



Sustainability Report

JANUARY-DECEMBER 2024

MUFG Pension & Market Services
A member of MUFG, a global financial group



Acknowledgement of Indigenous Peoples

We acknowledge the First Peoples of Australia and recognise their ongoing role as Traditional Custodians of the land and waters of this continent, and we pay respect to Elders past and present. We extend that respect to our Aboriginal and Torres Strait Islander employees, partners, and customers, and to the Indigenous Peoples in other locations where we operate.

In Aotearoa (New Zealand) we also acknowledge tāngata whenua and the unique relationship that Iwi Māori share with all New Zealanders under Te Tiriti o Waitangi.

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1 MUFG Pension & Market Services

MUFG Pension & Market Services (MPMS) is a global, digitally enabled business that is committed to empowering a brighter future by connecting millions of people with their assets – safely, securely and responsibly.

Through our two businesses MUFG Retirement Solutions and MUFG Corporate Markets, we partner with a diversified portfolio of global clients to provide robust, efficient and scalable services, purpose-built solutions and modern technology platforms that deliver world class outcomes and experiences.



About MUFG Retirement Solutions

MUFG Retirement Solutions is a global leader in pension services, operating across Australia, Hong Kong, India, New Zealand, the United Kingdom, and Ireland. As a division of MUFG Pension & Market Services, we safeguard approximately \$865 billion in assets on behalf of our clients, serving more than 12.5 million members worldwide.

MUFG Retirement Solutions provides adaptable, integrated services tailored to the specific needs of organisations to help their members achieve better retirement outcomes.

Our comprehensive suite including specialist account management and advanced technology solutions offers secure, scalable support for funds, pension schemes, employers, members and advisers.

With more than 35 years of success managing complex challenges, our administration services, integrated change management, and experience solutions help clients deliver a better retirement to their members.

About MUFG Corporate Markets

MUFG Corporate Markets provides clients with a comprehensive corporate markets offering that connects issuers to their stakeholders. Our uniquely integrated range of capabilities includes shareholder management and analytics, stakeholder engagement, share and unit registry (transfer agency), custody, fund administration, and employee share plans.

We also offer company secretarial support, as well as various specialist offerings such as all types of insolvency solutions and class action services. We operate in twelve countries throughout Australasia, Asia, Africa, the Middle East, United Kingdom and Europe.

Our teams combine a wealth of industry experience with a rigorous focus on client management to deliver a premium service underpinned by market leading technology platforms.

About this report

This report is for the period January to December 2024 and is made on behalf of the reporting entity MUFG Pension & Market Services Holdings Pty Ltd ABN: 27 120 964 098 ('MPMS' or 'the Group'). It covers our global operations across all our subsidiaries, combining all data for all entities except where otherwise specified. Dollar amounts are in AUD unless otherwise specified.

2

2024 Sustainability Highlights



\$27M

in scams and fraud prevented through our cybersecurity measures in 2024



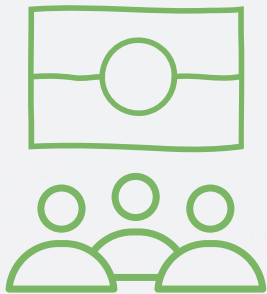
#1 UK REGISTRAR

MUFG Corporate Markets voted #1 by UK companies in the Capital Analytics UK Registrars Benchmarking Survey



**ACHIEVED
40:40:20
GENDER
BALANCE**

at all levels of the organisation, from individual contributor through to Executive, as at 31 December, 2024



LAUNCHED OUR FIRST RAP IN AUSTRALIA

First Reconciliation Action Plan (RAP) launched in 2024, formalising our commitment to reconciliation, inclusion and equality for Aboriginal and Torres Strait Islander peoples



\$918,000+

total community contribution in 2024, including more than 1400 volunteer hours



NET ZERO 2040

New science-aligned emissions reduction targets adopted, including a net zero target of 2040

3

Materiality Assessment

In early 2024, MPMS engaged an external consultant to undertake a materiality assessment for the global business, as part of a strategic review of our sustainability priorities.

We employed a best practice double materiality approach, expanding the traditional focus of materiality on stakeholder impacts to also consider the financial effects of sustainability, in alignment with the IFRS S1 (General Requirements for Sustainability-related Financial Disclosures) and IFRS S2 (Climate-related Disclosures).

This involved considering:

- **Financial risks and opportunities** – sustainability-related risks or opportunities which may reasonably be expected to affect a business's cash flows, access to finance or cost of capital in the short, medium, and long term.
- **Stakeholder impacts** – significant positive or negative impacts on people, the environment, and the economy. These affect the business's contribution to sustainable development.

Drawing on internal and external sources, including 17 in-depth interviews with senior MPMS stakeholders, we identified 77 stakeholder and sustainability-related financial impacts, which were then grouped into six Sustainability Priorities:



Invest in technology leadership for competitive advantage

Evolving technologies enable MPMS to evolve its client and customer offerings, delivering better value for diverse global markets.



Strengthen our positive environmental impact

Building on significant recent commitments, MPMS can orient governance and operations to achieve further positive impacts on climate and nature.



Contribute to social wellbeing across global markets

MPMS's potential social impact is significant – from facilitating the economic wellbeing of a diverse global customer base, to promoting human rights in its operations and in its supply chains.



Enhance the protection of our stakeholders' data

Data security is vital to MPMS's social license to operate. MPMS must remain at the head of evolving data risks, and invest in resilience.



Empower our people to succeed in a challenging environment

MPMS will need to attract, retain and nurture industry-leading talent in order to succeed in a dynamic competitive environment.



Drive greater diversity, inclusivity and equality in our workforce

In face of evolving market pressures, MPMS can unlock greater productivity and innovation by championing greater diversity, inclusivity and equality in its workforce.

These Sustainability Priorities were then integrated into our Sustainability Strategy, informing the development of our four pillars and the selection of our 11 focus areas, which have been addressed in our report as follows:

SUSTAINABILITY PRIORITY	MPMS FOCUS AREAS	DISCLOSURE
Invest in technology leadership for competitive advantage	• Client-focused approach	p14
	• Responsible adoption of AI	p20
Strengthen our positive environmental impact	• Towards net zero	p34
	• Greener operations and supply chain	p57
Contribute to social wellbeing across global markets	• Accessible and inclusive products and services	p18
	• Human rights and modern slavery	p60
	• Digital literacy and inclusion	p61
	• Community investment	p62
Enhance the protection of our stakeholders' data	• Data security and privacy	p16
Empower our people to succeed in a changing environment	• Innovation, capability and development	p30
Drive greater diversity, inclusivity and equality in our workforce	• Culture, diversity, inclusion and engagement	p26

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Sustainability Strategy

MUFG Pension & Market Services is a responsible business committed to building a sustainable future for our people, clients, and the communities in which we operate.

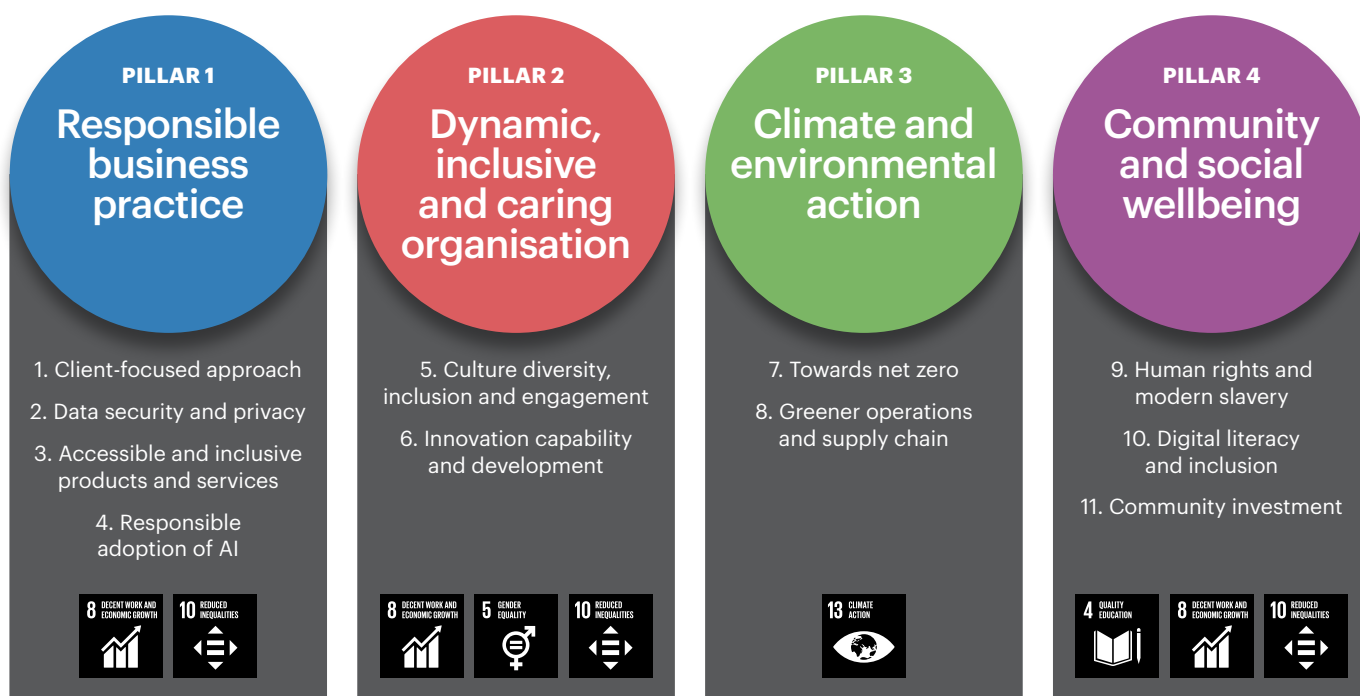
Our Sustainability Strategy incorporates robust environmental, social, and governance (ESG) focus areas that are material to our business. It supports our purpose of empowering a brighter future by connecting people with their assets – safely, securely, and responsibly.

Across our global operations, we seek to reduce our environmental impact, support our clients, contribute to employee wellbeing, promote diversity and inclusion, and deliver mutual business and social benefits to the community.

Our strategy aims to align with the Paris Agreement and five of the UN Sustainable Development Goals.

Committed to empowering a brighter future

By connecting people with their assets – safely, securely and responsibly



SUPPORTING POLICIES, SYSTEMS AND REPORTING PROCESSES

STRONG GOVERNANCE, ETHICS AND RESPONSIBLE BUSINESS PRACTICES

Our pillars

Our four sustainability pillars represent the four key elements of our business – our clients, our people, our environment, and our communities. Our business cannot be sustainable in the long term without valuing and considering all four in our strategic decisions and our daily operations.

Our focus areas

Within each of the pillars are focus areas that highlight the material sustainability topics for MPMS. These focus areas offer us the greatest opportunities to create a positive impact in society, either through our direct actions or through our value chain and broader sphere of influence as a global financial services company.

Our foundations

Our sustainability foundations underpin our strategy and enable us to embed sustainability throughout our business. This involves putting the necessary policies, procedures and systems in place to ensure we uphold the highest standards of ethics and corporate governance, and can measure, monitor and report our progress.



Sustainability is an important value for MPMS across our global operations. Our purpose of 'empowering a brighter future' includes our clients, our people, our communities and our environment.

VIVEK BHATIA
CEO & MANAGING DIRECTOR,
MUFG PENSION & MARKET SERVICES

Pillar 1

MUFG Pension & Market Services seeks to act responsibly, ethically, and safely across all aspects of our business operations. We put the interests of our clients and their customers first in everything we do – from maintaining the highest standards of data security and privacy, to responsibly introducing technology solutions that support our strategic goals, and designing our products and services to meet the needs of our diverse communities worldwide.



Responsible Business Practice

A woman with long, dark, wavy hair, wearing a dark blazer, is seen from the side, looking down at a tablet computer. The background features a modern building with large glass windows and a small, well-manicured tree. The scene is brightly lit, suggesting a sunny day.

