunities.

Macquarie has not accompanied its net zero announcements with a commitment to ensure a transition that is just and fair for workers impacted by the climate transition in its assets. Its ESR policy provides a due diligence framework to “assess, manage, mitigate, monitor and report E&S risks including labour and employment practices,”⁴³ but MIRA does not have a public, high level commitment to effectively consult with trade unions and impacted workers when jobs are to be displaced during the transition. MIRA is likely to exit a number of fossil fuel investments prior to 2040, its net zero commitment date, given that a typical closed-end fund has an investment horizon of 10-12 years.⁴⁴ Accordingly, it would benefit from articulating a commitment to a) consulting with workers and trade unions and b) embedding labour commitments in successorship agreements for the asset that it sells. These commitments should be guided by the ILO Guidelines for a just transition towards environmentally sustainable economies and societies for all (ILO Guidelines for a just transition) and consistent with the CWC Asset Manager Baseline Expectations.

Fundamental labour rights will also come into play as Macquarie expands its green and renewable energy holdings to fulfill its 2040 net zero commitment. As of 31 March 2021, Macquarie had 14GW of green energy assets in operation or under management.⁴⁵ It invests in both existing renewable assets (brownfield) and increasingly, on development phase projects (greenfield).⁴⁶ In February 2021, MIRA closed the Macquarie Green Investment Group Renewable Energy Fund 2 (“MGREF2”) with more than EUR 1.6bn of investor commitments.⁴⁷ The fund will invest in construction and operational stage wind and solar projects across the world and with a 25 year horizon, which is longer than the typical horizon of 10-12 years for closed end funds.⁴⁸ Beyond the MGREF2 fund, renewables are within the investment mandates of at least five other unlisted funds.⁴⁹ The renewables sector tends to be less unionized than fossil fuel industries.⁵⁰ To align with the ILO Guidelines for a just transition and the CWC Baseline Asset Manager Expectations, Macquarie should commit to a neutral stance when workers try to exercise freedom of association and collective bargaining in the expanding renewables sector.

b) Labour Rights in the Real Estate Portfolio

Macquarie's AUD18.8bn real estate portfolio comprises investments in the Americas, Europe and Australia. Its real estate footprint expanded following the 2018 acquisition of Munich-based GLL Real Estate Partners. Since then, GLL has become MIRA's real estate platform and it invests on behalf of institutional investors clients in office, retail and industrial properties.

Macquarie's growing exposure to Australian commercial real estate represents an opportunity for the firm to join the Cleaning Accountability Framework (CAF), a union-backed, worker driven social responsibility initiative that helps mitigate potential and adverse human rights in the Australian cleaning sector and that is supported by CWC participants. Indeed, Macquarie has five office investments in Sydney (recent addition on May 2021), Melbourne and Canberra through GLL Australian Fonds, a fund managed by Macquarie and Australia's Marprop Real estate on behalf of German institutional clients.⁵¹

MACQUARIE OWNED AND MANAGED ASSETS UNDER WATCH BY TRADE UNIONS

Macquarie is under watch by trade unions in the UK, the USA and Spain for the implementation of its ESR policy at three real assets. The ESR policy commits the firm to respect freedom of association and collective bargaining, the ILO fundamental labour rights.

Asset Name (Country)	Asset Details	Ownership Details	Trade Union Observations
Cadent Gas (UK)	Operates four out of the eight gas distribution networks in the UK, delivering gas to around 11 million customers with a workforce of 6,000.	MIRA formed and led a consortium which, since 2019, has a 100% ownership stake in Cadent	According to UNISON, which represents workers at Cadent, as part of the commitments given at time of sale, MIRA committed that Cadent would adopt the Living Wage Foundation (LWF) requirements and be an independent signatory to the LWF agreement. As of June 2021, Cadent has not adopted the LWF requirements or signed up to the LWF agreement.
Wheelabrator Technologies (USA)	Waste management business with a network of 50 collection, transfer and disposal assets in the US Northeast, with a workforce of 1,900.	Acquired by Macquarie Infrastructure Partners IV fund in 2019	The International Brotherhood of Teamsters represents workers at the other large competitors in the region. The Teamsters are monitoring how Macquarie is upholding freedom of association and collective bargaining as Wheelabrator rolls up smaller waste operators in New England.
Viamed Salud (Spain)	A private healthcare group that owns and operates more than 25 healthcare facilities across nine Spanish cities with a workforce of 2,300.	Acquired by Macquarie Infrastructure Fund 6 in 2020.	CCOO and UGT represent workers at Viamed. According to CCOO, labour management relations are not ideal in the Cadiz and Seville hospitals. In Murcia, CCOO has reported that there are staffing shortage issues around compensated leaves and the company is refusing to negotiate an agreement.

