

Environmental, social and governance

ESG approach

The Board and Management recognise the importance of sound Environmental, Social and Governance (ESG) practices as part of their responsibility to our clients, shareholders, employees and the communities in which Macquarie operates. Macquarie's ESG approach is structured around eight focus areas considered to be material to our business and stakeholders.

ESG governance:

What We Stand For (our purpose; our principles of Opportunity, Accountability and Integrity; and our *Code of Conduct*), Board oversight, ESG risk management

ESG focus areas



Environmental and social risk management Page 52

1,094
reviews

completed under the *Environmental and Social Risk (ESR) Policy* in FY2023⁽¹⁾

Macquarie Asset Management (MAM) became a signatory to the **UK Stewardship Code 2020** in September 2022



Climate change Page 54

Commitment to align Macquarie's financing activity with the global goal of **net zero emissions by 2050**

Science-based targets set for three carbon-intensive sectors: oil/gas, motor vehicles and coal

Commitment to invest and manage MAM's portfolio in line with **net zero emissions by 2040**



Environmental and social financing Page 58

97 GW

of green energy assets in development or construction as at 31 March 2023 measured using 100% of generating capacity for assets managed/owned (including partially) by Macquarie^{(1),(2)}

14 GW

of green energy assets in operation as at 31 March 2023 measured using 100% of generating capacity for assets managed/owned (including partially) by Macquarie^{(1),(2)}

\$A2.2 billion

invested, committed or arranged in green energy assets in FY2023^{(1),(3)}



Sustainability in our own business operations Page 62

Commitment to reach **net zero in Scope 1 and Scope 2 emissions by FY2025**, while developing emissions reduction strategies for Scope 3⁽⁴⁾

Sourced the equivalent of

100%

of our global electricity consumption from renewable sources in FY2023^{(1),(5)}

Energy intensity per capita reduced by

57%

from FY2014 (14% reduction from FY2022)⁽⁶⁾

- (1) PwC has provided limited assurance over this metric as detailed in the PwC independent assurance report available within Macquarie's FY2023 Basis of Preparation for ESG Reporting. This also sets out the reporting boundaries, definitions and measurement methodologies for the assured metrics.
- (2) On our balance sheet or under Macquarie management. Excludes lending and private credit funds. GW of green energy assets reflect 100% generating capacity of each asset, not the proportion owned/managed by Macquarie. Refer to the Basis of Preparation for ESG Reporting for the definition of 'green energy assets'.
- (3) On our balance sheet or under Macquarie management. Refer to the Basis of Preparation for ESG Reporting for the definition of 'green energy assets'.
- (4) Covers Categories 1-8 Scope 3 operational value chain emissions as defined by the Greenhouse Gas Protocol. It excludes financed emissions (Scope 3, Category 15).
- (5) The equivalent of 100% of our FY2023 electricity consumption was sourced from renewable sources through a combination of purchased green energy from landlords or utilities (46.5%) and energy attribute certificates (53.5%) which will be retired by 30 June 2023. Based on RE100 boundary criteria, the equivalent of our FY2023 electricity consumption sourced from renewable sources is 99.6% due to insufficient renewable energy certificates in the South Korean market to meet our requirements. However, renewable energy certificates were purchased from other international markets to account for the 100% renewable electricity.
- (6) FY2023 energy intensity per capita is calculated as 40.5 GWh total electricity used across our premises and data centres divided by the total headcount of 20,144 (based on total global workforce as at 31 March 2023, excluding employees in operationally segregated subsidiaries and investments where Macquarie does not have a controlling interest).

ESG governance

The Board is responsible for approving Macquarie's ESG framework including major ESG policies. In accordance with its Charter, the Board Governance and Compliance Committee (BGCC) assists the Board in adopting appropriate governance standards and reviewing the operation of environmental and social risk management policies. Responsibility for implementation of the ESG framework and related Board approved policies resides with Management.



Client and customer experience
Page 66

#1

infrastructure investment manager globally⁽⁷⁾

2022 MFAA Excellence Awards for **Major Lender of the Year** for the third year in a row

Emissions House of Year at the 2022 Asia Energy Risk Awards

#1 Global Renewables Infrastructure Financial Adviser and Global Infrastructure Financial Adviser⁽⁸⁾

Top rating

for Australian ESG research by institutional investors in 2022 Peter Lee survey



People and workplace
Page 68

62.5%

of MGL Board directors are women

30.0%

of Macquarie's Executive Committee members are women

Reconciliation Action Plan



Business conduct and ethics
Page 70

61

disclosures received and managed by the Integrity Office in FY2023⁽⁹⁾

11,800

attendances at tailored training, workshops and leadership sessions⁽¹⁰⁾



Community
Page 72

Over \$A52m

contributed by Macquarie employees and the Foundation in FY2023 (\$A570m since inception)

Further information can be found on pages 72 to 75 of this Annual Report

(7) The ranking was awarded to MAM in July 2022 and is the opinion of IPE Real Assets. The ranking is based on Assets Under Management (AUM) at 31 Dec 2021. There can be no assurance that other providers or surveys would reach the same conclusions.

(8) Macquarie Capital is the #1 renewables infrastructure financial adviser globally and #1 infrastructure financial adviser globally based on information by inspiratia for the 2022 calendar year by deal value. There can be no assurance that other providers would reach the same conclusions.

(9) Covers all disclosures made to the Integrity Office, including whistleblower disclosures, and includes disclosures made through the anonymous reporting channel.

(10) Tailored content focused on conduct, supervision in a hybrid working environment, integrity, speaking up and psychological safety. Macquarie also requires all employees globally to undertake mandatory online *Code of Conduct* training. Some employees may have attended more than one training session, in which case their attendance was counted for each session.

Environmental, social and governance

Continued

Process for determining our ESG focus areas

Macquarie's ESG approach is structured around eight focus areas considered to be material to our business and stakeholders. On an ongoing basis, we identify the ESG focus areas most material to our business and stakeholders by assessing the environmental, social (including human rights) and economic impacts of our activities and business relationships. Our process for determining our material topics is outlined below in accordance with the key concepts of the Global Reporting Initiative (GRI) Standard.

Stakeholder engagement

Clear dialogue with stakeholders is important for building strong relationships, understanding external dynamics, earning and maintaining trust, enhancing business performance and evolving our ESG approach. We regularly engage with a broad range of stakeholders including clients, customers, shareholders, investors, analysts, governments, regulators, employees, suppliers and the wider community.

Our engagement with stakeholders helps identify and validate our ESG focus areas.

Materiality process

This year, we adopted the approach of the Global Reporting Initiative (GRI 3: Material Topics 2021) to determine our ESG focus areas. This involved:

- **understanding the organisation's context:** gathering and analysing data and information from a broad range of external and internal sources to better understand the context in which we operate
- **identifying negative and positive, actual and potential impacts and assessing their significance:** analysing direct external stakeholder feedback and engaging across our Operating and Central Service Groups to identify impacts, generate a real-world perspective of stakeholder priorities and evaluate the relative importance of material ESG topics across our activities
- **prioritising the most significant impacts for reporting:** utilising the inputs from our research and engagement to determine the most material impacts based on their significance
- **validating our ESG focus areas and material ESG topics:** testing our prioritised material ESG topics with internal stakeholders and against external standards and market expectations.

ESG focus areas

The ESG topics identified during the FY2023 materiality process were similar to the ESG topics that were identified in FY2022. As a result, our eight overarching ESG focus areas remain unchanged.

In FY2023, there was a heightened emphasis on financial crime, biodiversity, net zero and innovation and digitalisation. As a result, those topics were added into our ESG focus areas this year.

