



Stewardship Policy

Metrics Credit Holdings

December 2025 | Version 2

ISSUED BY METRICS CREDIT HOLDINGS PTY LTD ABN 66 150 647 091
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[METRICS.COM.AU](https://www.metrics.com.au)

Stewardship Policy

Summary

This Stewardship Policy sets out how Metrics Credit Holdings Pty Ltd (ABN 66 150 647 091) (**Metrics**) intends to use its influence to protect and enhance overall long-term value, including the value of common economic, social and environmental assets, on which returns and client and beneficiary interests depend, through our corporate activities and the activities of funds managed by Metrics Credit Partners Pty Ltd (ABN 27 150 646 996) (**Metrics Credit Partners**) and Metrics Real Estate Partners Pty Ltd (ACN 649 136 970) (**Metrics Real Estate Partners**) (together, **Metrics Group Funds**). Except as specifically described in this policy, this policy does not apply to funds managed by Navalo Financial Services Group Holdings Pty Limited (ACN 686 866 419) (**Navalo Financial Services Group**) or to investments by funds managed by Metrics Credit Partners in assets originated by Metrics Business Finance Holdings Pty Ltd (ABN 71 638 490 776) (**Metrics Business Finance Group**) or asset-based securities. This policy ensures we:

- ▶ act in the best long-term interests of investors;
- ▶ aim to promote long-term value creation in the entities in which we invest; and
- ▶ monitor and assess impact of stewardship outcomes to ensure accountability and continuous improvement.

This policy is not a term of any contract, including any contract of employment and does not impose any contractual duties implied or otherwise on Metrics.

Governance Schedule

Version Number	Version 2
Policy Owner	Head of Responsible Investment and Sustainable Finance
Support	Responsible Investment and Sustainable Finance Team
Approval Authoriser	Metrics Credit Holdings Board
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Purpose

The purpose of this policy is to set out how Metrics intends to use its influence to protect and enhance overall long-term value, including the value of common economic, social and environmental assets, on which returns and client and beneficiary interests depend, through its corporate activities and the activities of funds managed by Metrics Credit Partners and Metrics Real Estate Partners. Except as specifically described in this policy, this policy does not apply to funds managed by Navalo Financial Services Group or to investments by funds managed by Metrics Credit Partners in assets originated by the Metrics Business Finance Group or Asset-based Securities.

Our specific objectives are to:

- ▶ provide a framework to identify sustainability-related system-level risks and required outcomes
- ▶ guide the setting of clear goals and targets for reducing the negative and increasing the positive impacts of investments
- ▶ outline our approach to monitoring changes in sustainability impacts and the achievement of specific sustainability impact goals.

Scope

This policy applies to the Managing Partners, Investment Committees, Board members (**Board**), our employees, contractors or anyone representing Metrics and its subsidiaries.

Definitions

Policy Key Terms

TERM	DESCRIPTION
Asset-based Securities	Notes and other debt instruments collateralised by an underlying pool of assets which generate a cash flow (which may include cash flows from consumer and commercial loans to individual and small company borrowers).
Code	The Aotearoa New Zealand Stewardship Code, which gives investors a clear framework for using their influence to steer the companies they own on critical environmental, social, and corporate governance issues, codifying investor expectations in seeking to achieve long-term value creation – not only for the economy, but also for our environment and society.
MBF Assets	Assets originated by the Metrics Business Finance Group, including commercial real estate (CRE) loans up to \$10m and loans to small to medium enterprises (SMEs).
Metrics	Metrics Credit Holdings Pty Ltd (ABN 66 150 647 091).
Metrics Business Finance Group	Metrics Business Finance Holdings Pty Ltd (ABN 71 638 490 776).
Metrics Credit Partners	Metrics Credit Partners Pty Ltd (ABN 27 150 646 996).
Metrics Group Funds	Funds managed by Metrics Credit Partners and Metrics Real Estate Partners.
Metrics Real Estate Partners	Metrics Real Estate Partners Pty Ltd (ACN 649 136 970).