1.1 Client-focused approach

As a service business, our approach to sustainability must be centred around our customers and their members and investors. This is critical not only for our financial sustainability, but also in ensuring we are focussing our efforts on our core business – the areas in which we have the most influence and can drive the greatest impact.

While 2024 was a year of significant change within the business following our acquisition by Mitsubishi UFJ Trust and Banking ('MUTB'), we continued to improve our service delivery; enhancing client outcomes, providing market-leading offerings and growing our business.

MUFG CORPORATE MARKETS VOTED NO. 1 REGISTRAR

Since 2005, the Capital Analytics UK Registrars Benchmarking Survey analyses how UK companies view the level and quality of the services they and their shareholders receive from their registrar. This includes current and topical issues and covers a range of satisfaction metrics for both issuers and their shareholders.

MPMS is proud to report that for 2024, we were:

No. 1 rated for Overall Satisfaction by FTSE 350 companies

No. 1 rated for General Meeting Management

No. 1 rated for Service to Company

No. 1 rated for Service to Shareholders Who Telephone

No. 1 rated for NPS Score

No. 1 rated for Additional Services

This is a significant achievement and recognition of our commitment to providing exceptional client service with our market leading solutions. We look forward to growing these offerings and continuing to deliver positive results for our clients, their shareholders, and employees.

Technology and service provision

Embedding new technology is a key lever enabling MPMS to provide market-leading client services, and we are continually assessing opportunities to strengthen our service provision through innovation and technological advancements. In 2024, MUFG Corporate Markets launched a suite of new technologies designed to streamline our clients' experience and improve service delivery, including:

- **Investor Centre – new features:** An application that allows shareholders to manage and monitor their investments from a single application, while also helping issuers to deepen their engagement and drive digitisation. Our application also lets shareholders participate in online voting and provides flexibility to updating personal details and accessing digital documents, and serves more than 10 million shareholders across the globe.
- **miracle upgrade:** MPMS's simple, globally accessible, integrated suite of digital solutions which supports share registration, employee share plans, investor relations, communications (externally and internally), and corporate governance. miracle is used by thousands of listed companies globally to manage their relationships with investors and was significantly upgraded in 2024 to better meet the expectations of our clients and enhance their user experience.
- **AssetTrace+:** MPMS's new, powerful asset reunification solution which reunites shareholders with their lost assets. Based on reunification programs we have delivered through AssetTrace+, in the last six months of 2024 we were able to drive down the number of unclaimed assets on companies' registers by an average of 10%.

SUPPORTING OUR CLIENTS ON ESG

In 2024, our Investor Relations business added an ESG module to miracle. The ESG module is designed to help our clients monitor and understand the environmental, social and governance concerns of their investors, including which industry bodies and ratings agencies they align with, which topics are of greatest concern, and who the key contacts are to engage with on ESG issues.

Our aim is to facilitate better dialogue and engagement on ESG, support our clients to strengthen their sustainability performance and disclosures, and help them attract greater investment from ESG funds.

We will continue to work with our clients on strengthening this offering and expanding its adoption across our global network.

1.2 Data privacy and security

As custodians of data for thousands of entities worldwide, and the personally identifiable information of millions of their customers, investors and members, we have a duty and a responsibility to protect that information and prevent its misuse. Managing and protecting data is critical to maintaining the trust and confidence of our stakeholders, and safely connecting people with their financial assets across the world.

Risk management and security governance

MUFG Pension & Market Services Information Security Strategy adopts a threat informed and risk-based approach, considering global frameworks and 'defence in depth' control environment across industry-leading people, processes and technology. This includes:

1. Risk and threat-based approach

Utilising a risk-based approach to our controls and processes informed through threat intelligence of emerging risks.

- Robust control framework with a relentless focus on organisational resilience.
- Risk based, intelligence driven, 'detect & respond' defence-in-depth strategy.

2. Industry frameworks

Aligning or certifying ourselves to industry best practice standards and controls to provide a robust control environment including ISO27001:2022, NIST CSF, Critical Infrastructure Act, CPS234, GSO07/ISAE3402, GDPR and Australian Privacy Principles.

3. Continuous improvement

Focusing on control effectiveness and the continuous improvement of the people, processes and technology protecting the core information assets of MPMS.

Control environment

We have robust controls in place that are designed to embed a culture of vigilance and awareness of information and data security. These controls include threat modelling, scenario-based testing and data protection risk assessments, independent audits of our information security management system (ISMS) and regular training on privacy, information security and data protection to reinforce data protection as a key part of our culture.

Due to our advanced capabilities, we have prevented more than a billion cyber-attacks over the past 12 months and approximately \$130 million in fraud and scam attempts targeting members and customers over the last six years.

Preventing scams and fraud

MPMS acknowledges its key role in preventing scams and fraud and protecting its members' and customers' data. As a national critical infrastructure provider in Australia under the Security of Critical Infrastructure Act 2018 (Cth), we invest heavily in market-leading cybersecurity and large-scale fraud prevention for clients, leveraging cutting edge technology and proven industry best practices.

MPMS adopts a comprehensive suite of approaches to member and customer protection, leveraging advanced technologies, proactive monitoring, and dedicated expertise to prevent fraud, scams and other financial crimes. Key measures include:

Electronic Know-Your-Customer (eKYC) processes

We employ eKYC verification to validate member and customer identities during high-risk activities such as fund transfers and profile updates.

Dark web monitoring

We proactively monitor the dark web for leaked credentials and identity data to safeguard member and customer information, with more than a billion dark web posts scanned per month.

AI-based monitoring

AI models analyse patterns of behaviour to detect sophisticated scams, allowing us to intervene before transactions are completed, particularly in financial operations.

Multi-factor authentication (MFA)

MFA is deployed across member and customer portals and key processes to ensure secure access to sensitive information and transactions.

Dedicated financial crimes Centre of Excellence (CoE)

Our specialist teams leverage the latest threat monitoring tools and technology to detect and prevent fraud and scams. We provide rapid response to high-risk cases, engaging directly with members and customers to verify third-party involvement and assess payment locations for potential scam risks. Last year, we conducted over 7,000 security calls to safeguard members and customers.

In Australia, MPMS is deeply engaged and embedded within its industry, including with the Association of Superannuation Funds of Australia (ASFA) and ASIC. Through this engagement, we seek to contribute to system-wide resilience and enhance the security of financial and personal data.

KEEPING DATA SAFE

\$27m – fraud prevented by our security measures

500m data points per day

65,000 daily alerts

\$4bn funds monitored

50m accounts monitored

Educating our people and customers

Awareness is a critical component of our financial crimes and scam protection activities and our specialist people play a key role in these efforts. MPMS has employed the following training and awareness programs to empower the MPMS team to protect its members and customers:

Annual and quarterly compulsory training

All employees across all departments (not only member and customer facing teams) must complete and pass financial crimes training modules to stay vigilant against fraud and scam risks.

Scam awareness week

An important initiative to highlight scam risk and educate employees on how to support members and customers who may have experienced scam activity.

Bespoke business unit training

Since inception, over 2,500 employees have completed tailored modules on financial crime red flags including scam prevention.

1.3 Accessible and inclusive products and services

We recognise the challenges and barriers that many members of our community face in accessing financial services, including their superannuation and share portfolio investments. We are working to improve accessibility and inclusion across all our products and services, as well as supporting industry-wide initiatives.

Maintaining a diverse workforce that reflects our communities

MPMS seeks to create meaningful opportunities for people from socially, culturally and economically diverse backgrounds, embracing individual differences and establishing a safe and inclusive environment. In doing so, we better reflect the many communities in which we operate.

Within MUFG Retirement Solutions in Australia, there are a range of hiring programs that support individuals from diverse or marginalised backgrounds to find employment in roles that suit their capabilities, experience and passions. Our partners and programs include:

Brotherhood of Saint Laurence

We are proud to have continued our participation in the 'Given the Chance' (GtC) program, designed to connect jobseekers facing disadvantage with meaningful work opportunities. Through GtC, we have placed four refugees into roles. These placements are provided with a view to converting to permanent employment.

Department of Employment and Workplace Relations (DEWR)

As part of this program, DEWR connected us with companies that had announced redundancies for customer service people. We then reached out to those companies and showcased our roles to them, with a view to supporting those affected to find new employment and reducing the impact of job losses on those families.

Strengthening financial inclusion in Retirement Solutions

Research has consistently shown that Aboriginal and Torres Strait Islander peoples are among the most socioeconomically disadvantaged and financially excluded in Australia. Within the Australian Retirement Solutions business, we are committed to working with our clients and the broader superannuation industry to drive changes in processes, education and support services to help improve access and inclusion.

As an example, some funds allow for more flexibility in relation to documentation and identification for Indigenous members, in recognition of cultural differences and unique kinship structures.

A man with short dark hair, wearing a blue blazer over a black V-neck shirt, stands in a modern office setting. He is holding a silver laptop under his left arm. The background is a blurred office interior with large windows and modern decor.

CASE STUDY – FIRST NATIONS FOUNDATION INDIGENOUS SUPER WORKING GROUP (ISWG):

The ISWG was formed in response to the findings and recommendations outlined in a report following the First Nations Super Summit in February 2024. The overarching purpose of the group is to improve access to the superannuation system for First Nations members across Australia, and to build consistency in the experience across the industry.

The key focus areas for this group in 2024 included:

1. Standardisation of forms
2. Empowering financial counsellors to represent Indigenous clients effectively
3. Improving cultural awareness of those in the superannuation sector who interact with First Nations communities
4. Improving financial literacy education within Indigenous communities
5. Enabling super funds to recognise individuals as Aboriginal or Torres Strait Islanders
6. Acknowledging the significance of Indigenous kinship structures

MPMS was actively engaged throughout 2024 in Working Group sessions and associated Summits. We look forward to our ongoing participation in this Working Group in 2025.

1.4 Responsible Adoption of Artificial Intelligence

While the introduction of AI-assisted tools and technologies offers many potential benefits, we also recognise the potential risks associated with incorporating them into our products, services, and daily operations. We are committed to advancing AI in a manner that is transparent, trustworthy and respects the privacy and security of the data that we hold.

AI Governance

MPMS's AI Governance Council oversees the implementation of AI within the business. The Council has set responsible AI principles (detailed opposite), audits their implementation, and ensures the phased rollout of AI within the entity is appropriate, measured and aligned with MPMS's broader strategy and risk management approaches. The Council meets quarterly and comprises senior leaders and representatives from a range of divisions and functions to ensure appropriate coverage and visibility of AI is achieved, including technology, legal, risk and compliance.

The AI Steering Committee is tasked with overseeing the broader implementation of AI, convening quarterly and comprising product owners and leads. The Committee is supported by the AI Working Group, which convenes weekly to support rollout of AI. MPMS General Managers of Transformation within Corporate Markets and Retirement Solutions are responsible for the day-to-day implementation and delivery of AI solutions and reporting through to the Working Group, Committee and ultimately, Governance Council.

AI Principles

MPMS has established a set of AI Principles to guide implementation and ensure that our AI systems are socially responsible, explainable, accountable, and fair. Through these principles, we seek to build a robust, innovative and ethical AI ecosystem that aligns with our strategic goals and our values.

PRINCIPLE 1: HUMAN AGENCY AND OVERSIGHT

We ensure that assigned individuals review the output of the AI Systems. In situations involving significant ethical risks, we will enhance human oversight and intervention in the functioning of our AI Systems.

PRINCIPLE 2: SAFETY AND SECURITY

We maintain a strong focus on safety and security. We take reasonable steps intended to ensure a cautious and prudent approach to the deployment of AI Tools. Rigorous security measures are in place to protect our AI Systems and data from unauthorised access, ensuring the integrity and confidentiality of member information.

PRINCIPLE 3: TRANSPARENCY AND FAIRNESS

Our use of AI tools is transparent and fair. We are committed to ensuring that our use of AI does not introduce any risk of bias or discrimination for any individual and that all individuals continue to be treated fairly by MPMS. We do this by carefully considering our use cases and restricting those use cases that do not result in any predictions or decisions being made about individuals or how resources or services are allocated to them.