ESG focus areas	ESG topics ⁽¹¹⁾
Environmental and social risk management	<ul style="list-style-type: none"> • Biodiversity* • Climate change • Human rights • Integration of environmental and social risk factors in decision-making • Work health and safety (WHS) and wellbeing
Climate change	<ul style="list-style-type: none"> • Climate change • Net zero*
Environmental and social financing	<ul style="list-style-type: none"> • Biodiversity* • Pursuing investments, markets and products with an ESG focus
Sustainability in our own business operations	<ul style="list-style-type: none"> • Human rights • Management of environmental and social issues in our own business operations
Client and customer experience	<ul style="list-style-type: none"> • Client and customer satisfaction • Financial crime* • Innovation and digitalisation* • Transparent information and fair advice and dealing
People and workplace	<ul style="list-style-type: none"> • Diversity, equity and inclusion • Talent attraction and development • Remuneration • WHS and wellbeing
Business conduct and ethics	<ul style="list-style-type: none"> • Financial crime* • Information security and data privacy • Management of legal and regulatory environment • Political contribution and engagement • Risk culture and conduct • Taxation
Community	<ul style="list-style-type: none"> • Social impact - refer to the Macquarie Group Foundation section of this Annual Report (pages 72-75)

*Indicates a new ESG topic for FY2023.



Full details of how the focus areas have been defined, how those areas are managed, and how Macquarie engages with our stakeholders are available at [macquarie.com/esg](https://www.macquarie.com/esg)

(11) Listed in alphabetical order. Some ESG topics are relevant across more than one ESG focus area and have therefore been repeated.

About these disclosures

Macquarie's FY2023 ESG disclosures comprise relevant sections of Macquarie's FY2023 Annual Report and Macquarie's website.

Relevant sections of Macquarie's FY2023 Annual Report

- About (pages 6-30)
- Corporate Governance (pages 34-41)
- Diversity, Equity and Inclusion (pages 42-47)
- Macquarie Group Foundation (pages 72-75)

Other relevant disclosures

Data, reporting and assurance

- FY2023 ESG dataset
- FY2023 Basis of Preparation for ESG Reporting

Net zero and climate risk

- 2022 Net Zero and Climate Risk Report

Green finance

- Green Finance Impact Report

Sustainability in our own business operations

- 2025 Sustainability Plan

Sustainability in our MAM business

- MAM Sustainability Report
- GIG Progress Report
- MAM Stewardship Report

Human rights and modern slavery

- Modern Slavery Transparency Statement

Australian Reconciliation Action Plan

- Reconciliation Action Plan

Examples of Macquarie's recent ESG opportunities

↓ The disclosures listed above can be downloaded from [macquarie.com/esg](https://www.macquarie.com/esg) and [macquarie.com/climate-change](https://www.macquarie.com/climate-change)

Macquarie's Reconciliation Action Plan can be downloaded from [macquarie.com/diversity-equity-and-inclusion](https://www.macquarie.com/diversity-equity-and-inclusion)

Reporting standards

Macquarie's FY2023 ESG disclosures have been prepared in accordance with the GRI Standards and are complemented by selected Sustainability Accounting Standards Board (SASB) Standards and accounting metrics.

Given the growing range of standards and best practices, Macquarie has welcomed moves by regulators and governments to support increased guidance to enable consistent reporting and approaches across the industry. This includes the work of the International Sustainability Standards Board (ISSB) under the IFRS Foundation.

Independent assurance

PwC has provided limited assurance over selected ESG metrics for the FY2023 reporting period as detailed in the PwC independent assurance report available within Macquarie's FY2023 Basis of Preparation for ESG Reporting on our website.

This also sets out the basis of preparation and assurance, including reporting boundaries, metric definitions and measurement methodologies.

↓ The Basis of Preparation for ESG Reporting, independent limited assurance report and GRI and SASB Index tables can be downloaded from [macquarie.com/esg](https://www.macquarie.com/esg)

Environmental, social and governance

Continued

Environmental and social risk management

Macquarie recognises that failure to manage environmental and social risks could affect communities, the environment and other external parties, and expose the organisation to commercial, reputational and regulatory impacts. Assessing and managing Macquarie-wide environmental and social risks is a key business priority and an important component of our broader risk management framework, detailed in the Risk Management section of this Annual Report.

Under the *Code of Conduct*, all our people share responsibility for identifying and managing environmental and social risks as part of normal business practice. They are supported by the Environmental and Social Risk (ESR) team.

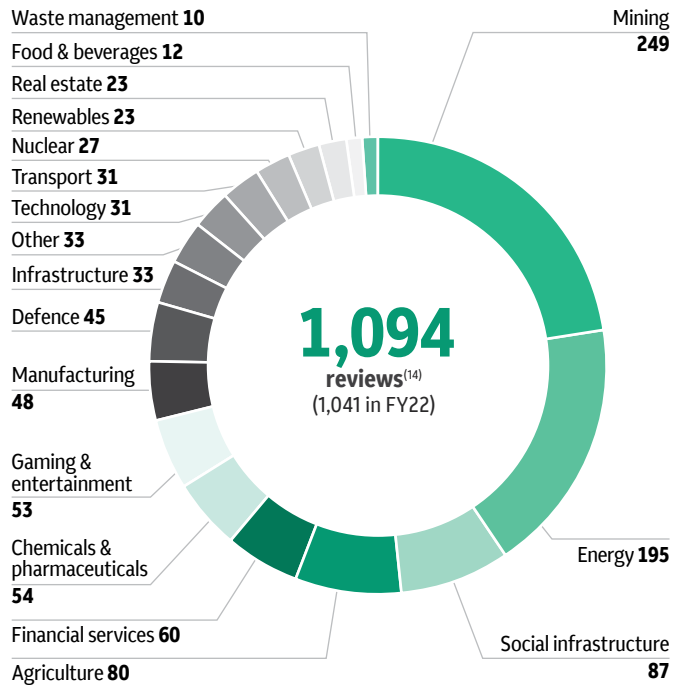
The ESR team coordinates a diverse range of ESG activities across our Operating Groups and regions, including developing and implementing Macquarie-wide and business-specific policies, reviewing transactions, providing advice on environmental and social risks and opportunities and facilitating training. The ESR team reports to the Chief Risk Officer (CRO) and to the BGCC on ESG-related matters.

ESR in transactions

Environmental and social risks are managed through the implementation of the *ESR* and *WHS* policies. These are updated periodically to address opportunities for improvement and emerging issues.

Macquarie's *ESR Policy* describes our approach to ESR management when onboarding or reviewing clients and other counterparties and across a broad range of transactions including equity investments, financing, leasing and advisory mandates. The *ESR Policy* provides a robust process to assess, manage, mitigate, monitor and report environmental and social risks and takes a precautionary approach to ESR issues including labour and employment practices, climate change, human rights, resource efficiency, pollution prevention, biodiversity and cultural heritage. Based on international guidelines, including the International Finance Corporation Performance Standards, the *ESR Policy* provides escalated decision-making and approval processes, alongside the credit approval process, for material environmental and social risks. Transactions with material environmental and social risks are referred to the CRO and may be escalated to the Macquarie Board.

Reviews completed under the ESR Policy in FY2023



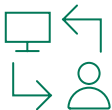
Further ESR review data is available in the FY2023 ESG dataset that can be downloaded from macquarie.com/esg

Human rights

Macquarie respects fundamental human rights as set out in the Universal Declaration of Human Rights and codified in the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights and core International Labour Organization (ILO) Conventions.