TERM	DESCRIPTION
Modern Slavery Act	The <i>Modern Slavery Act 2018 (Cth)</i> , an Act to require some entities to report on the risks of modern slavery in their operations and supply chains and actions to address those risks, to establish the Australian Anti-Slavery Commissioner, and for related purposes.
Navalo Financial Services Group	Navalo Financial Services Group Holdings Pty Limited (ACN 686 866 419).
PRI	Principles for Responsible Investment is a global network of asset managers, owners and service providers working collaboratively to implement responsible investment into practice. The PRI works with its international network of signatories to put its six Principles for Responsible Investment into practice.
Stewardship	Stewardship is the use of influence by investors to protect and enhance overall long-term value, including the value of common economic, social and environmental assets, on which returns and client and beneficiary interests depend.

Guiding Principles

Metrics upholds high environmental, social and governance (**ESG**) standards in corporate management. This policy was developed with consideration to the following key governing frameworks, legislation, regulations, codes or standards applicable to Metrics as at the date of this policy:

- ▶ *Modern Slavery Act 2018 (Cth)*
- ▶ Metrics Credit Partners is a founding signatory to the Aotearoa New Zealand Stewardship Code (**Code**). This policy has regard to the Code's framework for using investor influence to steer companies they own on critical environmental, social, and corporate governance issues as well as the Code's expectation on reporting and disclosures
- ▶ Metrics Credit Partners is a signatory to the Principles for Responsible Investment (**PRI**). This policy adopts the PRI's definitions of effective stewardship and active ownership, as well as the PRI's framework for identifying required outcomes of stewardship, setting an appropriate strategy, taking action and assessing impact and has regard to Metrics Credit Partners' commitment to adopt and implement the PRI's six key Principles for Responsible Investment, where consistent with its fiduciary responsibilities
- ▶ Metrics Credit Partners has pledged its commitment to the United Nations (**UN**) Global Compact and supports its Ten Principles on human rights, labour, environment, and anti-corruption
- ▶ Metrics Credit Partners is a signatory to the UN Women's Empowerment Principles and encourages business leaders to take action to empower women and benefit our companies and societies

Roles and Responsibilities

It is the responsibility of every employee to uphold this policy in accordance with their role and position at Metrics. The allocation of roles and responsibilities as outlined in this policy demonstrates our approach to ESG integration in our investment-decision making and how our governance structures support effective stewardship.

Stewardship Policy Responsibilities

ROLES	RESPONSIBILITIES
Origination	<p>Origination teams are responsible for:</p> <ul style="list-style-type: none"> ▶ familiarising themselves with this policy ▶ allocating sufficient resources to fulfil their responsibilities under this policy ▶ accurate analysis, assessment and reporting to the relevant Investment Committee of material ESG-related considerations of investments and proposed investments and associated stewardship activity ▶ managing the day-to-day company-level engagement process, including: <ul style="list-style-type: none"> — taking into account our stewardship priorities — gathering and analysing data, assessing risks, opportunities and impacts (including, where relevant, through the completion of ESG & Sustainability Ratings), and — to the extent appropriate, communicating the outcome of our sustainability assessments to investees in order to encourage greater awareness and/or disclosure of ESG-related issues ▶ developing and implementing initiatives to embed this policy in origination and asset management processes ▶ integrating compliance with this policy into performance appraisals of personnel
Portfolio Risk Management	<p>Portfolio Risk Management teams are responsible for:</p> <ul style="list-style-type: none"> ▶ familiarising themselves with this policy ▶ allocating sufficient resources to fulfil their responsibilities under this policy ▶ ongoing monitoring of material ESG-related considerations in Metrics Group Funds (including, where relevant, through the completion of ESG & Sustainability Ratings) and for the timely escalation and reporting to the Investment Committee of any elevated risks ▶ developing and maintaining an appropriate company-level engagement framework, taking into account our stewardship priorities ▶ coordinating, overseeing and reviewing the company-level engagement process ▶ building a framework for assessment, monitoring and reporting of key stewardship data ▶ developing and implementing initiatives to embed this policy in portfolio management processes ▶ integrating compliance with this policy into performance appraisals of personnel
Investment Committees	<p>Each Investment Committee is responsible for the development and execution of Metrics' investment policies (including this policy) and for all investment decisions and asset oversight and monitoring. Specifically, each Investment Committee is responsible for:</p> <ul style="list-style-type: none"> ▶ ensuring that our investment process reflects this policy as well as our commitments under the Act, the Code and the Principles for Responsible Investment ▶ reviewing this policy on a semi-annual basis ▶ considering the information submitted to it as part of Metrics' processes for due diligence and ongoing monitoring of transactions ▶ supervising our engagement process ▶ taking stewardship activities into account in investment decision-making