PRINCIPLE 4: PRIVACY PROTECTION AND CONFIDENTIALITY

Protecting privacy is our top priority when handling data. We are committed to securing personal information by adhering to strict data governance standards and ensuring that data usage is transparent and consensual and complies with our data protection obligations and commitments.

PRINCIPLE 5: EXPLAINABILITY

We strive for explainability within our AI systems. Our goal is to ensure that decisions made by AI solutions are understandable to users, providing clear justifications for how and why they are reached.

PRINCIPLE 6: TRUST

Trust is essential in our AI initiatives. We strive to create AI solutions that are reliable, consistent and meet the expectations of our stakeholders, thereby nurturing trust in every interaction. The data, algorithms, and decision-making processes that drive AI systems should be documented and explainable to the extent possible.

PRINCIPLE 7: ACCOUNTABILITY

Accountability is a vital component of our operations. We take reasonable steps intended to ensure that our use of AI is lawful, ethical and responsible and we are accountable for our AI tools and their outcomes. We conduct assessments to ensure that any proposed use case complies with our existing commitments and our contractual and legal obligations.

PRINCIPLE 8: SOCIAL RESPONSIBILITY

We recognise our responsibility to society at large. Our AI systems will be designed to benefit humanity, contributing positive to societal welfare while avoiding potential harm.

PRINCIPLE 9: AI FLUENCY

AI fluency is essential to our operations. We are committed to ensuring that our team members possess a high level of AI fluency. This involves providing continuous education and training to enhance their understanding of AI technologies, their applications, and the ethical considerations involved.





Adoption of AI in our business

MPMS has commenced the rollout of AI across the organisation, with a focus on:

- **Microsoft 365 Copilot** – MPMS has implemented a trial of Microsoft's Copilot within its APAC operations, leveraging AI to assist with tasks such as drafting emails, summarising documents and managing schedules. Our aim is to enable our teams to focus more on strategic activities and priorities by reducing time spent on routine tasks. Copilot can also support our people by providing data insights, trends and recommendations, enhancing the quality and speed of business decisions. As part of the trial, MPMS is conducting regular checks and analysis to understand how our people are interacting with Copilot and how useful it is to them.
- **GitHub Copilot (Software Engineering)** – MPMS is also engaged in a limited trial to examine the use of Generative AI to augment the code generated by our developers. Through this trial, we are looking to understand the opportunities that GitHub Copilot presents, such as increased developer productivity, improved code consistency, reduction in knowledge gaps, learning and skill development, and time saved completing routine tasks.

While we look forward to the productivity benefits AI will bring to our business, we seek to centre the interests of our people, our clients and the end users of our products and services at every step in the process.

**As a global organisation,
we are committed to
creating an inclusive and
collaborative environment
where difference is valued,
and each person can
realise their potential and
contribute to our success.**

We strive to be an organisation where our people are reflective of the make-up of the clients we support as well as their customers throughout the world. We also seek to integrate diversity, equity and inclusion across all areas of our business practices, policies and behaviours.

We are committed to being a dynamic and forward-thinking organisation. We embrace change, invest in growth, and empower our people to adapt and innovate. By fostering a culture of continuous improvement, we ensure that our teams are equipped to lead and succeed in an ever-evolving world.

Dynamic, Inclusive & Caring Organisation



2.1 Culture, diversity, inclusion and engagement

Gender balance and women's equity

EMPLOYEE TYPE	FEMALE (%)	MALE (%)
Executive	44.4	55.6
Senior Leader	41.9	58.1
People Manager	42.3	57.7
Total Management	42.3	57.7
Individual Contributor	49.6	50.3
Grand Total	48.6	51.4

We remain committed to achieving gender balance and women's equity across our business and are pleased to have achieved our targets of at least 40% female representation for all management and leadership roles in 2024.

Over the past year, our organisation has undergone significant leadership change, particularly at the Executive Leadership Team (ELT) and Senior Leadership Team (SLT) levels. One of the strongest indicators of our commitment to gender equity is the internal appointment of three female executives. This achievement speaks to the strength of our talent pipeline and the impact of our long-term commitment to developing and advancing women in leadership.

Launch of our Reflect Reconciliation Action Plan in Australia

MPMS is committed to creating a culture of respect, inclusion and opportunity for First Nations peoples within our organisation and the communities we serve. In November 2024, we launched our first Reconciliation Action Plan (RAP) in Australia. This significant milestone reflects our commitment to using our integral role in Australia's financial services industry to advance reconciliation and to work collaboratively with First Nations communities to achieve tangible results.

Our RAP Champion is our Chief People Officer, who is responsible for driving and championing internal engagement and awareness of the RAP. He is supported by our RAP Working Group, which includes employees from across our business. Our RAP Working Group is chaired by our Head of Organisational Development.

In approaching the implementation of our Reflect RAP, we are committed to a comprehensive and collaborative process. We will actively seek input from Aboriginal and Torres Strait Islander peoples to ensure our approach is culturally sensitive and respectful. We will set clear, measurable goals and benchmarks to track our progress in implementing the RAP, establishing regular assessments and reporting mechanisms to ensure accountability and transparency in achieving these objectives.



Other DEIB initiatives launched in 2024

In 2024, we proudly launched several other diversity and inclusion initiatives as part of our Diversity, Equity, Inclusion and Belonging strategy. These efforts reinforce our commitment to fostering a more equitable workplace and are designed to drive meaningful impact in ensuring everyone can succeed.

Workplace Adjustments Process

We have long recognised the importance of workplace adjustments for our employees. This year, we enhanced our approach by proactively asking new hires if they require any workplace adjustments before their first day of employment. This ensures that managers are well-informed and that the process can begin as early as possible.

Over the years, the nature of workplace adjustments has evolved significantly, from primarily addressing physical disabilities or medical conditions, to increasingly focussing on adjustments for neurodiverse employees. Our process ensures that employees receive continuous support from the moment they disclose their needs, and as the number of these requests has increased, we have also observed a reduction in stigma and a positive cultural shift within our workforce.

Public Holiday Swap Policy

In January 2024, we introduced a new global Public Holiday Swap Policy which allows employees to exchange one public holiday per calendar year for a day of cultural significance or importance to them. This flexibility enables our staff in all geographies to honour days that resonate with their personal identities and values, whether these are spiritual, cultural, or individual celebrations.

By implementing this policy, we are supporting our diverse workforce in recognising their cultural heritage and values. We believe that this initiative will not only make our workplace more inclusive but also enhance collaboration and innovation among our team members.

MUFG PENSION & MARKET SERVICES INDIA HUB: A CERTIFIED GREAT PLACE TO WORK

In 2024, MPMS earned the Great Place to Work (GPTW) Certification for our India Hub business, a testament to our commitment to fostering a workplace culture built on trust, engagement, and continuous growth. This certification is more than just recognition—it is a strategic advantage that enhances our ability to attract top talent, strengthen our employer brand, and drive long-term success.

To assess our workplace culture, we conducted a comprehensive Trust Index™ Survey, covering 995 employees. The survey comprised 60 Trust Index statements, 8 demographic questions, and 2 open-ended questions, providing deep insights into employee sentiment. Our Trust Index Grand Mean stood at 80%, aligning closely with the Top 100 Great Mid-Size Workplaces.

Being a Great Place to Work is not just an achievement — it is a continuous commitment. The certification validates our efforts while also providing us with insights to further refine policies, enhance employee experiences, and sustain a thriving, high-performance culture. As we move forward, we remain dedicated to fostering an environment where employees feel valued, engaged, and empowered to grow, ensuring long-term success for both our people and our organisation.

Education and celebration of diverse communities

In 2024, we reaffirmed our commitment to diversity, equity, and inclusion by celebrating key events that honour and uplift diverse communities:

- For International Women's Day, we championed gender equity through employee career stories, and keynote presentations about how gender stereotypes affect everyone
- During Pride Month, we amplified LGBTQIA+ voices with videos of our employees raising awareness about why Pride is important, what coming out is like and how other employees can be allies
- NAIDOC Week was an opportunity for our Australian business to celebrate the history, culture, and achievements of Aboriginal and Torres Strait Islander peoples through education around the importance of Country and respectful terminology
- On the International Day of People with Disabilities, we promoted accessibility and inclusion through awareness initiatives and improvements to workplace adjustments

These celebrations were more than just events—they were moments of reflection, learning, and action that helped us build a more inclusive and equitable future for all.

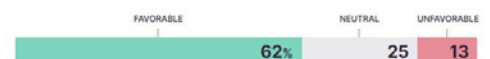
Employee engagement

Every year we conduct Engagement and Pulse Surveys, offering a detailed view of employee sentiment, engagement levels, and areas requiring attention.

The Engagement Survey in March 2024 revealed a notable increase in overall engagement to 61%, up from 47% in 2021 and 56% in 2023. The Pulse Survey further confirmed this positive trend with a slight rise to 62% by November 2024. These improvements indicate a steady progression in our workplace culture and employee satisfaction.

Engagement

n = 4558



To address employee feedback, detailed action plans with timelines were outlined for each of our business units and corporate centre functions. Achievements delivered through these action plans include:

- Enhancements to our leave policies:
 - An increase in the privileged leave carryover limit in our India Hub to promote better work-life balance, allowing employees greater flexibility in managing their time off
 - An increase in the Annual Leave benefit in the UK and Ireland to a minimum of 26 days
 - Introduction of 5 days sick leave for new hires in the UK and Ireland from the first day of employment (previously this was applied from the completion of probation)
- Increasing standard UK pension contribution structure on an enhanced plus 1% basis
- Commencing leadership development programs to support career development
- Implementing LinkedIn Learning to provide over 22,000 online learning opportunities to our people.

Flexible working and supportive culture

We recognise the importance of flexibility to our employees and have continued to support a hybrid working model. Across MPMS we have encouraged employees to attend the office 50% of the time.

We also recognise the importance of modern, collaborative spaces to ensure our teams are making the best use of their time in the office together. Over the last 12 months we have moved into a new office in Lime Street, London which supports employees on the days when they are in the office with improved video conferencing in every meeting room, larger and more functional collaboration spaces and improved access to public transport and an on-site canteen which offers dining at a reduced cost.

In 2025 our Sydney, Australia office will move to our new Liberty Place location which similarly provides for easier collaboration through improved video conferencing in every meeting room, larger and more functional collaboration spaces and improved access to public transport.

We are committed to listening to our workforce and identifying clear pathways for fostering an even more engaged and motivated team. By addressing the identified areas for improvement and building on our strengths, we aim to create a more caring and supportive work environment for all employees.

Health, safety and wellbeing

MPMS acknowledges that the mental and physical health and wellbeing of our employees is critical to organisational success and sustainability. In 2024, we continued to support our people by investing in their physical and mental wellbeing and placing an enhanced focus on identifying and managing psychosocial hazards in the workplace.

Psychosocial risk

In line with new legislation implemented in 2024 for psychosocial hazards in Australian businesses, MPMS undertook a psychosocial risk assessment to identify key risks and the associated controls, as well as identifying further actions to strengthen our approach in this area. These actions included:

- Briefings with our Executive Leadership Team to ensure awareness of due diligence requirements associated with psychosocial risk
- Review of policies and Work Health and Safety (WHS) training modules to include references and education relating to psychosocial risks
- Roll out of Spark Leadership program to frontline leaders, and
- Continuous monitoring, tracking and managing of reported WHS psychosocial incidents.

Additionally, a briefing on psychosocial risks and managing mental health in the workplace has been delivered to over 500 managers and employees across our business in Australia.

Employee safety and wellbeing

In 2024, we launched our Wellbeing Leave Policy and provided one extra day of leave for all employees to take time to focus on overall wellbeing. Uptake of Wellbeing Leave under the new policy was 33.5%, and in 2025 we will continue to promote and increase awareness of the policies and services we have in place to support our employee's wellbeing. These include our Wellness Hub, Employee Assistance Program (EAP) services and a range of online education we offer through our e-learning platforms.