Macquarie has a framework of policies and processes in place to identify and mitigate potential and actual human rights impacts, including modern slavery, resulting from our business activities and the relationships connected to those activities.

Macquarie's modern slavery statement prepared under the UK Modern Slavery Act 2015 and the Australian Modern Slavery Act 2018 (Cth) can be downloaded from macquarie.com/modern-slavery



1,078

attendances at ESR and WHS training sessions in FY2023⁽¹²⁾



3,455

attendances at Human Rights training in FY2023⁽¹³⁾

(12) Includes risk managers and those in specific business groups with greatest potential exposure to environmental, social and WHS risks. Excludes global online WHS training completions. Some employees may have attended more than one training session, in which case their attendance was counted for each session.

(13) Some employees may have attended more than one training session, in which case their attendance was counted for each session.

(14) PwC has provided limited assurance over the total reviews completed under the *ESR Policy* for the FY2023 reporting period as detailed in the PwC independent assurance report available within Macquarie's FY2023 Basis of Preparation for ESG Reporting. This also sets out the reporting boundaries, definitions and measurement methodologies for the assured metrics. PwC did not assure the split by sector.

Work Health and Safety



At Macquarie we are committed to providing safe workplaces where our employees, contractors and visitors can work and collaborate without risk of harm.

Our WHS vision, 'Safe workplaces that enable and empower people to do their best work', is designed in connection with our purpose of 'Empowering people to innovate and invest for a better future'. Our strong culture of leadership, governance and assurance is integral to how we bring this vision to life.

Our WHS practices are supported by:

- clear expectations and behaviours agreed with Macquarie employees, contractors, visitors and business partners
- incorporation of WHS into our investment and business decision-making processes
- WHS management frameworks and controls to: manage safety-critical risks effectively; comply with laws, regulatory obligations and standards; select, contract with and govern third party suppliers; and enable effective consultation and communication of relevant WHS matters and information
- sufficient resourcing to manage material WHS risks
- measuring, monitoring and managing the progress of our WHS performance.

Health and safety of our people

The wellbeing of all our people is at the centre of Macquarie's vision in creating a healthy and safe environment by identifying, preventing, and managing physical and psychosocial risks.

Our people are provided with opportunities to engage in health and safety forums and consultation committees to address local and regional WHS matters and assist in shaping our focus for future wellbeing initiatives and strategies for injury and illness prevention and management.

To maintain a safety-positive culture and manage our WHS risks effectively, Macquarie has implemented:

- resources supporting the identification of health and wellbeing risks, trends and insights used to proactively work on preventative measures to improve psychosocial safety, WHS, and broader organisational performance, productivity, and culture
- ongoing access to education, assessment, and equipment for the prevention of workplace injuries and incidents while working flexibly

- enhanced employee support relating to family and domestic violence along with ongoing access to a wellbeing day to proactively support overall wellbeing
- access to mental health awareness training for people leaders to identify psychological risks and opportunities in the workplace.

Macquarie's Lost Time Injury Frequency Rate (LTIFR) in the year ended 31 March 2023 was 0.1.⁽¹⁵⁾ Macquarie's holistic wellbeing program, Macquarie Plus, provides a comprehensive range of wellbeing benefits and initiatives to equip our people with the tools and resources to invest in their wellbeing.

Complementing the existing annual program offerings are targeted initiatives and key areas of focus within the four dimensions of wellbeing: physical, psychological, social and financial. In FY2023 98% of our people completed global online WHS training.

Health and safety in our investments

Macquarie integrates WHS into the investment lifecycle from due diligence prior to investment through to divestment. We believe there is a strong correlation between actively managing WHS risk and improving investment returns.

Macquarie's Operating Groups have tailored Safety Alignment Frameworks that are regularly reviewed and enhanced to drive consistent WHS governing principles and expectations for equity and fund management portfolio companies, seeking to eliminate fatalities and serious injuries. Macquarie Nominee Directors receive regular WHS governance training.

WHS is the responsibility of management within each portfolio company. The portfolio company board oversees the management of WHS and regularly monitors and reports on WHS performance and risk management to Macquarie, including high potential near miss reporting and outcomes of incident investigations where there was a fatality or serious injury.

During FY2023, there has been continued focus on implementing WHS best practices, improvement initiatives and sharing lessons learnt across our regions and Operating Groups. This also includes Macquarie regularly promoting intra-industry WHS forums to share lessons between organisations. 37 safety alerts and lessons were shared across our business in FY2023.



More detailed information, including examples of how we put WHS into practice, is available at [macquarie.com/esg](https://www.macquarie.com/esg)

(15) Lost time Injury (LTI) is an incident that results in time lost from work equal to or greater than a full day/shift. The LTI Frequency Rate (LTIFR) is the number of Lost Time Injuries resulting in a compensable claim per million workhours. Data is based on total global workforce as of 31 March 2023, excluding employees in operationally segregated subsidiaries and investments where Macquarie does not have a controlling interest.

Environmental, social and governance

Continued

Climate change

In its latest report, the UN’s Intergovernmental Panel on Climate Change noted that the world is already seeing widespread climate disruption, affecting the lives of billions of people, and that we can expect additional severe climate impacts. Human induced climate change, and the global response to it, is an intergenerational issue that has for some time shaped the focus and ongoing development of our business.

Macquarie has been driving practical climate solutions for almost 20 years, with our first investments in renewables dating back to 2005. Since then, we have evolved our approach year by year, building capabilities to support the global transition to net zero. We published our first combined Group Net Zero and Climate Risk Report in December 2022.

Macquarie’s climate strategy areas of action

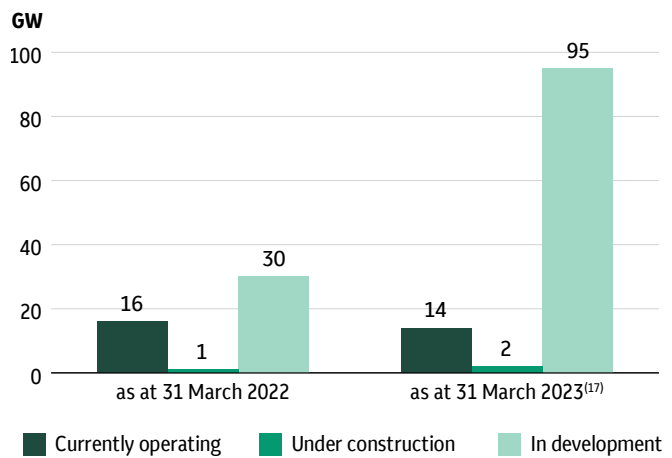
The climate strategy set out in our 2022 Net Zero and Climate Risk Report has four central areas of action:

<p style="font-size: 2em; font-weight: bold; margin: 0;">1</p> <p>Increase our investment in climate mitigation and adaptation solutions.</p>	<p style="font-size: 2em; font-weight: bold; margin: 0;">2</p> <p>Strengthen our support for clients and portfolio companies to help achieve their decarbonisation ambitions.</p>
<p style="font-size: 2em; font-weight: bold; margin: 0;">3</p> <p>Continue to reduce the emissions of our own business operations.</p>	<p style="font-size: 2em; font-weight: bold; margin: 0;">4</p> <p>Align our financing activity with the global goal of net zero emissions by 2050.</p>

1. Increase our investment in climate mitigation and adaptation solutions

Building on our history of developing and managing essential infrastructure, we have long recognised that investing in green energy technology is the most meaningful climate action we can take. Our ambition is to maintain and grow our role as a leading supporter of green energy and other climate solutions around the globe.