ROLES	RESPONSIBILITIES
Responsible Investment & Sustainable Finance	<p>The Responsible Investment & Sustainable Finance team is responsible for:</p> <ul style="list-style-type: none"> ▶ supporting the Investment Committees in reviewing and developing this policy ▶ supporting the Investment Committees in implementing this policy ▶ supporting the Board in developing Metrics' approach to stewardship, including identifying our stewardship priorities, reviewing existing governance frameworks and monitoring resourcing structures to ensure effective management of stewardship ▶ preparing Metrics' annual stewardship report ▶ providing ad hoc support, acting as subject matter experts, to the Origination and Portfolio Risk Management teams in (i) performing their responsibilities under this policy (including by reviewing ESG & Sustainability Ratings and participating in direct engagements with investees) (ii) developing and implementing initiatives to embed this policy ▶ informing the Origination and Portfolio Risk Management teams of our stewardship priorities ▶ coordinating, overseeing and reviewing sustainability-related policy-level and industry-level engagement activities ▶ managing sustainability-related industry-level engagement and coordinating Metrics' sustainability-related policy-level engagement activities, including through the memberships and collaborations listed on our website.
Compliance & Internal Audit	The Compliance & Internal Audit team regularly reviews Metrics' ESG framework, including compliance with this policy.
Board	The Board of Metrics is responsible for overseeing this policy, ensuring that our approach to stewardship is regularly reviewed to remain well aligned to our strategy.

What is Stewardship?

According to the PRI¹, stewardship is the use of influence by investors to protect and enhance overall long-term value, including the value of common economic, social and environmental assets, on which returns and client and beneficiary interests depend.

Effective stewardship, with an explicit focus on delivering sustainability outcomes and impacts, can be one of the most powerful ways for investors to shape sustainability outcomes and thereby mitigate system-level risks². It is important to note that, while often highly valuable to ESG integration, not all interactions between investors and their investees are classified by the PRI as stewardship. Interactions that are not seeking changes in ESG practice or an improvement in public disclosure of ESG matters are not stewardship for the purposes of this policy.

Stewardship capable of delivering real-world outcomes at the scale needed to achieve the collective goals of PRI signatories is a standard for improved stewardship to which we aspire. Such stewardship is underpinned by an increase in investors' ambition and assertiveness, also referred to by the PRI as Active Ownership 2.0. Active Ownership 2.0 builds on existing practice and expertise and prioritises the pursuit and achievement of outcomes over process and activity, and common goals and effort over narrow interests.

¹ The PRI's Reporting Framework Glossary may be found on the PRI website at: <https://www.unpri.org/signatories/reporting-and-assessment/investor-reporting-framework>

² System-level risks as defined by the PRI: a catch-all term for systematic risk and systemic risk, both of which have implications for investment performance.

- ▶ Systematic risk: risk transmitted through financial markets and economies, that affects aggregate outcomes, such as broad market returns. The term is interchangeable with "market risk" or "marketwide risk". Because systematic risk occurs at a scale greater than a single company, sector or geography, it cannot be hedged or mitigated through diversification. One example of a sustainability related systematic risk is the risk of reduced global economic growth due to sustained physical impacts of climate disruption; another is the opportunity cost associated with failing to meet the UN Sustainable Development Goals.
- ▶ Systemic risk: the risk that an event at a particular point in time or a chronic economic condition destabilises the financial system or leads to its collapse. An example of a systemic risk materialising would be a number of "too-big-to fail" financial institutions defaulting on obligations to their creditors or investors. An example of a sustainability-related systemic risk would be a sudden repricing of assets across the fossil fuel sector, resulting in cascading defaults that destabilise financial markets – this is sometimes referred to as a potential "climate Minsky moment".

Our approach to stewardship has regard to the three central elements to an Active Ownership 2.0 approach as set out by the PRI:

- ▶ **Outcomes, not inputs or processes:** the pursuit and achievement of positive real-world goals is prioritised over resources, activity metrics and intermediate goals.
- ▶ **Common Goals:** a deliberate focus on and prioritisation of outcomes at the economy- or society-wide scale, rather than the risks and returns of individual holdings.
- ▶ **Collaborative Action:** enhanced collaboration among investors and service providers.