2.2 Innovation, capability and development

MPMS provides a range of development opportunities to support our people to grow and thrive. We recognise that learning occurs in many ways both formally and informally and across a range of different delivery methods.

Leadership development

In 2024, we embarked on an ambitious four-year initiative designed to elevate leadership capabilities across all organisational levels: frontline, mid-level, and senior leadership.

Our Senior Leader and Senior Mid Manager programs were piloted in MUFG Corporate Markets to cultivate the skills necessary for our leaders to:

- Build high-performing teams
- Craft and execute a robust business strategy
- Enhance strategic thinking, influencing skills, and change management capabilities
- Strengthen trust-building, collaboration, and conflict resolution
- Foster a growth mindset and gravitas for a commanding leadership presence
- Prepare a pipeline of future senior-level talent

These programs featured an in-depth assessment of current leadership capabilities through a 360-feedback mechanism, followed by the creation of individualised development plans for each participant, ensuring continuous skill enhancement and refinement.

Simultaneously, we continued the global rollout of our established Frontline Leader program, Spark, which empowers new and emerging leaders to transition seamlessly from technical specialists to strong, effective people leaders.

Leaders at all levels were supported with a comprehensive Leader Toolkit, providing them with practical tools and resources to help build leadership capability and support them in performing in their role as a leader within the business. The Leader Toolkit is used across all levels of leadership and establishes a consistent approach to how we lead ourselves, others and the business.

Leaders Trained in 2024

	SENIOR LEADERS	SENIOR MID MANAGERS	FRONTLINE LEADERS	TOTAL
People trained	9	45	41	95

Launch of LinkedIn Learning

This year we introduced LinkedIn Learning as our new online learning provider. It has a digital library of over 22,000 courses covering a wide range of technical, business, software and creative topics. Since we launched in July 2024, almost 70% of our employees have activated their licences.

LinkedIn Learning allows our people to:

1. Set Career Goals

The 'Career Goal' feature allows employees to explore and navigate career paths and create a learning plan by personalising the learner experience based on their professional goals.

2. Evaluate their skills

Employees take guided self-evaluations to gauge their confidence on various topics and receive personalised course recommendations tailored to their proficiency level.

3. Take advantage of AI-powered coaching

Generative AI tools convert the learner's prompts, such as 'Teach me about pivot tables', into a search query and responds with course, video, or learning path recommendations.

LINKEDIN LEARNING ENGAGEMENT

- Learning Engagement – **69%** of employees activated their license, compared to 40% in similar organisations
- Average videos per learner: **16**
- Average hours per learner: **1 hr 58 mins**
- Total courses viewed: **18,915**
- Learner conversations with AI powered features: **1,711**

Pillar 3

As a global organisation of more than 6,000 people across almost 40 locations, we recognise that our operations have a significant environmental impact that we are seeking to reduce year on year.



Climate & Environmental Action



3.1 Towards Net Zero

2024 Climate Report

Important information

This Climate Report is prepared on behalf of the reporting entity MUFG Pension & Market Services Holdings Pty Ltd ABN: 27 120 964 098 (MPMS). As MPMS is domiciled in Australia, this climate-related disclosure has been prepared in alignment with AASB S2 Climate-Related Disclosures, which is the mandatory Australian Sustainability Reporting Standard (ASRS), effective FY2025, that has been issued by the Australian Accounting Standards Board (AASB).

This is MPMS's inaugural AASB S2 aligned climate-related disclosure, communicating our efforts to address climate change through our business model and supply chains for the financial year January to December 2024. The purpose of this disclosure is to update MPMS's stakeholders on how MPMS identifies, monitors, and addresses our climate risks and opportunities, and our strategy to reduce our contribution to climate change. As a Group 1 reporting entity under the ASRS definition, MPMS is required to prepare a fully compliant AASB S2 disclosure in 2025. This 2024 disclosure seeks to align to AASB S2, however, does not claim to fully comply with AASB S2.

This disclosure contains both current and forward-looking statements and information, including climate-related ambitions, targets, assumptions, scenarios, risks and opportunities, anticipated impacts and strategies. This report also includes statements about things we expect are likely to occur in the future. While we believe these projections and assumptions are reasonable and reflect MPMS's understanding as at the date of the report, they are inherently uncertain and subject to change.

Consequently, MPMS emphasises that no forward-looking statements or future state information should be regarded as certain or predictive of the entity's future performance or associated outcomes.

MPMS assumes no obligation to update any forward-looking statements and disclaims any obligation to release updates or revisions to the information contained in this report to reflect any changes in expectations and assumptions.

Per AASB S2, this disclosure considers four core pillars in relation to climate change and physical climate-related risks: governance, risk management, strategy and metrics and targets.

1. Governance

This section sets out how MPMS's Board oversees climate-related risks and climate-related opportunities, and the role our management plays in assessing and managing those climate-related risks and opportunities.

Board oversight of climate-related risks and opportunities

MPMS's Board is responsible for the overall governance of the entity, guiding our strategic direction, monitoring risk and compliance and overseeing the activities of management. The mandate, roles, functions, composition, operations, and processes of the Board are set out in the Board Charter, with all issues of substance affecting MPMS considered by the Board.

Two Board-level Committees oversee the application of MPMS's Enterprise Risk Management Framework (ERMF) and review and monitor risk and compliance across the business. These are:

- **MPMS Board Risk and Compliance Committee (BRCC):** Oversees, reviews and supervises MPMS's risk management framework, ensures compliance with laws, regulations and Board processes and monitors relevant controls and procedures designed to address enterprise risks.
- **MPMS Internal Audit Committee (IAC):** Reviews the Group's internal audits and external control reviews, approves the Internal Audit Plan annually and ensures that each of the local Boards (as applicable) are involved in any decisions, matters under review or documentation under the remit of the Committee that requires local board review or approval.

Other Committees

- **Executive Risk and Compliance Committee (ERCC):** Oversees the effectiveness and implementation of the ERMF and execution of the Group's risk management strategy, the management and oversight of material risks across MPMS and monitors and reviews the risk profile in accordance with the Board-approved risk appetite.
- **Divisional Risk Committees/Regulated Subsidiary or Entity Level Risk Committees:** Support MPMS to effectively identify, evaluate, monitor and manage all key risks within the relevant Division and relevant regulated subsidiary or entity. This includes overseeing the rectification of risk issues including action plans, the response to significant regulatory matters, and the escalation and referral of material matters to the appropriate decision-making authorities (including ERCC and BRCC) for consideration.

The Board delegates certain day-to-day responsibilities for all elements of strategy, including climate and sustainability-related, to the Chief Executive Officer and Managing Director (CEO & MD) and Executive Leadership Team (ELT). This delegation includes the identification, monitoring and assessment of climate-related risks and opportunities.

The role of Management

MPMS's Chief Financial Officer (CFO), a member of the ELT reporting directly to the CEO, has responsibility for MPMS's sustainability function, which oversees climate-related risks and opportunities.

Through the CFO, the ELT makes recommendations to the Board in relation to matters concerning sustainability, including climate-related risks and opportunities. This information is then used by the Board to consider the strategic direction of the entity and evaluate impacts of associated risks and opportunities on MPMS.

MPMS's Sustainability Team is led by the Sustainability Manager, who reports into to CFO via the Group Head of Financial Planning and Analysis. The Sustainability Team is responsible for the day-to-day implementation of the entity's sustainability strategy, including the identification, monitoring and assessment of climate-related risks and opportunities.

Climate change is also considered by MPMS's Sustainability Advisory Group, chaired by the Sustainability Manager and comprised of senior leaders, with broad geographic and functional representation across the business. The Sustainability Advisory Group oversees the sustainability strategy, within which climate change is a key consideration, and ensures it is resourced and implemented appropriately across the organisation.

The Sustainability Advisory Group is supported by an ESG Risk and Reporting Working Group, which meets quarterly or more frequently, as required. It comprises leaders of core functions including procurement, risk, technology, and finance and focuses on risk identification and the embedment of effective risk management and reporting practices into MPMS operations and systems. Climate-related risks and opportunities are a core consideration within this Working Group. This Working Group is tasked with the climate risk assessment process.

2. Strategy

This section describes our business model and strategy, the scenario analysis undertaken to identify, monitor and assess climate-related risks and opportunities on the entity, and the current and anticipated impacts of these risks and opportunities on MPMS.

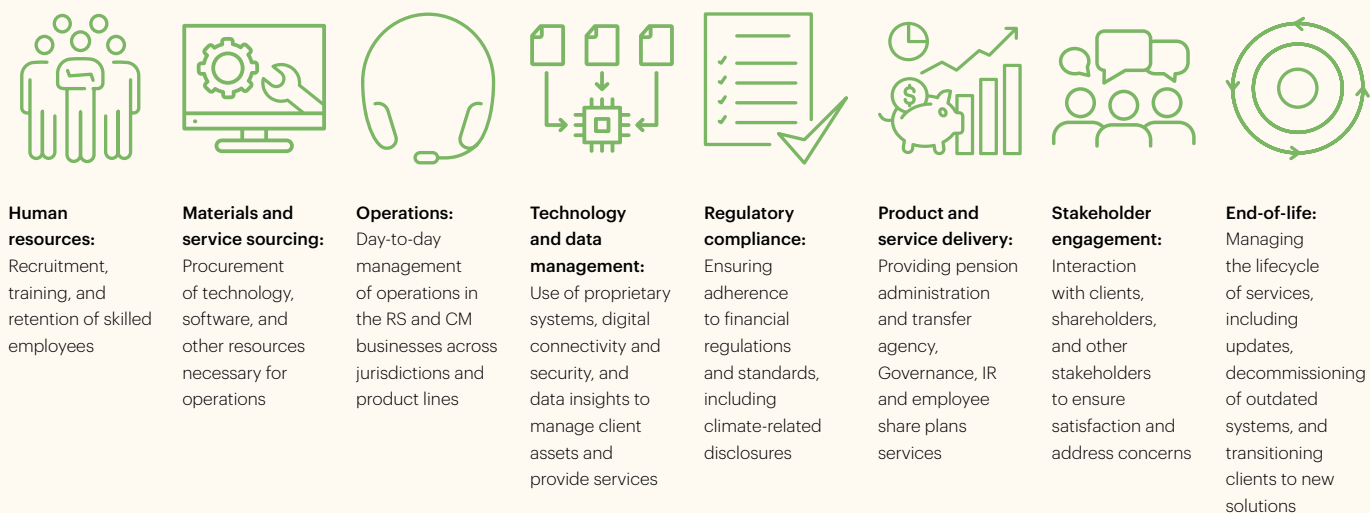
Overview of business model and value chain

MPMS is a global financial services business that connects millions of people with their assets – safely, securely and responsibly. Through our two businesses MUFG Retirement Solutions and MUFG Corporate Markets, we partner with a diversified portfolio of global clients to provide purpose-built solutions and modern technology platforms to meet our clients' diverse needs.

- **Retirement Solutions:** MUFG Retirement Solutions is a global provider of pension services, operating across Australia, Hong Kong, India, New Zealand, the United Kingdom, and Ireland. MUFG Retirement Solutions provides services tailored to the specific needs of organisations to help their members achieve better retirement outcomes. Our offering includes specialist account management and technology solutions and provides secure, scalable support for funds, pension schemes, employers, members and advisers.
- **Corporate Markets:** MUFG Corporate Markets provides clients with a range of capabilities includes shareholder management and analytics, stakeholder engagement, share and unit registry (transfer agency), custody, fund administration, and employee share plans. We also offer company secretarial support, as well as various specialist offerings such as all types of insolvency solutions and class action services. MUFG Corporate Markets operates in twelve countries throughout Australasia, Asia, Africa, the Middle East, United Kingdom and Europe.

Our value chain

MPMS creates value for our clients, people and the public through the following activities.