GW of green energy assets as at 31 March 2023 measured using 100% of generating capacity for assets managed/owned (including partially) by Macquarie⁽¹⁶⁾



Overall, Macquarie has invested, committed or arranged \$A34 billion into green energy assets in the six years to 31 March 2023.⁽¹⁸⁾

Having played a key role in scaling the deployment of green energy technologies such as utility-scale wind and solar as an investible asset class, we continue to innovate in emerging areas of opportunity such as hydrogen, carbon capture, utilisation and storage (CCUS), and energy storage. We are also investing in electric vehicles (EVs), infrastructure, voluntary carbon markets, and feed supplements for livestock.

As the world’s largest infrastructure manager, we are working to improve the resilience of our assets to the impacts of climate change and to ensure continuity of essential community services.⁽¹⁹⁾ We also play an active role in helping clients manage energy price volatility, with the goal of maintaining energy supply to households and economies.

(16) On our balance sheet or under Macquarie management. Excludes lending and private credit funds. Gigawatts (GW) of green energy assets reflect 100% generating capacity of each asset, not the proportion owned/managed by Macquarie. Refer to the Basis of Preparation for ESG Reporting for the definition of ‘green energy assets’.
 (17) PwC has provided limited assurance over this metric as detailed in the PwC independent assurance report available within Macquarie’s FY2023 Basis of Preparation for ESG Reporting. This also sets out the reporting boundaries, definitions and measurement methodologies for the assured metrics.
 (18) On our balance sheet or under Macquarie management. Refer to the Basis of Preparation for ESG Reporting for the definition of ‘green energy assets’.
 (19) The ranking was awarded to MAM in July 2022 and is the opinion of IPE Real Assets. The ranking is based on Assets Under Management (AUM) at 31 Dec 2021. There can be no assurance that other providers or surveys would reach the same conclusions.

2. Strengthen our support for clients and portfolio companies to help achieve their decarbonisation ambitions

As part of their broader activities which are described on pages 18-21 of this Annual Report, each Macquarie Operating Group is also engaging in a range of activities aligned to our climate strategy and net zero commitments and is partnering with clients and portfolio companies to support them on their decarbonisation journey.

In December 2020, our MAM business committed to manage and invest its global portfolio in line with net zero emissions by 2040. Today, practical climate solutions are being driven across MAM's global portfolio where we exercise control or significant influence.⁽²⁰⁾ As at the end of 2022, almost 85% of MAM's in-scope infrastructure and agriculture portfolio companies had established net zero plans approved by the portfolio boards, and around 400 properties had net zero plans within MAM's Core-Core Plus real estate business.⁽²¹⁾ For the remaining assets, MAM is working towards establishing net zero plans over the next 12 months, or within 24 months of acquisition.⁽²²⁾

In 2022, the Green Investment Group (GIG) was moved from Macquarie Capital to MAM with the explicit intent of utilising GIG's asset creation capabilities for the benefit of MAM clients. Our ambition is to maintain and grow our role as a leading supporter of green energy and other climate solutions around the globe.

Our Commodities and Global Markets (CGM) business is utilising its deep expertise and capabilities across the energy spectrum and its commodities and financial markets platform to support some of its clients with their decarbonisation pathways.

Our Banking and Financial Services (BFS) business supports customers' efforts to achieve their decarbonisation goals by offering a specialised EV buying service and including ESG ratings in its investment platform.

Finally, Macquarie Capital combines specialist expertise, innovative advice and flexible capital solutions as an adviser, partner, developer and investor. As the leading Global Renewables Infrastructure Financial Adviser and Global Infrastructure Financial Adviser, the business continues to help clients around the world navigate the evolving demands of decarbonisation and the energy transition.⁽²³⁾

3. Continue to reduce the emissions of our own business operations

We have committed to net zero emissions in our own business operations across Scope 1 and 2 emissions by 2025 and have made significant progress by continuing to source the equivalent of 100% of our global electricity consumption from renewable sources in FY2023.⁽²⁴⁾ We are also developing emissions reduction strategies for our Scope 3 operational value chain emissions. More details can be found on pages 62-64.

4. Align our financing activity with the global goal of net zero emissions by 2050

In 2021, Macquarie committed to aligning our financing activity with the global goal of net zero emissions by 2050. In line with the Net Zero Banking Alliance (NZBA) Guidelines, these commitments – which complement the commitments made by MAM to invest and manage its portfolio in line with the global goal of net zero by 2040 – relate to our on-balance sheet lending and equity investment activities. This refers to on-balance sheet lending and equity investment activities, excluding on-balance sheet securities held for client facilitation and market making purposes (as opposed to held for investment). Lending refers to loan assets held at amortised cost and excludes certain items such as leasing, asset finance, trading assets and short term financing (e.g. inventory finance). For motor vehicles, we have also included novated leases, given availability of both methodology and data.

In our 2022 Net Zero and Climate Risk Report we set science-based targets for three carbon-intensive sectors:

- for oil/gas we target reducing Scopes 1, 2 and 3 physical emissions intensity by 10-15% from FY2020 levels by 2030
- for motor vehicles we target reducing Scope 1 and 2 physical emissions intensity by 34% from FY2020 levels by 2030
- for coal, in line with our pre-existing commitment to run-off our limited remaining on-balance sheet lending and equity exposure to coal companies, we target reducing Scopes 1, 2 and 3 absolute financed emissions to zero by the end of 2024.⁽²⁵⁾ This target does not include any emissions associated with potential projects that will significantly reduce greenhouse gas emissions in line with science based scenarios or are for the purpose of diversifying away from the coal sector in line with a credible transition plan.

Given the scale of the needed transition, we recognise that much of the world will depend on oil/gas for years to come. As such, we will continue to support clients in these sectors to help them decarbonise and reduce the emissions intensity of their activities.

(20) In our managed portfolios of public securities, and alternative investments where MAM does not have significant influence, including certain listed equity, fixed income, multi-asset, and private credit portfolios, we will support the goals of the Paris Agreement in a manner consistent with our client-guided fiduciary and regulatory responsibilities.

(21) The percentage of MAM's in-scope infrastructure and agriculture portfolio companies with Board-approved net zero plans is calculated based on the number of portfolio companies (a) that were in MAM's portfolio at the time of its net zero commitment in December 2020 and (b) where MAM exercises control or significant influence.

(22) This includes (a) the remaining ~15% of MAM's in-scope infrastructure and agriculture portfolio companies where MAM exercises control or significant influence, and (b) properties in our real estate Opportunistic business (where we partner with specialist operating partners) and those in our Core-Core Plus business where we have control or influence with the aim to establish decarbonisation pathways.

(23) Macquarie Capital is the #1 renewables infrastructure financial adviser globally and #1 infrastructure financial adviser globally based on information by inspiratia for the 2022 calendar year by deal value. There can be no assurance that other providers would reach the same conclusions.

(24) The equivalent of 100% of our FY2023 electricity consumption was sourced from renewable sources through a combination of purchased green energy from landlords or utilities (46.5%) and energy attribute certificates (53.5%) respectively which will be retired by 30 June 2023. Based on RE100 boundary criteria, the equivalent of our FY2023 electricity consumption sourced from renewable sources is 99.6% due to insufficient renewable energy certificates in the South Korean market to meet our requirements. However, renewable energy certificates were purchased from other international markets to account for the 100% renewable electricity.

(25) Given computational challenges associated with revenue shares (particularly in a world of high and volatile coal prices), we define a coal company as one that derives the majority (i.e., more than 50%) of its revenue from coal (both thermal and metallurgical) production, mine ownership or operation, or coal-fired power station ownership or operation. We acknowledge that the 50% threshold is not in line with the Net Zero Banking Alliance (NZBA) Guidelines, which define a coal company as one that derives more than 5% of revenues directly from thermal coal. However, Macquarie has committed not to enter into new business activity with *any counterparty* where the underlying purpose is to fund the purchase, development or expansion of a coal mine or coal-fired power station.