Stewardship and Our Sustainability Objectives

Through our engagement and stewardship activities, we seek to produce practical real-world outcomes, in line with our views and aspirations around material ESG issues. Those real-world outcomes could be positive effects on the environment or society or a reduction in negative effects on the environment or society, for example in relation to climate change or workplace health and safety standards.

Metrics has a responsibility to act in the best long-term interests of investors in our funds. Our approach to responsible investment and ESG issues is growing in importance as regulation, climate change and societal expectations evolve. We believe that ESG issues present both risk and opportunity and can affect the performance of our funds and the long-term, risk-adjusted returns we ultimately deliver to our investors.

We are also committed to playing our part in the achievement of the UN Sustainable Development Goals and contributing to a better future. We acknowledge that, as a fund manager, the main channel through which we can influence the real world is through the entities in which we invest. We are therefore committed to incorporating ESG considerations into our investment decision-making process.

Metrics' Responsible Investment, Environmental, Social and Governance Policy ([RI Policy](#)) outlines our approach to incorporating responsible investment, including environmental, social and governance factors, into our investment management activities, including stewardship.

Where relevant to our stewardship activities, we will consider and respect the cultural practices of Indigenous peoples, including Aboriginal, Torres Strait Islander and Māori peoples, and the importance placed by them on the interconnected relationship between nature and people.

Negative Screening

Metrics believes that certain activities and industry sectors represent outsized risk to us and our investors. We structure our portfolios to avoid such activities and industry sectors. Details of the screening that applies generally across all Metrics managed funds are set out in our [RI Policy](#).

Our Approach to Stewardship

Metrics engages in stewardship activities (including at the policy, industry and company level) with the aim of promoting long-term value creation of the entities in which we invest. We will take appropriate steps, in line with our [RI Policy](#), in our path to achieving our sustainability objectives through our investment activities and advocacy. The stewardship activities we undertake in relation to different asset classes may differ, for example to reflect the relationship between investments in that asset class and our sustainability priorities or market practice for that asset class.

A key feature of investing with a view to producing or achieving sustainability outcomes is intentionality. Accordingly, instead of treating sustainability outcomes as an unintentional by-product of our activities, we will set objectives to intentionally shape sustainability outcomes.

Below we present our approach against the PRI framework for shaping sustainability outcomes.

PRI Framework	Metrics' Approach
<p>IDENTIFY REQUIRED OUTCOMES</p> <p>Identify system-level risks and required outcomes</p> <p>Identify sustainability-related system-level risks, taking into account broader objectives, mandates and strategy, and assess their potential effects on financial returns. Choose global/national sustainability goals and thresholds, and identify beneficiary preferences.</p>	<p>Environmental Factors</p> <p>We recognise that a sustainable environment is critical to prosperity on a local, national, and international level.</p> <p>In particular, we recognise the global climate emergency and the impact of human activity on climate change and support the Paris Agreement goals of:</p> <ul style="list-style-type: none"> ▶ limiting global temperature rise to well below 2 degrees Celsius above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5 degrees Celsius above pre-industrial levels, recognising that this would significantly reduce the risks and impacts of climate change; and ▶ making finance flows consistent with a pathway towards low greenhouse gas (GHG) emissions and climate-resilient development. <p>We recognise that effective management of sustainability issues is not limited to climate factors, however Metrics has been focused on understanding the impact of our operations and financing activities by measuring our emissions footprint and portfolio temperature rating.</p> <p>We support the Kunming-Montreal Global Biodiversity Framework's four long-term goals to preserve and restore nature, protect biodiversity and prevent extinction of species and in particular its centrepiece "30x30" target to effectively conserve at least 30% of the world's lands, inland waters, coastal areas and oceans, and to restore 30% of already degraded terrestrial and marine environments.</p> <p>As an Early Adopter of the Taskforce on Nature-related Financial Disclosures (TNFD) and a member of the TNFD Forum, we support the global, market-led initiative to develop and deliver a risk management and disclosure framework for organisations to report and act on evolving nature-related risks, with the ultimate aim to support a shift in global financial flows away from nature-negative outcomes and toward nature-positive outcomes.</p>