Climate scenario development and methodology

In 2024, we undertook climate scenario analysis to help us identify our climate-related risks and opportunities and to test the resilience of our business model and strategy. This scenario analysis has sought to explore a range of alternatives to our 'business as usual' context, enabling us to better understand how climate change could impact our operations. In 2023, external advisors facilitated the development of preliminary scenarios through a process of engagement with our senior leaders, review of relevant data sources and literature and eventual prioritisation of climate risks and opportunities. In 2024, these scenarios were reviewed and updated to reflect current data and trends.

We did not undertake quantitative modelling to inform the construction or analysis of our scenarios in 2024. We may choose to introduce quantitative modelling to our scenarios over time, and, where possible, review and update relevant data sources to inform our assessment of our climate risks and opportunities.

The three scenarios selected for analysis were based on global heating scenarios as follows:

- **Low emissions pathway** – 1.5 degree heating
- **Mid-range emissions pathway** – 2.7 degree heating
- **High emissions pathway** – 3.6 degree heating

Climate scenario data sources

Physical impacts: To assess physical impacts of climate change, MPMS has drawn largely on the Intergovernmental Panel on Climate Change's (IPCC) Shared Socioeconomic Pathways (SSPs) and Representative Concentration Pathways (RCPs). This has been supported by region-specific data sources to assess local climate impacts, such as Australia's Commonwealth Scientific and Industrial Research Organisation (CSIRO).

Transition impacts: MPMS drew on the International Energy Agency's (IEA) World Energy Outlook (WEO) long-term scenarios to assess major transition impacts of climate change. These scenarios provide a basis for analysing a broad set of transition impacts predicated on the pace of government and industry intervention, technology development and global trends.

Climate scenarios

SCENARIO 1: LOW EMISSIONS PATHWAY		
SCENARIO DESCRIPTION	OVERVIEW	KEY FEATURES
<p>Physical: IPCC SSP 1-1.9</p> <p>Emissions rapidly decline to net zero by about 2050, and become negative after, limiting warming to 1.5°C by 2100.</p>	<p>A combined global effort creates a clear pathway to reach net zero by 2050 and limits global warming to 1.5 degrees by 2100. Overarching global policies create a steep correction of the GHG emission curves limiting physical risks to a minimum. Notable risks do, however, persist with every region in the world projected to face further increases in climate hazards under this scenario.</p>	<p>Climate hazards mounting: Risks to ecosystems and humans are expected to increase the near term across every region in the world alongside increased climate hazards. This includes increase in: heat-related human mortality and morbidity, disease, flooding in coastal and low-lying regions and cities, biodiversity loss and decreased food production.</p> <p>Rainfall to increase: The likely range of change in globally averaged annual land precipitation during 2081–2100 relative to 1995–2014 is –0.2 to +4.7%, with the projected increase in frequency and intensity of heavy precipitation to also increase rain-generated local flooding.</p> <p>Sea surface temperature and sea level rise: Arctic surface is projected to warm more than the global average over the 21st century, with annual-average Arctic warming of about 3°C, witnessing sea level rise and associated coastal and oceanic hazards.</p>
<p>Transition: Net Zero Emissions by 2050 (NZE)</p> <p>This scenario maps out a way to achieve a 1.5°C stabilisation in the rise in global average temperatures with no reliance on emissions reductions from outside the energy sector to achieve goals. Universal access to modern energy is also achieved by 2030.</p>	<p>An ambitious policy environment and global coordination sees the reduction of 1.3Gt CO₂e annually until 2050, achieving Net Zero Emissions by 2050. Technology, legal and market changes are significant, and climate action satisfies goals including Paris Agreement targets. Clean energy technologies are adopted at scale and offsets from land-use measures are restricted.</p>	<p>Technology: Technology change is fast, with a wide portfolio of clean energy technologies embedded globally accompanied by scaling up of carbon removal technologies. This scenario considers absolute emissions reduction and does not permit offsetting from land-use measures.</p> <p>Policy: Immediate, strong and coordinated policy intervention achieves a smooth transition that safeguards energy security and minimises energy market volatility and stranded assets. Clean technology costs are driven down through an ambitious policy environment, and diverse and resilient global supply chains are established for critical minerals and clean energy technologies under mutual understanding of significance of global trade to achieve emissions reductions.</p> <p>Carbon pricing: Carbon prices are in place in all regions and rise rapidly to 2050, with an average cost of \$AUD400/tonne CO₂ in advanced economies and \$AUD325/tonne CO₂ in emerging market and developing economies with net zero emissions pledges</p> <p>Buildings: New builds are required to meet stringent energy standards in design and operation and mandatory zero-carbon-ready building energy codes are in place globally by 2030, for both new buildings and the retrofit of existing builds</p> <p>Energy pathways: Energy supply is mostly decarbonised with the energy grid shifting uniformly and quickly away from fossil fuels to renewables. Rapid and major reductions in methane emissions from oil, gas and coal sectors are delivered in the short and medium-term, reducing pressure on emerging and developing economies.</p>

SCENARIO 2: MID-RANGE PATHWAY

SCENARIO DESCRIPTION

OVERVIEW

KEY FEATURES

Physical: IPCC SSP 2-4.5

CO2 emissions remain at the current level until 2050, then falling but not reaching net zero until 2100, limiting warming to 2.7 °C by 2100.

The world follows a path in which social, economic and technological trends remain relatively consistent with historical patterns. CO₂ emissions remain at current levels until 2050, then falling but not reaching net zero until 2100, limiting warming to approximately 2.7 degrees by 2100.

Environmental systems degrade and more frequent and extreme weather events occur, environmental improvements take place inconsistently as the intensity of resource and energy use declines over time.

Climate hazards creating major disruption: More frequent and intense extreme weather events (storms, floods, fires, heat waves) disrupting manufacturing, global supply chains and logistics, with greater climate disruption locked in for longer despite the course correction.

Rainfall increase: Rainfall extremes increase in intensity by 1.5-8.3% during 2081-2100 relative to 1995-2014, increasing risks of flooding in coastal and low-lying areas.

Sea level rise: Sea level is expected to rise by 0.2m in Australia by 2050 compared to a 1995-2014 baseline.

Extreme heat: Heatwave frequency rises by >85% in arid regions such as in Africa & Australia.

Transition: Announced Pledges Scenario (APS)

All aspirational targets announced by governments are met on time and in full, including their long term net zero and energy access goals.

Governments meet, in full and on time, all of the climate related commitments that they have announced, including longer term net zero emissions targets and pledges in NDCs, as well as commitments in related areas such as energy access. Coordination of climate action is slower under this scenario, however, increases beyond 2030. Greater emphasis is placed on climate adaptation and carbon removal technologies under this scenario.

Technology: Clean energy technology uptake is moderate in the short-medium term but ramps up in the 2030s with regional discrepancies, with a heavy focus on carbon removal technologies (sequestration, capture and storage).

Policy: Policy interventions to reduce emissions are delayed, with a focus on climate adaptation and moderate engagement with climate transition leading to emissions increases until the 2030s. Trade barriers and nationalistic economies emerge limiting the coordination and global integration of emissions reduction efforts. Strong policies are eventually developed and see abrupt, blunt changes implemented by governments and policy makers post-2030.

Carbon pricing: Carbon prices rise significantly as strong policy environment emerges and countries seek to achieve their climate commitments. By 2030, about 60% of global CO₂ emissions expected to be covered by carbon pricing mechanisms, with varying stringency depending on country and region.

Buildings: Governments introduce building codes and policies to reduce energy consumption, improve efficiency and minimise carbon emissions. By 2030 energy efficiency increases through new builds requiring advanced insulation, efficient heating and cooling and smart technologies, while existing builds face mandatory upgrades. By 2050 all new buildings to meet net zero emissions standards.

Energy pathways: Limited to no change to fossil fuel use in the immediate term, however, strong emissions reduction policies post-2030 see increased consumption of renewable energy. Wind and solar become the two main sources of electricity generation by 2040, and supply half of global electricity generation by 2050.

SCENARIO 3: HIGH EMISSIONS

SCENARIO DESCRIPTION

Physical: IPCC SSP 3-7.0

CO₂ emissions triple by 2075 and global warming exceeds 4°C by 2100.

OVERVIEW

This scenario assumes minimal ongoing action to curb emissions, with policies shifting over time to become increasingly isolationist at the expense of broader-based emissions reduction and development. Significant environmental degradation occurs in some regions, and extreme changes occur in the physical climate.

KEY FEATURES

Significant increase in climate hazards and associated impacts:

Significant increases in frequency and intensity of extreme weather events (storms, floods, fires, heat waves) disrupting manufacturing, global supply chains and logistics.

Rainfall extremes: The likely range of change in globally averaged annual land precipitation during 2081–2100 relative to 1995–2014 is 0.5–9.6%, with extreme rainfall to occur up to twice as often as today and to be three-to-four-times more intense.

Sea level rise and Arctic thaw: For the period 2081–2100 relative to 1995–2014, global sea level is likely to rise by 0.46–0.74, with Arctic surface projected to warm more than the global average over the 21st century, with annual-average Arctic warming of about 10°C.

- Coastal areas, including major cities like Mumbai and Chennai, will experience significant sea level rise, posing a greater risk to coastal infrastructure and cities, and could face flooding and saltwater intrusion.

Extreme heat events: Frequency of heatwaves increasing by >400% in arid regions such as Africa & Australia, with an increasing number of days over 40 degrees.

Transition: Stated Policies Scenario (STEPS)

This scenario reflects current policy settings based on a sector-by-sector and country-by-country assessment of the energy-related policies that are in place as of the end of August 2024.

This scenario provides a more conservative projection by not assuming that governments will reach announced pledges; instead focusing on existing policies and the emissions these will reduce. Under this scenario, adaptation activities are prioritised in the long-term as global temperatures rise and low intervention from governments detract from mitigation efforts.

Technology: Clean energy technology uptake is slow globally, particularly in developing countries due in part to limited finance, technology development and capacity.

Policy: No policy changes from today's policy environment to reduce emissions. Regulatory changes are slow and focus on adaptation and managing climate-driven physical impacts and flow on effects, with national policy focussed on regional security and resource scarcity. Adaptation becomes prioritised in the long term.

Carbon pricing: Carbon pricing initiatives remain the same as today (23% of global emissions covered by a carbon price).

Buildings: No changes in existing building standards or codes. Buildings or tenants seeking to achieve emissions reduction targets required to invest in their own zero carbon generation.

Energy pathways: Despite some policies adopted to reduce the use of fossil fuels, demand remains high. Renewable energy supply increases from 73.6 EJ to 116.2 EJ in 2030. This rises to 214.9 EJ in 2050, an increase of 192% compared to 2021 levels.

Time horizons

Under certain scenarios and timeframes, transition and physical risks and opportunities are more or less likely to materialise. To assist with understanding the increased or decreased likelihood of risks or opportunities materialising in each scenario, MPMS has leveraged the following time horizons for its analysis:

- **Short term:** Up to 5 years (2025–2029)
- **Medium term:** 5 to 15 years (2030–2039)
- **Long term:** 15+ years (2039+).

These time horizons have been selected due to their alignment with industry peers. In future years, we intend to align our time horizons with broader risk management and strategic planning horizons within MPMS.

Our material climate-related risks and opportunities

Through the climate scenario analysis process, we identified the following climate risks and opportunities, considered across short, medium and long-term horizons.

The anticipated likelihood and consequence of climate impacts was also taken into consideration. This process involved adapting MPMS's likelihood and consequence criteria to address climate-specific analysis. This resulted in risks and opportunities being analysed against the likelihood and consequence matrix below.

MPMS notes that no climate-related risks or opportunities were considered critical in the 2024 assessment.

To assist with understanding where these impacts will materialise across MPMS's business model, high-level value chain analysis has also been conducted, signalling whether the impacts are experienced upstream, downstream, or within MPMS's own operations.