Environmental, social and governance

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Detailed analysis is now underway to assess the emissions associated with the residential mortgage and power generation sectors and, data allowing, these sectors will be included in our 2023 Net Zero and Climate Risk Report to be released by the end of this year.

Working in partnership

We work in close partnership with stakeholders in the public and private sectors to find solutions to some of the major transition challenges of the financial sector and the real economy.

For example, we are working on several industry led initiatives aimed at supporting the financial sector to better enable the transition to a net zero economy and at overcoming the climate financing gap in emerging markets and developing economies.

Macquarie's CEO, Shemara Wikramanayake, sits on the CEO Principals Group of the Glasgow Financial Alliance for Net Zero (GFANZ) and is leading a workstream to mobilise private capital for the transition in emerging markets. Our efforts in finding solutions for emerging markets are complemented through our role in co-chairing the Climate Finance Leadership Initiative's (CFLI) India country pilot with the Tata Group, our participation in the CFLI Colombia country pilot and involvement alongside other private sector partners in the Just Energy Transition Partnerships for Indonesia and Vietnam. We are signatories of the Net Zero Asset Managers initiative and Net Zero Banking Alliance (NZBA). Macquarie is also a member of His Royal Highness The King's Sustainable Markets Initiative.

TCFD implementation summary

	Governance	Strategy	Risk management
Progress during FY2023	<ul style="list-style-type: none"> See existing governance structure in Section 6 of the 2022 Net Zero and Climate Risk Report MAM appointed a Chief Sustainability Officer to lead the delivery of its ESG commitments In addition to the Financed Emissions Working Group (established in FY2022), we formed a Climate Risk Working Group with representatives from all Risk Management Group divisions Further leveraged the Group's Climate Solutions Taskforce and CGM's Energy Transition Steering Committee to coordinate and facilitate the growth of energy transition opportunities in the business. 	<ul style="list-style-type: none"> Published our first combined 2022 Net Zero and Climate Risk Report which provides detail on the four areas of action and our broader net zero strategy Made a series of new investments in climate mitigation and adaptation spanning established and new technologies. See strategy implementation and engagement case studies in Section 4 of the 2022 Net Zero and Climate Risk Report Grew our internal employee network on sustainability issues, Green@Macquarie, which now has over 2,600 members. 	<ul style="list-style-type: none"> See risk management section 7 of the 2022 Net Zero and Climate Risk Report Updated Macquarie's risk management framework documentation to include a definition of climate risk Completed physical and transition climate scenario analysis as part of the Australian Prudential Regulation Authority (APRA)'s Climate Vulnerability Assessment Completed screening level climate scenario analysis of commodity trading for Macquarie's European regulated entity.
Focus beyond FY2023	<ul style="list-style-type: none"> Continue to enrich Board and executive insight and visibility of climate related risks and opportunities Macquarie's Climate Solutions Taskforce will bring together business leaders and climate expertise to strengthen coordination and drive action to deliver the best climate solutions for our businesses and those of our clients and partners. 	<ul style="list-style-type: none"> Develop and report emissions baselines, targets, and transition plans for the remaining carbon intensive sectors, in accordance with the NZBA Guidelines Support greater collaboration between diverse stakeholders, regulators, clients, and portfolio companies to facilitate a low carbon transition Develop methods to measure and track emissions reductions strategies across our Scope 3 operational value chain emissions. This includes a continued focus on evolving our carbon offsetting strategy in line with industry guidance. 	<ul style="list-style-type: none"> Integrate climate risk further into our broader risk management framework, policies and procedures Continue to develop climate risk scenario analysis and stress testing capabilities and ensure that analysis undertaken is useful Continue to assess and adopt regulatory needs and expectations in relation to climate risk.

(26) PwC has provided limited assurance over this metric as detailed in the PwC independent assurance report available within Macquarie's FY2023 Basis of Preparation for ESG Reporting. This also sets out the reporting boundaries, definitions and measurement methodologies for the assured metrics.

(27) On our balance sheet or under Macquarie management. Refer to the Basis of Preparation for ESG Reporting for the definition of 'green energy assets'.

(28) On our balance sheet or under Macquarie management. Excludes lending and private credit funds. GW of green energy assets reflect 100% generating capacity of each asset, not the proportion owned/managed by Macquarie. Refer to the Basis of Preparation for ESG Reporting for the definition of 'green energy assets'.

(29) The equivalent of 100% of our FY2023 electricity consumption was sourced from renewable sources through a combination of purchased green energy from landlords or utilities (46.5%) and energy attribute certificates (53.5%) which will be retired by 30 June 2023. Based on RE100 boundary criteria, the equivalent of our FY2023 electricity consumption sourced from renewable sources is 99.6% due to insufficient renewable energy certificates in the South Korean market to meet our requirements. However, renewable energy certificates were purchased from other international markets to account for the 100% renewable electricity.

(30) FY2023 energy intensity per capita is calculated as 40.5 GWh total electricity used across our premises and data centres divided by the total headcount of 20,144 (based on total global workforce as at 31 March 2023, excluding employees in operationally segregated subsidiaries and investments where Macquarie does not have a controlling interest).

Climate-related financial disclosures

Macquarie continues to support the important work of the Task Force on Climate-Related Financial Disclosures (TCFD) and is implementing its recommendations based on the four key pillars: governance; strategy; risk management; and metrics and targets as outlined in the TCFD Implementation Summary.

Over the past five years, Macquarie has conducted detailed physical and transition risk scenario analysis for different sectors, and our TCFD progress reports and 2022 Net Zero and Climate Risk Report are available on Macquarie's website.



More detailed information is available in our 2022 Net Zero and Climate Risk Report and our FY2020 and FY2021 TCFD reports which can be downloaded from [macquarie.com/esg](https://www.macquarie.com/esg)



More detailed information on our approach to climate change is also available at [macquarie.com/esg](https://www.macquarie.com/esg)

Metrics & Targets

- Developed science-based targets for three carbon-intensive sectors: oil/gas, motor vehicles and coal
- Invested, committed or arranged \$A2.2 billion in green energy projects in FY2023^{(26),(27)}
- GW of green energy assets as at 31 March 2023 measured using 100% of generating capacity for assets managed / owned (including partially) by Macquarie:^{(26),(28)}
 - 95 GW in development
 - 2 GW under construction
 - 14 GW currently operating
- Continued to source the equivalent of 100% renewable electricity for Macquarie premises and data centres^{(26),(29)}
- Reduced FY2023 electricity use by 37% from the FY2014 baseline
- Reduced energy intensity per capita by 57% from FY2014 baseline (14% reduction from FY2022)⁽³⁰⁾
- FY2023 absolute operational emissions are 216,429 tCO₂e.^{(26),(31)}

- Assess the financed emissions associated with residential mortgage and power generation sectors.