PRI Framework	Metrics' Approach
	<p>As a Signatory to the Business Benchmark on Farm Animal Welfare (BBFAW) Global Investor Statement on Farm Animal Welfare, Metrics has formally recognised farm animal welfare as being material to long-term investment value creation in the food sector, as well as committed to taking account of farm animal welfare in our analysis and engagement of food companies. Metrics is also a proud Member of the Farm Animal Investment Risk & Return (FAIRR) Initiative's investor network, which aims to build awareness of the most material risks and opportunities in the food sector.</p> <p>Social Factors</p> <p>We believe that considering diversity and inclusion in the investment decision-making process will lead to better investment outcomes.</p> <p>We believe that diversity boosts the quality of decision making in our investees and encourages their people to be more creative and diligent. Diversity fosters enhanced innovation, expands perspectives and insights, and provides a competitive advantage which can lead to greater business success.</p> <p>Metrics Credit Partners is signatory to the Women's Empowerment Principles. As such, Metrics Credit Partners formally supports the United Nations initiative to end gender inequality in the workplace, marketplace and community.</p> <p>Metrics also acknowledges business enterprises' responsibility to respect human rights standards. We believe that businesses ought to avoid infringing on the human rights of people and are responsible for addressing these impacts where they occur.</p> <p>Metrics will strive to protect the values of respect, dignity and equality for every person, irrespective of race, sex, religion, political opinion, disability, sexual orientation, gender identity, social status, age or other personal characteristics.</p> <p>Particular focus has been placed on our approach to modern slavery and human rights on an operational and investment activity level. We see ongoing monitoring as an important tool that can allow Metrics to better understand and act upon modern slavery risks. As we continue to build our</p>

PRI Framework	Metrics' Approach
	<p>processes and capacity in this regard, more focus will be placed on engaging with our investees, where relevant, to better understand and influence their approach to managing risks to people.</p> <p>We have identified reconciliation as a critical component of the equitable society we wish to create. Our efforts in working together with Aboriginal and Torres Strait Islander peoples aim to reduce inequality, generate decent work and economic growth, and promote the wellbeing of Aboriginal and Torres Strait Islander peoples. Our Reconciliation Action Plan records our plans for further contributing to Australia's national reconciliation movement and building respect for the knowledge, cultures and traditional practices of Aboriginal and Torres Strait Islander peoples within our sphere of influence.</p> <p>Broader Sustainability</p> <p>Metrics conducted an extensive materiality assessment (involving both internal and external stakeholders) in order to understand the relevant ESG risks and opportunities for our business. In addition, in order to facilitate the systematic integration of ESG topics into our investment decision making process, Metrics adopted ESG & Sustainability Guidelines and developed a suite of voluntary industry-specific ESG & Sustainability Questionnaires. The guidelines and questionnaires integrate a broad spectrum of ESG topics into our consideration of sustainability-related issues for each industry and inform our focus on material ESG topics in our management of sustainability-related issues.</p>
<p>SET STRATEGY</p> <p>Set specific sustainability impact goals</p> <p>Set clear goals and targets for reducing the negative and increasing the positive impacts of investments, in order to mitigate sustainability-related system-level risks, achieve chosen global/national sustainability goals and/or reflect beneficiary preferences.</p>	<p>To date, Metrics' target setting has focused on climate-related key performance indicators, recognising the urgency of the issue, as well as the availability of reliable, science-based frameworks to help us establish relevant targets.</p> <p>Metrics is an investor signatory to the Net Zero Asset Managers (NZAM) initiative and in November 2022 we made our initial target disclosures as required by that initiative.</p> <p>Metrics' initial targets for financed emissions were set by applying the temperature rating methodology under the Science Based Targets initiative (SBTi) Financial Sector Science-Based Targets Guidance Version 1 (FINT V1) framework.</p>