CWC SECRETARIAT RECOMMENDATIONS:

As Macquarie is the world's largest infrastructure asset manager and has committed to manage its portfolio in line with net zero emissions by 2040, the firm needs to adopt global guidelines to ensure that it upholds fundamental labour rights during the transitions of its portfolio to net zero. Those guidelines would draw on ILO Guidelines for a just transition and the firm's ESR policy. The guidelines must be applicable to employees in the fossil fuel and renewable assets that will be winded down, converted or expanded as a result of the energy transition. They should codify that the company commits to consulting with workers at assets that it manages and that will undergo a climate transition during Macquarie's management period. The guidelines must include a commitment to embedding labour rights guarantees that would apply to new buyers when Macquarie sells assets and a commitment to neutrality when workers in renewable energy sectors attempt to exercise their fundamental right to freedom of association.

In its Australian real estate portfolio, Macquarie should join the Cleaning Accountability Framework to effectively mitigate adverse labour rights impacts in commercial real estate.

Macquarie should also review how its ESR policy is being upheld at the three assets that are under watch by trade unions in Spain, the UK and the USA.

The CWC Secretariat Recommends that Macquarie:

- Develop a set of commitments to ensure a just transition for workers in assets in the power and petrochemicals sectors. This would include assets in power generation; petrochemicals manufacturing; refining and processing; fuel, raw materials, and electricity transportation and distribution; and electricity storage including batteries. The commitments would be based on the ILO Guidelines for a just transition and would require the company to:
 - a. Inform, engage and come to an agreement with workers and their unions any plan for decarbonization, restructuring, or closure of the asset;
 - b. Apply the principles of "retain, retrain, and redeploy" in transition or restructuring plans;
 - c. Embed jobs and labour rights guarantees to apply to new buyers for at least 10 years when Macquarie sells or transfers assets; and
 - d. Uphold neutrality when workers exercise their fundamental rights to freedom of association and effective collective bargaining, including the right to join or form a union at workplace or industry level.
- Join the Cleaning Accountability Framework to demonstrate its commitment to identifying and mitigating human rights impacts in its Australian real estate portfolio;
- Review how the ESR Policy is being applied at the three assets under watch by trade unions: Cadent Gas (UK), Wheelabrator (USA) and Viamed Salud (Spain).

ENDNOTES

- ¹ Including the Australian Council of Trade Unions (Australia), the International Brotherhood of Teamsters (USA), LiUNA (USA), The TUC (UK), Unison (UK), CCOO (Spain), the International Trade Union Confederation (global), UNI Global Union (global) and the International Transport Workers' Federation (global).
- ² The Australian dollar (AUD) is Macquarie's functional currency. The AUD is thus used throughout this report. As of 3 June 2021, 1 USD = 1.30466 AUD (midmarket rate)
- ³ P&I. (2020). *Chart: The P&I/Thinking Ahead Institute World 500 largest money managers*. Retrieved 06 08, 2021, from https://www.pionline.com/interactive/chart-pithinking-ahead-institute-world-500-largest-money-managers?utm_content=special_report1
- ⁴ Macquarie Group. (2021). *2021 Full year financial tables*. Retrieved 06 08, 2021, from <https://www.macquarie.com/assets/macq/investor/results-and-presentations/2021/macquarie-group-fy21-financial-tables.xlsx>
- ⁵ Ibid
- ⁶ The group has four operating segments: 1) Macquarie Asset Management, 2) Banking and Financial Services, 3) Commodities and Global Markets and 4) Macquarie Capital. Retrieved 06 08, 2021, from <https://www.macquarie.com/au/en/about/company.html>
- ⁷ GLL Real Estate was acquired by Macquarie Group Limited in 2018. It has more than 160 properties through its portfolio and is invested in Australia, Belgium, Chile, the Czech Republic, Finland, France, Germany, Hungary, Italy, Luxembourg, the Netherlands, Peru, Poland, the Republic of Ireland, Romania, Slovakia, Spain, Sweden, the United Kingdom, and the United States of America. More information available here: <https://gll-partners.com/company/company-overview>
- ⁸ Macquarie Group. (2020). *Our funds*. Retrieved 06 08, 2021, from <https://www.mirafunds.com/au/en/our-approach/our-funds.html>
- ⁹ Macquarie Group. (2021). *2021 Full year financial tables*. Retrieved 06 08, 2021, from <https://www.macquarie.com/assets/macq/investor/results-and-presentations/2021/macquarie-group-fy21-financial-tables.xlsx>
- ¹⁰ Macquarie Group. (2021). *2021 Full year Annual Report*. Retrieved 06 08, 2021, from <https://www.macquarie.com/assets/macq/investor/results-and-presentations/2021/macquarie-group-fy21-annual-report.pdf>, p.267
- ¹¹ Macquarie Group. (n.d). *Who we are*. Retrieved 06 08, 2021, from <https://www.greeninvestmentgroup.com/en/who-we-are/our-mission.html>
- ¹² Using mid-market currency exchange rate from 28 June 2021.
- ¹³ Includes Macquarie Investment Management (AUD 367.1bn), MIRA (AUD 195.1bn) and other operating groups (AUD 1.3bn). Available here: Macquarie Group. (2021). *2021 Full year financial tables*. Retrieved 06 08, 2021, from <https://www.macquarie.com/assets/macq/investor/results-and-presentations/2021/macquarie-group-fy21-financial-tables.xlsx>
- ¹⁴ P&I. (2020). *Chart: The P&I/Thinking Ahead Institute World 500 largest money managers*. Retrieved 06 08, 2021, from https://www.pionline.com/interactive/chart-pithinking-ahead-institute-world-500-largest-money-managers?utm_content=special_report1
- ¹⁵ Pearch, J. (2020). *Top 100: The world's largest infrastructure investment managers*. Retrieved 06 08, 2021, from <https://www.linkedin.com/pulse/top-100-worlds-largest-infrastructure-investment-managers-pearch>
- ¹⁶ Institutional Real Estate, Inc. (2020). *Global Investment Managers 2020*. Retrieved 06 08, 2021, from https://irei.com/wp-content/uploads/2020/09/2020_PFR_IREI-REPORT-US-Dollars.pdf
- ¹⁷ PRI. (2020). *Transparency Reports 2020: Macquarie Asset Management*. Retrieved 06 08, 2021, from <https://www.unpri.org/public-signatory-reports-/transparency-reports-2020/6051.article>
- ¹⁸ Macquarie Group. (2021). *2021 Operational Briefing Presentation*. Retrieved 06 08, 2021, from <https://www.macquarie.com/assets/macq/investor/results-and-presentations/2021/mgl-2021-operational-briefing-presentation.pdf>, p.7
- ¹⁹ It committed to reaching net zero operational emissions by 2025, announced plans to manage its portfolio in line with global net zero emissions by 2040 and aligning its financing activities with the global goal of net zero emissions by 2050. Retrieved 06 08, 2021, from <https://www.macquarie.com/au/en/perspectives/climate-change/our-commitment-to-tackling-climate-change/supporting-the-transition-to-a-net-zero-economy.html>
- ²⁰ Available here: Macquarie Group. (n.d.). *Environmental and Social Risk Policy*. Retrieved 06 08, 2021, from https://www.macquarie.com/assets/macq/impact/esg/policies/esr-policy-summary_97_2003.pdf
- ²¹ Macquarie Group. (2021). *2021 Full year Annual Report*. Retrieved 06 08, 2021, from <https://www.macquarie.com/assets/macq/investor/results-and-presentations/2021/macquarie-group-fy21-annual-report.pdf>, p.54
- ²² Macquarie Group. (2020). *Infrastructure Sustainability Report August 2020*. Retrieved 06 08, 2021, from <https://www.mirafunds.com/assets/mira/our-approach/sustainability/infrastructure-sustainability-report.pdf>, p.10
- ²³ Macquarie Group. (2021). *Sustainable Finance Disclosure Regulation*. Retrieved 06 08, 2021, from <https://mim.fgsfulfillment.com/download.aspx?sku=SFDR-FGS>