Operational targets

- Work towards developing a longer term Scope 3 operational value chain emissions reduction target aligned to science
- We have exceeded the 20% reduction in electricity use target (from a FY2014 baseline), and we will re baseline at the end of FY2025 upon the completion of the construction of our new global headquarters in Sydney
- Continue to source the equivalent of 100% renewable electricity and work towards full RE100 compliance by FY2025
- 80% of employees in sustainably-rated premises by FY2025.⁽³²⁾

Lending and equity financed emissions targets⁽³³⁾

- **Oil/gas:** target reducing Scopes 1, 2 and 3 physical emissions intensity by 10–15% (56.3–59.6 gCO₂e/MJ) from FY2020 levels by 2030
- **Motor vehicles:** target reducing Scope 1 and 2 physical emissions intensity by 34% (147 gCO₂e/km) from FY2020 levels by 2030
- **Coal:** target reducing Scopes 1, 2 and 3 absolute financed emissions to zero by the end of 2024.⁽³⁴⁾ This target does not include any emissions associated with potential projects that will significantly reduce greenhouse gas emissions in line with science based scenarios or are for the purpose of diversifying away from the coal sector in line with a credible transition plan.

(31) Covers Scope 1 and Scope 2 emissions, and Categories 1-6 and 8 Scope 3 operational value chain emissions as defined by the Greenhouse Gas Protocol. It excludes Category 7 employee commuting as the required data is still being sourced, and it excludes financed emissions (Scope 3, Category 15).

(32) Minimum LEED Gold, BREEAM Good or 5 Star Green Star.

(33) This refers to on-balance sheet lending and equity investment activities, excluding on-balance sheet securities held for client facilitation and market making purposes (as opposed to held for investment). Lending refers to loan assets held at amortised cost and excludes certain items such as leasing, asset finance, trading assets and short term financing (e.g., inventory finance). Note, for motor vehicles, we have also included novated leases, given availability of both methodology and data.

(34) Given computational challenges associated with revenue shares (particularly in a world of high and volatile coal prices), we define a coal company as one that derives the majority (i.e., more than 50%) of its revenue from coal (both thermal and metallurgical) production, mine ownership or operation, or coal-fired power station ownership or operation. We acknowledge that the 50% threshold is not in line with the NZBA Guidelines, which define a coal company as one that derives more than 5% of revenues directly from thermal coal. However, Macquarie has committed not to enter into new business activity with *any counterparty* where the underlying purpose is to fund the purchase, development or expansion of a coal mine or coal-fired power station.

Environmental, social and governance

Continued

Environmental and social financing

Rising temperatures, pollution, biodiversity loss, extreme weather events and social challenges are intrinsically linked, with social challenges further exacerbated by rising costs of living and international food and energy security concerns. To achieve practical environmental and social solutions, increasing volumes of finance are required.

This section describes Macquarie's environmental and social financing, advisory and research activities, which are a subset of our broader activities as set out on pages 18-21 of this Annual Report.

Macquarie is increasingly seeing client demands for capital, innovative financing solutions and support for new technologies in the areas of global energy transition, energy security, transport and mobility, digital infrastructure, housing, education and healthcare.

Macquarie continues to support clients seeking to manage and respond to these environmental and social challenges and capitalise on emerging opportunities. Drawing on our global network, sector expertise and strong record, Macquarie provides a diverse range of products and services with an ESG outcome to corporate, government and institutional clients. Our activities span the investment cycle from research on alternative energy to tailored capital solutions for the development and construction of renewable assets and social infrastructure.

Our capabilities



Financing and developing

- investment in development projects, platforms and businesses
- debt and equity investment
- asset financing, including demand side management, energy efficient assets, distributed generation and battery storage, and EVs.



Advising

- financial advisory
- debt and equity arrangement
- green impact assessment, reporting and ratings.



Managing

- real asset management, including green and social infrastructure, equity and debt, asset finance and real estate
- securities investment management and structured access to funds
- equity based products and alternative assets.



Researching

- specialist ESG and clean energy research
- corporate and investor ESG engagement programs.



Trading

- environmental risk management solutions
- access to wholesale energy markets for renewable energy suppliers, retailers and producers
- access to voluntary and compliance carbon markets.

Financing and developing

Macquarie has a substantial and longstanding commitment to the renewable energy sector, offering a full range of financial services and products across the organisation that target investments in projects to support the transition to a low carbon economy. MAM's GIG is working with portfolio companies and partners to drive global scale in mature renewable energy solutions - including by creating one of the largest offshore wind development portfolios in the world through Corio Generation, expanding its European solar development business Cero to span over 180 projects, and working to accelerate the US solar market through its development businesses Galehead and Treaty Oak. GIG and MAM's portfolio companies are increasingly focused on accelerating deployment in emerging markets, with onshore renewables development platform, Blueleaf Energy, driving deployment in Thailand, Vietnam, Malaysia and India.

Macquarie is also working to accelerate the deployment of technologies and solutions required for the next phase of the energy transition - to drive electrification and CCUS as well as the use of low-carbon hydrogen, hydrogen-derived fuels and bioenergy.

In November 2022, GIG launched a global battery storage business, Eku Energy, to increase the flexibility of energy systems and enable more renewable energy capacity to connect into the grid. In October 2022, via a MAM-managed fund, GIG acquired BayWa r.e.'s specialist biogas platform. Now operating as VORN Bioenergy, the business develops, constructs, and operates biogas projects that provide biomethane and power to local energy companies, industrials and energy traders.

In September 2022, GIG launched Fleete, a new EV infrastructure business for operators of electric commercial vehicles aimed at accelerating the EV transition. Prior to this, GIG launched a joint venture, HyCC which uses water electrolysis to produce green hydrogen from renewable power on an industrial scale.

At the same time, BFS is helping customers navigate the fast-changing industry landscape on EV ownership. BFS has undertaken an advocacy campaign to educate and inform Australians on the benefits of transitioning to an EV. The business also maintains Macquarie Vehicle Select, which helps our customers to find the right EV, arranges test drives, organises the trade in of their old car and negotiates on their behalf.

Macquarie Capital is investing in renewable natural gas (RNG) projects, including Adapt Biogas in the UK and the establishment of the Aerogy platform in the US. Aerogy and Adapt Biogas develop, operate, and invest in innovative RNG projects across the US and Europe, respectively. RNG diverts methane released from cow manure and other sources, converting it into energy.

Our CGM business invests in and finances a variety of decarbonisation and sustainability projects globally as well as a trading platform for ESG linked commodities such as carbon, renewable energy, water and natural gas. It provides emission inventory financing and derivative financing for renewable energy companies and offers a range of specialist asset finance solutions from zero emission transport fleets to smart meters, peaking and flexible power, critical minerals, and sustainable waste solutions.

In addition, CGM invested in a leading US-based carbon offset project consultancy, Ecological Carbon Offset Partners LLC. It also supported a third funding round for Storegga Limited, a UK-based independent, international developer of carbon capture and storage, hydrogen and direct air capture projects.

Macquarie also supports our communities by investing into companies that drive positive social impact. Macquarie Capital's investment in BetterPlace, for example, will help the expansion of this lifecycle management platform for companies with blue collar workers into Southeast Asia and other emerging markets. The platform helps create a positive social impact for the workers through access to enhanced earnings potential, greater transparency around payroll and access to social security benefits.

With a history of investing in the HR and Recruitment space across Australia and Asia, Macquarie Capital has also invested in Sapia.ai (Sapia), an Australian-based start-up focused on giving diverse candidates an equal chance and promoting fair, merit-based hiring decisions. This investment will support Sapia's global expansion of its inclusive and efficient recruitment technology platform.

Macquarie Capital has also acted as 100% equity sponsor and financial adviser to the Enbarr Partnership on the €250 million public-private partnership to construct six higher education buildings across multiple campuses in the east, south and midlands of Ireland. These new buildings will cater for over 5,000 student places and will have a strong focus on supporting practice-based learning, including laboratories, workshops and studios.

Environmental, social and governance

Continued

Advising

Macquarie continues to support energy, housing, education and healthcare sectors by advising, sponsoring and investing in environmental and social infrastructure, and assisting public and private entities to deliver essential services.