PRI Framework		Metrics' Approach
IDENTIFY REQUIRED OUTCOMES		<p>We remain committed to seeking SBTi validation of our targets within 24 months after the publication of the SBTi Financial Institutions Net-Zero Standard, which will require both near- and long-term targets that are consistent with achieving net-zero across financial institutions' portfolios by 2050. So far, we have committed to:</p> <ul style="list-style-type: none"> ▶ Manage 97.5% of our AUM as at 31 December 2021 in line with a near-term science-based net zero target ▶ Align our Scope 1 and 2 Portfolio Temperature Rating within the asset classes Corporate loan, Private equity and Project finance from 3.2 degrees Celsius in 2021 to 2.3 degrees Celsius by 2027 ▶ Align our Scope 1, 2 and 3 Portfolio Temperature Rating within the asset classes Corporate loan, Private equity and Project finance from 3.2 degrees Celsius in 2021 to 2.5 degrees Celsius by 2027 ▶ Reduce our absolute Scope 1 and 2 (market-based) GHG emissions 50% by 2030 from a 2021 base year, <p>and increase annual sourcing of renewable electricity from 0% in 2021 to 100% by 2030.</p>
TAKE ACTION	<p>Use levers to shape sustainability outcomes</p> <p>Use a combination of investment decisions, stewardship and policy engagement to pursue the sustainability impact goals set.</p>	<p>In order to help achieve our broader objectives around sustainability, as well as our specific climate-related targets set out above, where appropriate, Metrics will:</p> <ul style="list-style-type: none"> ▶ Negative screening: apply negative screening to all investment opportunities. ▶ Policy-level engagement: engage with governments, policymakers, standard setters and other relevant stakeholders to influence the development and implementation of laws, regulations, standards and policies that affect companies and markets. ▶ Industry-level engagement: collaborate with industry bodies to promote responsible and sustainable business practices within the investment industry. ▶ Company-level engagement: engage directly with our investee entities, where appropriate, to better understand their management of ESG factors and their performance. In particular, a focus area for Metrics is the adoption by our investees of credible, climate-related targets. We will take the outcomes from our stewardship activities into account in investment decision-making.

PRI Framework	Metrics' Approach
	<p>► Voting: make informed and independent voting decisions, applying due care, diligence and judgement in the interests of beneficiaries, as described in our RI Policy and our Group Conflicts of Interest and Connected Party Policy.</p>
<p>ASSESS IMPACT</p> <p>Monitor and assess impact</p> <p>Monitor changes in sustainability impacts and the achievement of the specific sustainability impact goals. Assess achievements by reference to these specific goals, global/national sustainability goals and sustainability-related risks.</p>	<p>Metrics will monitor its year-on-year progress against adopted targets and will aim to steer its engagement efforts towards the achievement of these targets. This is addressed further in the following sections of this policy.</p>

Policy and Industry Level Engagement

The goal of policy-level engagement is to create a more enabling environment for responsible and sustainable investment practices and Metrics may engage with governments, policymakers and standard setters and other relevant stakeholders where appropriate to help drive our sustainability objectives.

Metrics understands that as our ESG framework matures, we will need to collaborate with investors and stakeholders to address systemic ESG risks and achieve system-wide outcomes. To this end, we may seek to collaborate with our peers in the investment industry, independent experts on sustainability, academics and non-government organisations and others supporting responsible investment, to promote responsible and sustainable business practices within the investment industry and across different sectors of the real economy, particularly on initiatives supporting the transition to a more sustainable world.

Our policy and industry-level priorities take into account our firm-wide voluntary commitments, regulatory obligations and the extent to which issues may, positively or negatively, affect financially material risk or the impact our investments and our business have on the world at large.

We seek to lead by example as an active participant among a peer group of industry leaders, including by focusing on collaboration and through our membership of a number of initiatives and associations with a climate or nature focus. For more information please refer to our [website](#).

Through our active participation and dialogue with our trade associations, we ensure that we are aware of their advocacy positions and objectives in relation to sustainability, and the actions they are taking to pursue those objectives. For example, we are regular contributors to working groups and policy consultations coordinated by our trade organisations. To the extent that there is any misalignment between the advocacy positions and objectives of our trade organisations and our own positions and objectives, we engage directly with the organisations to address that misalignment. We take care to preserve the relationship with the trade associations while addressing misalignment in order to maximise the potential of influencing the trade organisations' position. As a last resort, if alignment conversations are not progressing and differences in our positions are materially compromising our objectives, we may leave the trade association.

Company Level Engagement

Direct Engagement

We target our engagement to drive improvements in areas where our assessment is that an investee company may be lagging peers or failing to capitalise on opportunities to improve. Investment Directors in the Portfolio Risk Management team are responsible for the accurate assessment and reporting to the Investment Committee of credit and non-credit investment risks, including ESG risks, of all proposed investments.