		CONSEQUENCE				
		INSIGNIFICANT	SIGNIFICANT	SEVERE	MAJOR	CATASTROPHIC
LIKELIHOOD	ALMOST CERTAIN	MEDIUM	HIGH	HIGH	CRITICAL	CRITICAL
	LIKELY	MEDIUM	MEDIUM	HIGH	HIGH	CRITICAL
	POSSIBLE	LOW	MEDIUM	MEDIUM	HIGH	HIGH
	UNLIKELY	LOW	LOW	MEDIUM	MEDIUM	HIGH
	RARE	LOW	LOW	LOW	LOW	MEDIUM

Climate related risks

RISK	SCENARIO & TIME HORIZON	IMPACT	DESCRIPTION
1. Climate-related regulatory changes affecting operation and strategic planning <ul style="list-style-type: none"> e.g. carbon pricing mechanism introduced/ regulation preventing the digitalization of administration services 	Low emissions pathway S, M & L-term	Medium	Introduction of climate-related regulation that affects day-to-day functioning or broader strategic direction of the enterprise, requiring operational changes (e.g. expenditure) to achieve compliance or maintain business operations
2. Regulation introduced requiring rapid improvements in energy efficiency of MPMS buildings/new builds	Low emissions pathway S & M-term <hr/> Moderate emissions pathway L-term	High <hr/> High	New building codes/regulations introduced requiring improvements in energy efficiency to MPMS office space to achieve compliance
3. New and green(er) technology displaces existing MPMS technology suite	Low emissions pathway S & M-term	Medium	Competitors develop pension and market service technologies underpinned by green(er) energy solutions
4. Carbon cost pass through (indirect carbon pricing, e.g. for paper)	Low emissions pathway S, M, L-term <hr/> Moderate emissions pathway M & L-term	High <hr/> High	Governments may enforce a carbon price, which may result in an increase in the cost of supplies for MPMS. For example, the paper manufacturing process is highly energy intensive and susceptible to changes in supply. A carbon price could dramatically increase the cost of paper as manufacturers adjust and optimise energy efficiency or seek alternative modes of production

ANTICIPATED IMPACTS IF RISKS MATERIALISE	RISK MANAGEMENT/ MPMS RESPONSE	CATEGORY	VALUE CHAIN LOCATION
<ul style="list-style-type: none"> Major transition in product or service delivery or organisational strategy because of climate regulation (e.g. use of paper/paper storage) Introduction of carbon pricing mechanism resulting in increased operational costs Especially relevant in the context of increased energy intensity through digitisation of services 	Monitoring incoming regulation and potential impacts on MPMS	Transition – policy/legal	Own operations
<ul style="list-style-type: none"> Increased capital expenditure/leasing outlays due to higher costs for development, refurbishment/retrofit and upgrade 	Monitoring incoming regulation and changes to building certification requirements	Transition – policy/legal	Own operations
Clients seeking lower emissions in their Scope 3 portfolio seek greener pension/market service provision, resulting in loss of market share to MPMS	Acquisition of gradually greening technology from suppliers (hardware & software)	Transition – technology	Own operations
<p>Increased costs passed on from suppliers to MPMS</p> <p>Transport and logistics cost increase from carbon price</p>	<p>Monitoring incoming regulation and policy changes to carbon pricing</p> <p>Regular engagement with key suppliers</p>	Transition – market	Upstream

Climate related risks

RISK	SCENARIO & TIME HORIZON	IMPACT	DESCRIPTION
5. Changing client demand for greener and more ESG aligned alternatives	Low emissions pathway S, M, L-term	High	Potential reputational consequences through the transition to a low carbon economy. Changing client behaviours may impact demand for MPMS's products and services, and business planning (e.g. investment into new services)
	Moderate emissions pathway M & L-term	Medium	
6. Acute physical climate events leading to disruption to MPMS's own operations	Moderate emissions pathway S, M, L-term	Medium	Acute physical impacts, such as flooding, storms and heatwaves, may impact MPMS's operations through blackouts, restricting office access, disrupting logistics within the supply chain by damage to assets/ infrastructure (e.g. data centres and paper storage)
	High emissions pathway M & L-term	High	
7. Acute physical climate events leading to disruptions to MPMS's suppliers	Moderate emissions pathway S, M, L-term	Medium	Increased global temperatures resulting in consecutive dry days will likely increase the likelihood of drought, leading to increased likelihood and severity of bushfires meaning that forestry for pulp and paper is more vulnerable to damage. Vulnerability for data centres also increases as risk of power source/grid disruptions from major weather events increases
	High emissions pathway M & L-term	High	

ANTICIPATED IMPACTS IF RISKS MATERIALISE	RISK MANAGEMENT/ MPMS RESPONSE	CATEGORY	VALUE CHAIN LOCATION
<p>Lower demand for services that do not align to ESG initiatives resulting in loss of revenue for MPMS</p> <p>Loss of clients and negative stakeholder perception</p> <p>Increased competition from peers or other financial administration service organisations that are faster to market with leading ESG offerings</p>	<p>In 2024, MPMS purchased Energy Attribute Certificates to offset the impacts of its emissions</p> <p>Additionally, MPMS is engaged in a multi-year project (finishing 2027) to consolidate data racks in its Fujitsu data centre from 84 to 44, reducing our emissions profile</p> <p>Lastly, MPMS is acquiring gradually greening technology from suppliers (hardware & software)</p>	Transition – reputation	Downstream
<p>Higher insurance premiums (insurance factored into rental costs) resulting from greater exposure to physical climatic events</p> <p>Higher costs relating to workforce impacts (i.e. commute to work, additional cooling costs for office premises)</p> <p>Reduced productivity</p> <p>Damage to customer and supplier relationships due to the inability to fulfill contractual obligations</p>	<p>Preparation of back-up systems to ensure operational resilience in the event of acute physical climate event (e.g. reserve energy systems)</p> <p>Disaster recovery modelling and scenarios to ensure resilience of MPMS's operations to acute climate events</p>	Physical – acute	Own operations
<p>Increased capital expenditure on paper resulting from reduced supply and increased demand for paper</p> <p>Supply disruptions and competing demand for wood</p> <p>Disruption to MPMS's third party data centres and paper storage facilities</p>	Regular engagement with key suppliers	Physical – acute	Upstream

Climate related opportunities

OPPORTUNITY	SCENARIO & TIME HORIZON	IMPACT	DESCRIPTION
1. Improve energy efficiency and reduce consumption of materials, water and waste Embedment of technologies to assist transition (e.g. efficient heating/cooling, circular economy, retrofitting of buildings, EV uptake for fleet)	Low emissions pathway S, M-term	Medium	A transition into more efficient sources of energy/energy leases may reduce costs associated with energy and waste bills. In time, there may be opportunities for MPMS to enable lower energy footprints for its workers even when working from out of office locations
2. Go paperless and reduce paper consumption	Low emissions pathway S, M-term	Medium	MPMS has an opportunity to digitalise its products and services within the Corporate Markets and Retirement Solutions business units which will reduce paper use and reduce MPMS's impact on the natural environment and reliance on paper products A reduction in paper-based processes across the business may lower operational costs and support more efficient operations
3. Utilise green/renewable energy across the business	Low emissions pathway S, M-term	Medium	Utilising green energy sources is an opportunity for MPMS to switch from fossil fuel energy sources to green and renewable energy sources in the transition to a low carbon economy
4. Capitalise on changing consumer sentiment (e.g. via branding/greener product offerings)	Low emissions pathway S, M-term	Medium	MPMS could capitalise on changing customer sentiment by exploring new services and solutions to capitalise on climate change-related demands and concerns Adapting to customer behaviour change in the transition to a low carbon economy will allow MPMS to engage with clients in a fast and orderly transition to net zero, which leads to enhanced trust and maintains traction with its market base

ANTICIPATED IMPACTS IF RISKS MATERIALISE	RISK MANAGEMENT/ MPMS RESPONSE	CATEGORY	VALUE CHAIN LOCATION
<ul style="list-style-type: none"> Reduced operating expenditure associated with heating, cooling and waste management Reduced Scope 2 emissions 	<p>Liaising with building management around reducing waste, energy and water consumption</p> <p>Running awareness programs in offices around consumptions and waste management</p>	Resource efficiency	Own operations
<ul style="list-style-type: none"> Reduced paper consumption, resulting in reduced waste and reduced Scope 3 emissions Greater profit margins on products and services following increased initial capital expenditure to invest in digitisation Reduced operational expenditure on postal and waste services 		Resource efficiency	Own operations
<ul style="list-style-type: none"> Reduced Scope 2 emissions Long term drive down of electricity prices and energy bill Talent attraction and retention in the workforce for green initiatives Attraction of more clients from digitalisation and utilisation of green energy sources 	In 2024, MPMS purchased Energy Attribute Certificates to offset the impacts of its emissions, while continuing to seek emissions reductions	Energy source	Own operations
<ul style="list-style-type: none"> Potential for MPMS to enhance its reputation by aligning with ESG initiatives and industry priorities Build trust with key stakeholders and maintain social licence 	MPMS is acquiring greening technology from suppliers (hardware & software) to address customer expectations and green its supply chain	Markets	Own operations

Climate resilience of business model

Beyond our people, MPMS's service delivery relies principally on technology infrastructure, including data centres, offices, software and hardware used by our staff, and technology platforms and solutions used customers, clients and members. As such, a key climate-related risk to our business model over the short-term is the partial or total loss of access to elements of this infrastructure. While this may occur for a broad range of reasons, increasingly severe and damaging weather events such as floods or extreme heat have meant that MPMS is increasingly exposed to acute major climactic events across its global operations. These potential climatic events could, for example, be experienced in our offices or at data centres, affecting our ability to deliver its core services.

To assist with managing short-term loss of key technology infrastructure, MPMS's Business Continuity Management system provides an immediate response in the event of a disaster.

The Business Continuity Management system comprises three core areas:

- 1. Crisis Management:** Management oversight of any incident that has the potential to become a disaster.
- 2. Business Continuity Planning (BCP):** The relocation of critical staff or processes to an alternate location in the event where their usual work location is not accessible/usable as a result of a major disruption, such as an acute climate event.
BCP is comprised of three capabilities
 1. Transfer function to an unaffected MPMS location
 2. Transfer staff to an unaffected MPMS location
 3. Staff working from home
- 3. IT Disaster Recovery (DR):** The whole of site recovery of computer systems from a recognised data centre to an alternate data centre in the event that the recognised data centre can no longer support production processing.

Through these responses, our Business Continuity Management system seeks to ensure that in the event of disaster, such as an acute climate-driven event, we can respond efficiently and diligently to ensure our systems and people are able to continue to operate as normal. Our Business Continuity Management system establishes the organisation's response to a disaster event for a period of seven days.

Impact of climate-related risks and opportunities on financial position, performance and cash flows

MPMS has conducted high-level, qualitative analysis to understand the anticipated impacts of climate-related risks and opportunities on our financial position, performance and cash flows. In 2025, we intend to expand this analysis to include a quantitative assessment of the financial impact of material risks and opportunities on the entity.

Our BCP and DR systems are designed to provide an immediate response to facilitate business continuity in the event of a disaster, such as an acute physical climate-related event. Through the BCP and DR systems, we seek to limit potential impacts on its technology infrastructure, people and business as usual operations, mitigating short-term operational and associated financial impacts.

Beyond the immediate-term, MPMS expects minor financial impacts to result from its climate-related transition risks. We do, however, anticipate that these financial impacts can be largely mitigated through maximising associated climate-related opportunities.

For example, our climate risk assessment has shown that clients, customers and members are increasingly seeking greener and more ESG-aligned products and services to better align with their priorities, expectations and values. We expect that to meet these evolving expectations, our expenses may increase, but we also recognise that investing in these greener systems and processes also presents a major opportunity to strengthen our client offering, future-proof the business from flow-on risks, and produce greater revenue from associated products and services.

A key priority for MPMS in 2025 is undertaking quantitative analysis of its climate-related risks and their effects on the entity's financial position, performance and cash flows.



3. Risk management

This section details how MPMS identifies, assesses, monitors and manages climate-related risks and opportunities, and how these processes are integrated into our overall risk management processes.