- ²⁴ Macquarie Investment Management. (2020). *Engagement Policy*. Retrieved 06 25, 2021, from <https://www.macquarie.com/assets/macq/about/disclosures/mim-engagement-policy.pdf>, footnote 5.
- ²⁵ Delaware's proxy voting policy says that "The Procedures contain a general guideline stating that recommendations of company management on an issue (particularly routine issues) should be given a fair amount of weight in determining how proxy issues should be voted. However, the Manager will normally vote against management's position when it runs counter to its specific Proxy Voting Guidelines (the "Guidelines"), and the Manager will also vote against management's recommendation when it believes that such position is not in the best interests of the Funds." Delaware Management Company. (2019). *Proxy Voting Policies Delaware Management Company*. Retrieved 06 08, 2021, from [http://vds.issproxy.com/59/policies/Proxy%20Voting%20Policies%20for%20DIFF%20_%20ISS%20Web%20Page%20\(Aug%2019\).pdf](http://vds.issproxy.com/59/policies/Proxy%20Voting%20Policies%20for%20DIFF%20_%20ISS%20Web%20Page%20(Aug%2019).pdf)
- ²⁶ 1 advisor has adopted ISS's proxy voting guidelines (Mondrian), 1 advisor votes "most" proxies in according ISS guidelines (Jackson Square), 1 advisor has adopted Egan Jones Proxy guidelines (ZCM); 2 advisors use an undisclosed third party agent to vote according to their own policies (Smith AM, Wellington). See here: Delaware Management Company. (2019). *Proxy Voting Policies Delaware Management Company*. Retrieved 06 08, 2021, from [http://vds.issproxy.com/59/policies/Proxy%20Voting%20Policies%20for%20DIFF%20_%20ISS%20Web%20Page%20\(Aug%2019\).pdf](http://vds.issproxy.com/59/policies/Proxy%20Voting%20Policies%20for%20DIFF%20_%20ISS%20Web%20Page%20(Aug%2019).pdf)
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About the Global Unions' Committee on Workers' Capital (CWC)

The Global Unions' Committee on Workers' Capital (CWC) is an international labour union network for dialogue and action on the responsible investment of workers' retirement savings. A joint initiative of the International Trade Union Confederation, the Global Union Federations, and the Trade Union Advisory Committee to the OECD, the CWC has brought together trade union representatives and worker-nominated trustees from across the world since 1999. The pension fund board members who participate in the CWC network oversee the retirement savings of millions of workers.

For more information on the CWC: info@workerscapital.org