Investment Directors in the Portfolio Risk Management team are responsible for the ongoing monitoring of credit and non-credit investment risks, including ESG risks, in Metrics' investment portfolios and for the escalation and reporting to the Investment Committee of any elevated risks.

ESG reviews allow us to monitor our investee entities' ESG performance and assists with identification of any emerging ESG risks. Our direct engagement prioritises topics relevant to our firm-wide commitments (in particular our climate commitments), regulatory obligations (in particular our obligations under the *Modern Slavery Act*), the key topics for the relevant investee's sector determined in accordance with our ESG & Sustainability Rating Guidelines (as described below), and any areas identified for ongoing monitoring in relation to that investee.

We understand that prioritisation for engagement on emissions should be given to investees based on the size of our exposure (and hence our share of financed emissions) and also the absolute emissions of the entity. Similarly, priority for engagement should be given to investees operating in high risk industries and geographies as it relates to modern slavery.

During an ESG review, any assigned entity ESG & Sustainability Ratings will be formally reviewed applying the same risk assessment methodology as during the initial investment process. An entity's ESG & Sustainability Rating may also be updated if Metrics becomes aware of new or elevated ESG-related risks. Where there is no existing ESG & Sustainability Rating for an investee at the time of its ESG review, we will seek to encourage that investee to complete our questionnaire to facilitate our assignment of a meaningful ESG & Sustainability Rating.

For those investee entities that do complete our ESG & Sustainability Questionnaire, our Investment Directors in Origination and members of the Portfolio Risk Management and Responsible Investment & Sustainable Finance teams will reach out and engage directly with that entity. This allows us to pursue any questions Metrics might have based on the entity's responses and to better understand their approach to ESG and sustainability as well as the various specific challenges they may be facing.

As a final step, this analysis is presented to the relevant Investment Committee for its review and approval.

ESG & Sustainability Guidelines and Questionnaires

Metrics developed proprietary ESG & Sustainability Guidelines in 2022. Our Guidelines identify key ESG topics for the relevant sector and set out industry-specific weightings to each area of focus. By assessing an investee against the Guidelines, we are able to assess the exposure of the entity's operations to observable ESG risks and opportunities, as well as how the entity is mitigating these risks and capitalising on these opportunities. We may also assess the entity's long-term preparedness, namely its capacity to anticipate and adapt to a variety of long-term plausible disruptions. These disruptions are not limited to environmental and social scenarios, but could also include technological, political, or other events.

For Metrics Credit Partners' investees (other than issuers of Asset-based Securities and investees of assets originated by the Metrics Business Finance Group), we have developed tailored ESG & Sustainability Questionnaires corresponding to each industry in which our investee entities operate to gather data on the ESG and sustainability performance of those investee companies. The ESG & Sustainability Questionnaires include detailed questions on key performance indicators including emissions and targets. The questionnaires are a voluntary initiative, and whilst our response rate is currently low, we are adapting our approach to delivery of the questionnaires to encourage our investees to respond as they provide a valuable insight into their ESG operations and the industries in which they operate.

MBF Assets

As is typical market practice for investments in CRE loans up to \$10m and loans to SMEs, reflecting that the lending process for such assets is designed to be low-touch, we do not conduct ongoing company-level engagement in relation to MBF Assets.

Asset-based Securities

For investments in Asset-based Securities, we may conduct ongoing company-level engagement on ESG issues, depending on the mutability of the investment. Such company-level engagement may be conducted at issuer-level or originator-level. In particular, our Asset-based Finance team, with support from the Responsible Investment & Sustainable Finance team where appropriate, may maintain a direct channel of communication with senior management of originators of assets in underlying Asset-based Securities. Through ongoing engagement with senior management, our Asset-based Finance team is able to gain a more comprehensive and nuanced understanding of the originator's approach to ESG issues. This dialogue also allows our Asset-based Finance team to clearly communicate our expectations and priorities, encourage improvements in ESG disclosures, and support the identification, management, and mitigation of corresponding financial risks. Metrics expects these interactions contribute to more positive and measurable sustainability outcomes over time.

Escalation

If an investee's participation in our company-level engagement process does not meet our expectations, it does not follow that we will necessarily divest. In most cases, we would expect that it would be preferable for us to continue our relationship with the entity and consider escalating our engagement activities following an insufficient response to concerns raised.