Enterprise Risk Management Framework

MPMS's Enterprise Risk Management Framework (ERMF) sets the strategic approach for managing risk by defining standards, objectives and responsibilities for all areas of MPMS. It supports MPMS Management in effectively managing its risks and developing our risk culture.

The ERMF sets out:

- Segregation of duties utilising a Three Lines of Defence Standard
- The identification, management and reporting of risks
- Risk appetite requirements, which define the types and level of risk MPMS is willing to undertake in the pursuit of its business strategy, and
- Roles and responsibilities for managing risk and the accountabilities of the Executive Management, including Divisional Chief Executives, as well MPMS Committees.

It describes our approach to managing the material risks our business faces. This helps the Board and management answer pertinent questions facing the organisation, including questions around the risks to our business strategy, our appetite relating to material risks, our approach to controlling, monitoring and managing these risks, and how we respond to possible scenarios that could impact MPMS.

The Board is ultimately responsible for our ERMF and the oversight of its operation by management. The Board has delegated the oversight of the ERMF and its implementation to the Chief Risk Officer as the Accountable Executive. Business Divisions and Corporate Centre Functions are accountable for implementing and monitoring adherence to the ERMF.

MPMS's approach to identifying and assessing climate risks and opportunities

MPMS uses an integrated approach to climate-related risk management, which is governed by the ERMF. We regularly review sustainability risks through our risk management processes to ensure our business can plan, mitigate and adapt to any pertinent sustainability-related risks that may have a material impact on our value chain, business operations and people. This is chiefly led by the Sustainability Team with support and oversight from the Sustainability Advisory Group and ESG Risk and Reporting Working Group.

MPMS's climate risk assessment approach includes consideration of both reputational and sustainability risk categories across the Group's value chain. We apply a conventional five by five matrix as our primary methodology for assessing and prioritising risks, comprising the consequence and likelihood rating of given risks. For this assessment, we have updated the likelihood assessment criteria to take into consideration the likely longer-term impacts of climate change, and to support a more structured assessment over longer-term time horizons.

A key aspect of MPMS's climate risk assessment in 2024 was the scenario analysis outlined in the Strategy section of this report. This process considered both physical and transition risks across our value chain, including their magnitude and anticipated timeframe for materialising. Data sources used in the development of these scenarios are referenced in the Strategy section of this report, in the Scenario tables.

Moving forward, we plan to conduct scenario analyses and an associated climate risk assessment on an annual basis to ensure it is compliant with relevant regulations and meeting leading practice.

Our approach to managing climate risks and opportunities

MPMS is in the process of developing a Sustainability Risk Management Policy, which will cover both environmental and social risks across our value chain. This will include frequency of review and how we will manage the decisions and process to mitigate risks.

Our Sustainability Advisory Group will continue to have oversight of the climate risks and opportunities identified in the climate risk assessment, with the ESG Risk and Reporting and Environmental Action Working Groups providing organisation-wide feedback and insights. The Sustainability Team will continue to be tasked with day-to-day implementation of climate-related priorities, including engaging employees and senior leaders to take appropriate actions.

4. Metrics and targets

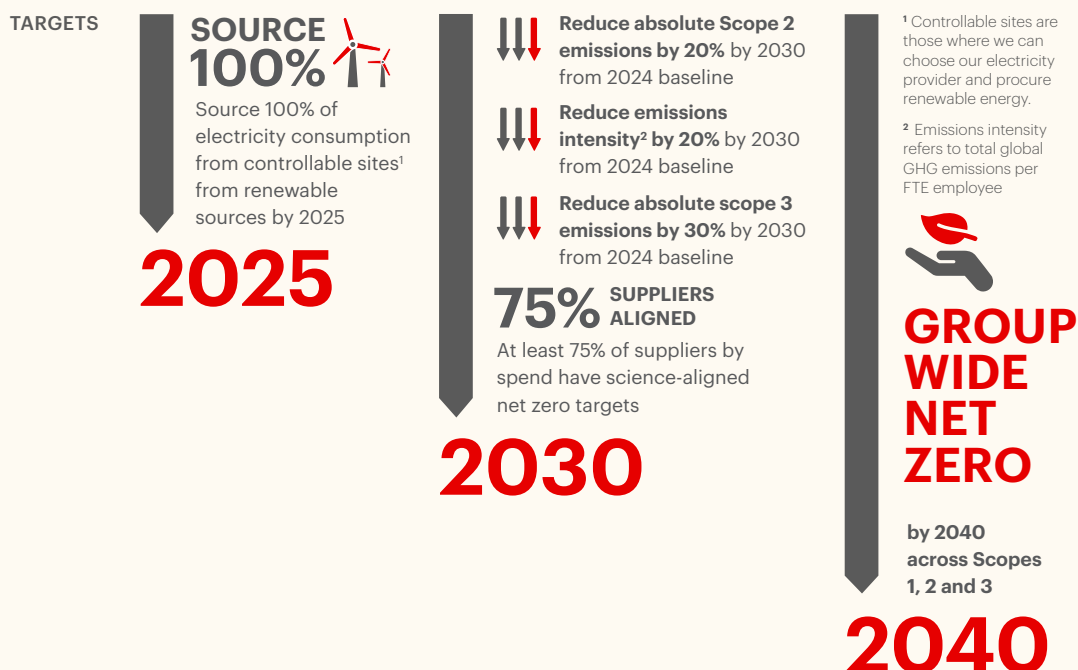
We have measured our greenhouse gas (GHG) emissions since 2019 and have been working to reduce both our absolute emissions and emissions intensity year on year.

In 2024, we expanded our reporting boundary to include our full Scope 3 emissions inventory, including supply chain emissions and employee commuting.

As a result of this significant change to our reporting boundary, and the many changes that have occurred within our business in recent years, our 2019 data is no longer a meaningful baseline. We have therefore set a new emissions baseline for 2024, using this reporting period of January – December 2024, to allow an accurate, like-for-like comparison of data each year from 2024 onwards.

Similarly, we also recognised that our emissions reduction targets needed revising to include our Scope 3 emissions, and to ensure we were meeting the expectations of our clients and stakeholders.

Using the Science-Based Targets Initiative (SBTi) Corporate Net-Zero Standard, we have revised our emissions reduction targets to align with the Paris Agreement. These were approved by our Board in 2024, and we will report our progress against them from 2025:



MPMS's process for reviewing its targets

As abovementioned, in 2024 MPMS established its new emissions baseline. Given this, MPMS intends to establish processes in 2025 for reviewing these targets, including establishing interim targets and associated monitoring systems.

2024 Emissions

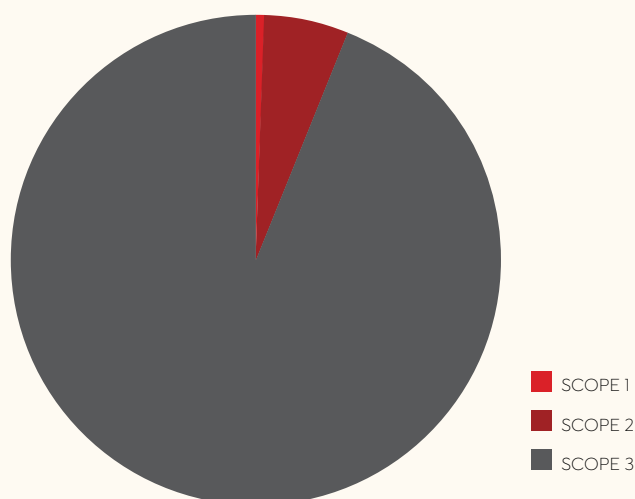
MPMS leverages two key platforms to calculate its Scope 1, 2 and 3 emissions:

1. MPMS has implemented an external data management system (DMS) and reporting platform, to house all sustainability related data required for reporting purposes. This provides a consistent approach globally for recording, monitoring and reporting all sustainability related data. System generated emissions factors are applied to environmental data inputs to assist with developing MPMS's emissions profile. The DMS is used primarily to capture our Scope 1 and 2 data, however, also captures some Scope 3 inputs, such as business travel.
2. The above emissions calculation in our DMS is supported by analysis from external advisors of our full Scope 3 emissions inventory. This analysis leverages supplier disclosures and business insights to calculate an emissions profile of given suppliers and utilises MPMS's spend data to calculate Scope 3 emissions for Categories 1 (purchased goods and services), 2 (capital goods) and 4 (upstream transportation and distribution) and partial data for Category 6 (business travel).

Total MPMS Emissions

Our greenhouse gas emissions have been calculated and reported using the GHG Protocol Corporate Accounting and Reporting Standard and the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Our reporting boundary accounts for all emissions over which we have operational control within our global organisation.

MPMS' Global GHG Emissions 2024



SCOPE	EMISSIONS (tCO ₂ e)	PERCENTAGE OF TOTAL EMISSIONS
1	320	0.5%
2	3,284	5.6%
3	54,812	93.9%
TOTAL	58,416	100.0%

Scope 1

MPMS’ only Scope 1 emissions come from our staff transport fleet in India. In 2024 the total emissions from these vehicles were 319.92tCO2e.

We were pleased to introduce our first electric vehicles (EVs) into the fleet in May 2024 as part of a pilot program. Following the success of this trial, we are looking to replace more diesel vehicles with EVs over the coming years as we work towards net zero emissions.

Scope 2

Our Scope 2 emissions come from electricity usage in our global network of offices. Below is a breakdown of energy consumption and emissions by country:

COUNTRY	ELECTRICITY (MWh)	GHG EMISSIONS (tCO2e)
Australia	2,496.38	1,746
India*	1,805.51	1,295
United Kingdom*	616.49	128
New Zealand	150.24	11
China	154.16	99
Germany*	17,042	6
Ireland	–	–
TOTAL	5,240	3,284

* In some locations, direct electricity usage reports were unavailable, and electricity has been estimated based on our usage in similar locations and number of FTE employees.

Scope 3

Like many service-based companies, more than 90% of MPMS's emissions are Scope 3 emissions, with the vast majority within our supply chain. As of 2024, we have expanded our reporting boundary to include our full Scope 3 inventory, across all categories that are material to our operations.

Our emissions breakdown by Scope 3 category is as follows:

CATEGORY	DESCRIPTION	MEASUREMENT METHODOLOGY	EMISSIONS (tCO ₂ e)
Category 1: Purchased goods and services	Emissions from the production of all products and services MPMS purchases	A combination of spend-based and hybrid measurement based on third party analysis of our supply chain expenditure	32,749
Category 2: Capital goods	Emissions associated with the production of long-term assets (like buildings, machinery, and vehicles)	As above	5,708
Category 3: Fuel- and energy-related activities	Emissions from the production, transmission, and delivery of electricity MPMS purchases for our offices	Calculated based on total fuel consumption and total electricity consumed per location, using relevant emission factors	857
Category 4: Upstream transportation and distribution	Emissions associated with the movement of goods from suppliers to our premises, including inbound and outbound logistics, and transportation between our own facilities.	Calculated using the spend-based method, covering all postage, courier and distribution costs within our operations	2,994
Category 6: Business travel	Emissions from all business-related travel by air, rail and road	Calculated per km using relevant emission factors	7,459
Category 7: Employee commuting	Emissions from employees' travel between their homes and workplaces	Based on self-reported commuting data from an employee survey (frequency of commuting and distance from home to office), calculated using relevant emission factors per location and mode of transport	5,044

Exposure to climate-related risks and opportunities

To align AASB S2 reporting requirements, MPMS has undertaken a high-level, qualitative process to assess the potential exposure of the entity to physical and transition risks and to climate-related opportunities. We expect that with more detailed analysis of our major climate risks and opportunities, this analysis will become more focused and specific over subsequent reporting years.