Macquarie is helping clients expand access to education around the world. For example, Macquarie Capital has advised Luxempart and other selling shareholders on the sale of eduPRO Group GmbH to Invision. eduPRO Group GmbH is a European education group focusing on adult education and vocational qualification, helping individuals integrate (and reintegrate) into the labour market to help reduce unemployment and skill shortages.

In the Americas, Macquarie Capital acted as exclusive financial adviser to Really Great Reading, a majority founder-owned business and VSS Capital Partners portfolio company, on its strategic partnership with the Vistria Group. Really Great Reading aims to tackle the national reading crisis in the US by providing comprehensive phonics and vocabulary literacy solutions for grades PreK-12 and using scientifically aligned methods to help educators provide reading instructions. The transaction further supports Really Great Reading in its efforts to serve 600,000+ students and 40,000+ teachers in all 50 states.

Also in the Americas, Macquarie Capital acted as exclusive financial adviser to mphrX on its merger with agilon health, a healthcare company that partners with primary care physicians. mphrX is a healthcare data platform-as-a-service provider that unifies patient data, makes it accessible to patients and physicians and generates insights to deliver better care to patients. The merger is expected to help agilon deliver more personalised, holistic and faster care to patients.

Macquarie Capital is also the #1 renewables infrastructure financial adviser globally, having advised clients on over \$US22.5 billion of renewable transactions over the 2022 calendar year and was named Outstanding Financial Adviser in the Energy and Sustainability Awards 2022 by inspiratia.⁽³⁵⁾

The business acted as financial adviser to Global Infrastructure Partners on the sale of its interest in Hornsea One, a 1.2 GW offshore wind farm located in the UK North Sea. At the time of the transaction, Hornsea One was the largest operating offshore wind farm in the world.

Macquarie Capital has also acted as exclusive sell-side mergers and acquisitions (M&A) adviser to Schaltbau, a portfolio company of Carlyle, on its sale of SBRS Charging Solutions – a German provider of end-to-end engineered solutions for fully integrated EV charging infrastructure – to Shell. This transaction will enable Shell to offer more end-to-end charging solutions to business customers to electrify and decarbonise their fleets.

Managing

Macquarie is committed to evaluating ESG factors in investment decision-making and engaging with its clients on ESG issues as part of our asset management activities. As a signatory to the UN-supported Principles for Responsible Investment (PRI), MAM has established specific ESG policies and approaches that reflect the ESG considerations associated with the breadth of its activities across its Public Investments and Private Markets activities.

In addition to progressing on its net zero 2040 commitment, MAM supported a growing number of its Private Markets portfolio companies to participate in the GRESB sustainability assessment process. Participating portfolio companies continue to see an improvement in their GRESB performance, underlining the progress in ESG management across MAM's portfolio and the increasing quantity and quality of ESG information made available to clients.

\$A25b

private market green energy assets under management (AUM) as at 31 March 2023⁽³⁶⁾

MAM has also continued to enhance its sustainability efforts in relation to its Public Investments activities. MAM's Equity and Fixed Income Investment teams have access to third party ESG analytical tools that provide insight into the carbon footprint of individual investments and portfolios. The tools enable these teams to identify companies aligned with the UN Sustainable Development Goals via MAM's proprietary database and offer guidance regarding material ESG factors that affect a given industry.

MAM is also focused on stewardship, as demonstrated by its proxy voting and engagement efforts and by MAM becoming a signatory to the UK Stewardship Code 2020 in September 2022. MAM's proxy voting policy and guidelines and pro-active ESG proxy alert system support more favourable ESG resolutions, in conjunction with enhancing shareholder value. MAM has also established a centralised ESG engagement tracker and increased its participation in collaborative engagements to collectively raise concerns across its Public Investments portfolio.

Further details on MAM's ESG approach and performance may be found in MAM's Stewardship and Sustainability Reports.

The global sustainable finance regulatory environment continues to evolve rapidly. As regulators develop their positions we have seen and expect to continue to see public debate on what those regulatory standards should be. Macquarie welcomes moves by regulators and governments to reduce uncertainties over the labelling of ESG funds and to support increased guidance to enable consistent reporting and approaches across the industry. In the meantime, we will continue to monitor external developments and regularly reassess how we categorise ESG funds and will share further information on this in the year ahead.

(35) Macquarie Capital is the #1 renewables infrastructure financial adviser globally and #1 infrastructure financial adviser globally based on information by inspiratia for the 2022 calendar year by deal value. Macquarie Capital was named Outstanding Financial Adviser in the Energy and Sustainability Awards 2022 by inspiratia, based on inspiratia's criteria. There can be no assurance that other providers would reach the same conclusions.

(36) Excludes private credit funds. AUM is calculated as the proportional ownership interest in the underlying assets of funds and mandated assets that Macquarie actively manages or advises for the purpose of wealth creation, adjusted to exclude cross-holdings in funds and to reflect Macquarie's proportional ownership interest of the fund manager. Private Markets AUM includes equity to deploy. PwC has provided limited assurance over this metric as detailed in the PwC independent assurance report available within Macquarie's FY2023 Basis of Preparation for ESG Reporting. This also sets out the reporting boundaries, definitions and measurement methodologies for the assured metrics. Refer to the Basis of Preparation for ESG Reporting for the definition of 'green energy assets'.

MAM continues to participate actively with industry bodies, in working groups and other collaborative initiatives to promote and advance sustainability best practice.

Researching

It is important to us to keep our clients informed about emerging ESG trends. For all Australian stock initiations, Macquarie includes a section discussing relevant ESG considerations. We have issued specialist ESG reports this year covering topics such as government emissions reductions policy, human capital management, company ESG ratings, financed emissions and COP27.

We also hosted virtual investor calls focused on supply chain traceability, private equity and ESG, carbon offsets, board diversity as well as other sustainability themed events.



Top rating

for Australian ESG research by institutional investors in 2022 Peter Lee survey

In Europe, Macquarie has a strategic partnership with Kepler Cheuvreux, a UN PRI signatory. The partnership provides our clients with access to a larger pool of alternative energy research.

In Asia, we are responding to increased client demand for ESG research with an expanded ESG team that works alongside our existing equity and macro research teams. Since 2021, we have run sector specific ESG scores for our coverage of approximately 800 companies across 11 Asian markets. Our scoring system layers analysts' impressions of covered companies on top of a rich set of company-reported and third-party data. We provide more context for the scores and company-level ESG performance through sector thematic reports and investor calls on a wide range of topics, including labour rights, fossil fuel divestment and EV supply chains in Indonesia, and the impact of geopolitics on the energy transition across Asia.

Trading

As the leading full-service equities platform for Australian institutional investors, Macquarie Capital's ANZ equities team is ranked first in ESG research and portfolio trading⁽³⁷⁾ This enables Macquarie Capital to continue to support asset owners in meeting their ESG commitments and reducing the carbon intensity of their portfolios.

CGM provides risk management and trading solutions to support clients' varying energy transition needs. It provides wholesale energy market access and hedging for a wide range of green energy suppliers, retailers and producers, such as waste-to-energy and biomass power plants. Further information about how we manage risks within our markets-facing businesses is provided in the Risk Management section of this Annual Report.

It also provides access for corporations, including those operating in hard-to-abate sectors, to both voluntary and compliance global carbon markets to help manage their emission-related risks and achieve their climate goals. CGM's Global Carbon business, launched in 2021, builds on our voluntary carbon and wider commodity market expertise to provide a range of carbon offsetting solutions. As part of this, the business brings capital and expertise to carbon offset generating projects as well as wider decarbonisation initiatives including nature-based solutions, CCUS, and other forms of innovative environmental and low-carbon technology.