Where we cannot or choose not to divest, we may escalate our engagement activities following the process outlined below. Whether, and how quickly, an issue may progress through our escalation process will be determined on a case by case basis by our Origination and Portfolio Risk Management teams in consultation with our Investment Committee, taking into account the materiality and urgency of the issue.



Voting

We aim to align our voting and engagement practices with best practice in the markets in which we operate. Where we invest in private debt, voting activity is generally not relevant. For equity investments, we endeavour to vote at all general meetings and may take shareholder action by engaging in our capacity as a shareholder with entity management and boards, and through the nomination of directors.

The relevant Investment Committee has sole responsibility for taking voting decisions in relation to our investments. Voting decisions are taken free from outside influence.

Reporting on Stewardship

Under our [RI Policy](#), Investment Directors in Origination are responsible for the accurate analysis, assessment and reporting to the Investment Committee of material ESG-related considerations of proposed investments and Investment Directors in Portfolio Risk Management are responsible for the ongoing monitoring of material ESG-related considerations in Metrics' investment portfolios and for the timely escalation and reporting to the Investment Committee of any elevated risks. In each case, ad hoc support may be provided as required by the Responsible Investment & Sustainable Finance team. These responsibilities include ensuring the Investment Committee has appropriate visibility of our stewardship activities and relevant information to take into account in investment decision-making.

As stipulated by the Code, of which Metrics was a Founding Signatory, stewardship includes monitoring and engaging with companies and holding them to account on material issues and then publicly reporting on the outcomes of these activities. All signatories must regularly measure and publicly report (at least annually) on their actions to support stewardship and demonstrate how these have contributed to the goals of effective stewardship. Metrics began reporting on its engagement activities in 2024 and the Responsible Investment & Sustainable Finance team is responsible for the preparation of future annual reports. Metrics will follow, where appropriate, the Code's recommended engagement disclosures as well as taking into consideration feedback from stakeholders.

Incentives and Remuneration

Metrics' remuneration policy is consistent with the integration of sustainability risks through its promotion of sound and effective risk management, taking into account Metrics' risk profile and approach to the integration of sustainability risks. This includes fairly and responsibly rewarding individuals having regard to performance and their commitment to Metrics' risk management policies and procedures.

Employee remuneration and bonus rewards are aligned with the longer-term performance of the business. This ensures employees contribute to and adhere to our risk management policies and procedures, including our approach to stewardship and responsible investment more generally. Metrics' [Information Statement](#) under Article 5 of the EU Sustainable Finance Disclosures Regulation, available on our website, contains more information on how Metrics' remuneration policy is consistent with the integration of sustainability risks.

Breaches

If you suspect any unethical behaviour has occurred, or are concerned that any conduct may be in breach of an applicable law or this policy, 'Call it Out'. Anyone with concerns or honest suspicions of non-compliance with this policy are to report their concerns by informing their manager or the Compliance Team. If you wish to remain anonymous, report your concerns under the Metrics Whistleblower Policy.

All suspected breaches of this policy are investigated by Metrics. If investigations reveal material breaches of this policy, appropriate disciplinary and remedial action will be taken. Depending on the nature of the breach, this will range from providing training, coaching and counselling, through to formal warnings and/or termination of employment.

Metrics reserves the right to inform the appropriate authorities where it is considered there has been criminal activity or an apparent breach of the law.

Third parties may use the following details:

Phone: 1300 010 311

Email: info@metrics.com.au

Relevant Metrics Resources

- ▶ Responsible Investment, Environmental, Social and Governance Policy ([RI Policy](#))
- ▶ Human Rights Policy
- ▶ Whistleblower Policy

Policy Review

This policy is reviewed at prescribed intervals and may also be amended at Metrics' discretion.

Compliance Schedule

ROLES	RESPONSIBILITY
Policy Owner	Head of Responsible Investment and Sustainable Finance
Policy Author	Head of Responsible Investment and Sustainable Finance
Legal Counsel	No, not required
Approval Authorisor	Metrics Credit Holdings Board
Review Cycle	Annual
Next Review Due	18 December 2026



For More Information

If you would like to learn more about Metrics or our funds, contact us on the details below.

1300 010 311 | invest@metrics.com.au | www.metrics.com.au

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