EXPOSURE METRIC	QUANTIFICATION	MPMS MANAGEMENT RESPONSE
Amount/percentage of assets or business activities vulnerable to climate-related transition risks	All assets (100%).	MPMS is a fully integrated entity. Consequently, a transition risk impact experienced by one part of the entity is likely to be felt throughout. For example, regionally specific regulations or management decisions will likely have flow on effects on policies or procedures, affecting the global entity.
Amount/percentage of assets or business activities vulnerable to climate-related physical risks	All assets (100%).	While the magnitude and type of physical climate-related impact may differ globally, all MPMS sites are vulnerable to acute physical risks to some extent.
Amount/percentage of assets or business activities able to benefit from to climate-related opportunities	All assets (100%).	Per the above transition risk analysis, capitalising on climate-related opportunities in one part of MPMS is likely to be felt throughout the entity. This may, for example, manifest through changes to policies and procedures, procurement, or efficiencies achieved that provide entity-wide benefits.

Executive remuneration

Remuneration policies for our executive and senior management are not currently linked to climate metrics or targets.

Carbon pricing and offsetting

We currently do not use an internal emissions price. MPMS anticipates that it will not require carbon offsets to achieve its net zero targets.

3.2 Greener operations and supply chain

Supply chain

Our greatest environmental impact – and two thirds of our total greenhouse gas emissions – lies within our supply chain, which makes this a critical focus area for MPMS. In addition to emissions, however, we are also seeking to make more sustainable sourcing decisions that account for the life cycle environmental impacts of the products we consume, as well as considering human rights and social impacts. This is a new area of work for MPMS, and we will aim to develop our capability over the next 12 months.

To better understand the actual GHG emissions in our supply chain and the climate action response of our suppliers, we undertook analysis with a third party of our entire 2024 supply chain expenditure. Encouragingly, this has revealed that just 2% of our suppliers by spend have a 'high risk' rating – a combination of high carbon profile and low climate action, while 24% are 'medium risk' and 74% are 'low' or 'very low risk'.

Half of our suppliers have science-aligned net zero targets in place, which means we are two thirds of the way towards our Scope 3 Supply Chain goal of 75% of suppliers by spend having these targets by 2030.

This analysis has also shown us which suppliers are lagging behind, however, and we plan to use our relationships and market power to influence some of those suppliers to drive greater climate action in 2025 and beyond.

Reducing waste

While MPMS does not produce significant waste in delivering its products and services, due to our size and number of office locations, there is still considerable waste generated in our daily operations.

2024 is the first year we have recorded our waste across our global office sites, and this has revealed that our rates of diversion from landfill are well below average. We see this as an opportunity to work with our various building managers to improve our monitoring and reporting of waste, and to engage our employees in better waste management practices so that these percentages significantly improve over the coming years.

For the purposes of preparing our waste data, we have relied on both actual and estimated figures in our calculations. Estimated figures draw on anticipated consumption, any pre-existing data, total building waste volumes and relevant secondary sources. Approximately 45% of our waste data is actual data, with remaining data estimated. Alongside improving our rates of diversion from landfill, we are focused on improving the quality and breadth of waste data captured across our global operations throughout 2025.

For this reporting period we have waste data for 17 offices, representing 82% of our workforce, with aggregated totals by country:

COUNTRY	WASTE (t) – LANDFILL	RECYCLING (t) – COMINGLE	RECYCLING (t) – PAPER	RECYCLING (t) – IT WASTE	DIVERSION FROM LANDFILL (%)
Australia	22.2	11.9	1.5	2.6269	42%
United Kingdom	44.0	16.2	26.0	0	49%
India	0.7	0.1	0.1	0	22%
New Zealand	5.7	11.9	1.6	0	70%
China	5.5	0.0	0.0	0	0%
Germany	1.5	2.0	4.7	0	82%

MUFG Pension & Market Services connects with thousands of members and investors every day, and we deeply understand the importance of supporting both our local and global communities.

We seek to protect and uphold human rights throughout our operations and supply chain, as well as driving a positive social impact through community investment and capability building.



Community & Social Wellbeing



4.1 Human rights and modern slavery

We have a responsibility to respect human rights in our operations and supply chain, as well as opportunities to support and advance human rights within our sphere of influence.

Across our global business, MPMS is committed to implementing policies and practices to support and strengthen human rights protections. We also continually monitor, assess and mitigate human rights and modern slavery risks in all jurisdictions in which we operate.

This includes:

- Mapping, reviewing and strengthening our procurement processes and policies to ensure human rights risks are considered at every step
- Engaging higher risk suppliers and building awareness and capability in relation to labour practices and modern slavery
- Developing measurement frameworks to monitor the effectiveness of our modern slavery risk management policies and initiatives

Key achievements in 2024 include:

- Developing a new Supplier Code of Conduct which sets out our environmental, social and governance standards and makes clear our expectations of our suppliers, including in relation to human rights and modern slavery. This will be implemented across our global supply chain in 2025
- Undertaking in-depth supply chain analysis to better understand our modern slavery risk at a geographic, sectoral, and individual supplier level, which has equipped us to take further actions to mitigate modern slavery risk with our most exposed suppliers
- Introducing an evaluation tool to measure the effectiveness of our modern slavery e-learning module

For more information about our approach to managing Modern Slavery Risk, please refer to our latest Modern Slavery Statement which is available on our website.

4.2 Digital literacy and inclusion

In today's increasingly digital world, we know that being able to use digital technology is essential for participation in economic and social life. Yet we also know that many people in our communities experience barriers to inclusion, which may be related to network access, the costs of devices or data, or digital knowledge and skills.

As a technology-enabled, customer-focused organisation, we want to play a role in supporting greater digital literacy and inclusion in our key markets and geographies across the world.

Supporting digital inclusion in India

In 2024, our Together for Good (TFG) community engagement program in India concentrated on enhancing digital inclusion and reducing inequality. Our approach involved partnering with organisations that align with our vision, offering financial and in-kind support, and promoting employee involvement in fundraising and volunteering.

One of our key partners, the SPRJ Kanyashala Trust, works to educate, empower, and enrich the lives of underprivileged girls in Mumbai. SPRJ Kanyashala Trust provides free and subsidised education from pre-school to post-graduate college to more than 7000 girls, as well as food, clothing and medical care to ensure the students and their families can grow and thrive.

MPMS and SPRJ Kanyashala Trust recognise that digital literacy and STEM skills are essential for young women to progress in their education and career, and we were proud to fund two key projects in 2024:

- **Sponsoring a New Computer Lab:** MPMS provided 60 computers, with all the necessary software, furniture, accessories and infrastructure, in a new computer lab within the college.
- **Installing Smart Panels in classrooms:** With access to 10 new smart panel screens for the college's classrooms, students can now engage with interactive digital technology as they learn, and develop their digital literacy from a young age.

4.3 Community investment

Supporting the communities in which we operate has long been part of our ethos. Together for Good is our global community engagement program which is focussed on improving educational opportunities and reducing inequality in our key regions. We believe that education is crucial to improving lives and building a sustainable future.

Through Together for Good, MPMS partners with organisations that share our vision of creating opportunities for people to learn, grow and thrive. We provide them with financial support and in-kind donations and promote employee fundraising and volunteering.

In 2024 our total community contribution was \$918,432, including more than 1400 hours of volunteering.

Below are some highlights of our programs over the year, continuing our commitment to supporting the development of STEM skills, providing role models and demonstrating pathways to career success, and investing in women and girls.

Australia

Supporting career aspirations and STEM skills

In 2024 we were pleased to join the Australian Business and Community Network (ABCN) – a not-for-profit organisation that brings businesses and schools together to address educational disadvantage. They connect volunteers from companies like MPMS with students from low socio-economic backgrounds to provide purposeful, workplace-based mentoring programs that develop students' confidence, skills and aspirations to help them thrive in the workplace of the future.

More than 80 of our employees across Australia used their volunteering leave to participate in ABCN mentoring programs throughout the year, including a Tech Careers Expo in our Parramatta office in western Sydney.

Students were exposed to a range of technology-related careers, learnt about cyber security and encryption, and heard the personal journeys of some of our senior tech leaders – including some of the highs and lows and unexpected ways they achieved their career goals.

It was encouraging to see the impact of this program on the aspirations of the participating students. Before the Expo, 42% of students said they would consider a tech career, but after the Expo this rose to 70%. Similarly, just 27% of students said they could see themselves working at a company like MPMS before working with our mentors, which jumped to 70% at the end of the program. We look forward to seeing some of these bright young people working for us in the future!

India

Student skills and employability program

In 2024, MPMS collaborated with the National Association of Software and Service Companies (NASSCOM) to provide an all-encompassing skills development program aimed at enhancing technical skills and employability of students from low-income households. It included extensive face to face and online learning, with a specific focus on soft skills, data science and Python scripting. The program aims to closely align to the professional experience of associated fields, enhancing students' ability apply knowledge in real-world scenarios.

150 students participated in the data science and Python script programs, while also participating in soft skills training for personal and professional development. 33 participants went on to access internships and job placements.

School development and Solar Streetlight Inauguration

This year we collaborated with our community partner SPRJ Kanyashala Trust to develop a new school in Apte village, close to Mumbai. This development is intended to provide high quality educational infrastructure and ensure students in the village can access education, learn and grow. We have additionally supported the installation of solar streetlights in Apte, harnessing renewable energy and ensuring safer, well-lit streets for residents.



United Kingdom

In 2024 we renewed our partnership with Young Enterprise in the UK, a national charity that motivates young people to succeed in the changing world of work by equipping them with the work skills, knowledge and confidence they need to succeed. Their financial capability and entrepreneurship education programs help up to 500,000 young people each year learn the vital skills needed to earn and look after their money.

Developing young entrepreneurs

One of the highlights for our employees was the 'Company Program' event at Old Spitalfields Market in London. Company Program empowers young people to set up and run a student company under the guidance of a volunteer from a business like MPMS. Students make all the decisions about their business, from deciding on the company name, managing the company finances and selling to the public.

Our mentors were delighted to see the young entrepreneurs they worked with developing their skills and selling innovative and environmentally friendly products, including pencils made of newspaper (pictured below), fire logs crafted from recyclable materials and self-watering plant pots.

As a proud partner of Young Enterprise for several years, we have seen the powerful and positive impacts of their work across the UK, and we look forward to continuing our involvement.



Sustainability Governance

MPMS Corporate Governance

We recognise that a strong corporate governance culture underpins sustainable value creation for all our stakeholders. While the Board is ultimately accountable for implementing and overseeing an effective corporate governance framework, Executive Management and all MPMS people are responsible for upholding the high corporate governance standards that we set.

MPMS's professional standards are set through our parent company's guiding framework, known as the MUFG Way. The MUFG Way comprises the following three pillars:

- Purpose:** Committed to empowering a brighter future
- Who we provide a "brighter future" for includes our customers, communities, societies, the next generation and our colleagues and their families.
 - Our purpose embodies our commitment to helping all of our stakeholders in realising their ambitions.
- Values:** Our MPMS values shape our common ways of working and culture, uniting us as one global organisation in delivering on our purpose and strategy. Our values reflect what is important to us and are the standards we hold ourselves and others accountable to.
- Staying committed to the MUFG Way means acting with:
1. Integrity and Responsibility
 2. Professionalism and Teamwork
 3. Challenge and Agility
- Vision:** Be the world's most trusted financial group

The Board's role includes providing leadership and guiding the organisation's strategic direction, driving its performance and overseeing the activities of Management and the operation of the business. Central to this structure is a two-way flow of open, constructive discussion between and amongst the Board and Management.

MPMS's key governance documents and policies are available on our website.

Sustainability Governance

The Board is responsible for sustainability policy and oversight, including liaison with MUFG.

The Sustainability Advisory Group is chaired by the Sustainability Manager and is comprised of senior leaders, with broad geographic and functional representation to ensure that sustainability is considered and integrated into every aspect of our business. They oversee the sustainability strategy and ensure it is resourced appropriately across the organisation.

The four Sustainability Working Groups are responsible for the practical implementation of our strategy, working in cross-functional teams to achieve specific aims related to reporting, risk management, social and environmental impact, and community engagement. They work closely with the Sustainability team, and report regularly on progress to the Sustainability Advisory Group.



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