Further examples that demonstrate how Macquarie put its capabilities into practice to pursue recent ESG opportunities can be found on our website.



More detailed information is available at [macquarie.com/esg](https://www.macquarie.com/esg) and [macquarie.com/climate-change](https://www.macquarie.com/climate-change)

(37) The ranking was awarded in the 2022 Peter Lee survey. There can be no assurance that other providers or surveys would reach the same conclusions.

Environmental, social and governance

Continued

Sustainability in our own business operations

The environmental and social impacts of Macquarie’s own business operations predominantly relate to the resources we consume in our offices, data centres, business travel, and our procurement activity. We seek to manage these impacts by monitoring and reducing our operational emissions, being efficient with resource use, improving the sustainability and diversity of our supply chain and maintaining innovative and sustainable workplaces.

In 2021, we restated our commitment to climate action with a broader net zero commitment. We have since refined the commitment for our own business operations emissions to reach net zero in Scope 1 and Scope 2 by FY2025, while developing emissions reduction strategies for Scope 3 in line with industry guidance as outlined in our 2022 Net Zero and Climate Risk Report.

Macquarie’s 2025 Sustainability Plan articulates our corporate sustainability commitments with specific and measurable targets across environmental and social pillars.

Scope 1 and 2 operational emissions

This year, Macquarie has sourced the equivalent of 100% of our electricity consumption from renewable sources through a combination of green energy from landlords or utilities (46.5%) and energy attribute certificates (53.5%).⁽³⁸⁾ Based on RE100 boundary criteria, the equivalent of our FY2023 electricity consumption sourced from renewable sources is 99.6% due to insufficient renewable energy certificates in the South Korean market.

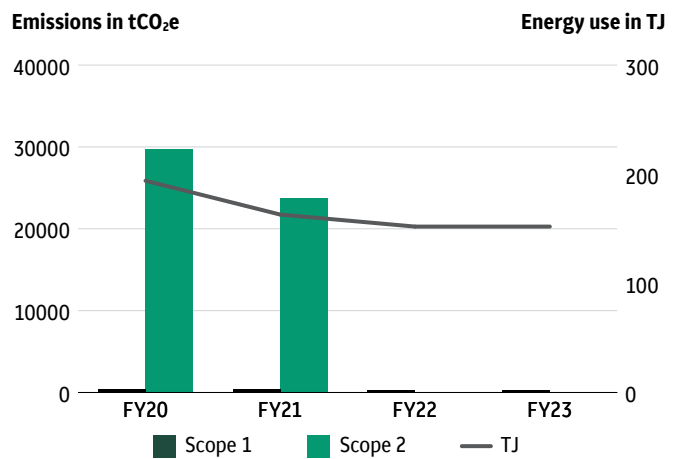
However, renewable energy certificates were purchased from other international markets to account for the 100% renewable electricity.

We will continue to work towards full RE100 compliance by FY2025.

Our FY2023 electricity consumption was 40.5 GWh, which is a decrease of 1% from the previous year (37% reduction from the FY2014 baseline) due to premises upgrades and our cloud transformation strategy that enables rationalisation of servers.

Scope 1 emissions are not considered to be material at 411 tCO₂e.

Scope 1 and 2 emissions (tCO₂e) and total energy use (TJ)⁽³⁹⁾



Scope 3 operational value chain emissions

In FY2023, we performed a materiality assessment and developed a baseline of the emissions for the Scope 3 categories in our upstream operational value chain (refer to Table on next page).

For purchased goods and services (Category 1 and 2), we have set a new target: by 2030, suppliers representing 75% of our total supplier related emissions (estimated based on spend) to have set a science-based emissions reduction target.⁽⁴⁰⁾ We have commenced engagement with our suppliers to understand their net zero commitments.

For business travel (Category 6) including air (by class of ticket flow), hotels, ground transportation and food and beverages, we are offsetting our emissions through the purchase of carbon credits and developing emissions reduction strategies. This includes exploring the purchase of additional sustainable aviation fuel (SAF), travel reduction opportunities and enhancing data visibility to support lower emissions travel choices.⁽⁴¹⁾

Since COVID-19 travel restrictions have lifted, business related travel has steadily increased. However, our FY2023 travel emissions remained 17% below the FY2020 baseline.

(38) Energy Attribute Certificates will be retired by 30 June 2023.

(39) Unless otherwise stated, all scope 2 emissions in this report have been calculated using the market-based method. PwC has provided limited assurance over this metric as detailed in the PwC independent assurance report available within Macquarie’s Basis of Preparation for ESG Reporting. This also sets out the reporting boundaries, definitions and measurement methodologies for the assured metrics.

(40) Scope 3 categories 1 and 2 are calculated using the spend-based methodology as set out in the Greenhouse Gas Protocol and are directly correlated to our total spend with suppliers. This methodology does not take into account any supplier specific emission reduction initiatives.

(41) Macquarie will continue to purchase voluntary carbon credits certified by credible external bodies for quality, permanence, and verifiable emissions reductions and will evolve our offset strategy in line with industry guidance.

In FY2023, we joined the Qantas SAF Coalition as one of the founding members of Australia's first coalition program to help decarbonise aviation using sustainable fuel. As the industry finalises the SAF certification and claim process, we will apply and report on the attributable emissions reductions.

We are developing methods to measure and track emissions reductions strategies across our Scope 3 operational value chain emissions and developing a longer term Scope 3 operational value chain emissions reduction target aligned to science.

Scope 3 operational value chain categories (tCO₂e)⁽⁴²⁾

Category	FY20 Baseline	FY23
Category 1: Purchased goods & services	149,454	155,097
Category 2: Capital goods	Included in Category 1	
Category 3: Fuel & energy related activities	4,054	3,862
Category 4: Upstream transportation and distribution	Included in Category 1	
Category 5: Waste generated in operations	112	187
Category 6: Business travel	68,744	56,872
Category 7: Employee commuting	Materiality and treatment subject to further analysis as baseline data is collected.	
Category 8: Upstream leased assets	Included in Category 1	

Carbon offsetting

We continue to evolve our carbon offsetting strategy. Where residual or hard to abate emissions exist, we may seek to utilise credible offsets to achieve targets, consistent with emerging industry guidance, whereby banks are able to use offsets for the attainment of interim and end state operational net zero targets.⁽⁴³⁾

In FY2023, to meet the existing carbon offsetting commitment within our 2025 Sustainability Plan, which covers Scope 1, Scope 2 and Scope 3 Category 6 (business travel) emissions, Macquarie will purchase and retire a portfolio of Australian Carbon Credit Units and other voluntary carbon offsets that meet the Verified Carbon Standard by 30 June 2023. The projects were selected based on quality and verifiable emissions reductions and we engaged an independent third party to assist with the evaluation and selection of the projects.

Sustainably-rated buildings

Macquarie's corporate offices are fitted with water and energy efficient fittings and fixtures and are continually monitored for energy performance, environmental quality, and our people's comfort. Macquarie's new global headquarters, currently being developed in Sydney, achieved a 6-Star Green Star Design rating and have been designed to be 100% electric. The design of the public spaces in the development is informed by community consultation and will integrate public amenities, First Nations design principles, native plants and public art. Similarly, our New York office will be relocated to a recently refurbished sustainably-rated building and will utilise many of the design principles of our Sydney headquarters including a 100% electric design. At the end of FY2023, 72% of Macquarie people occupied a sustainably-rated office.⁽⁴⁴⁾

Resource efficiency

We continue to raise awareness and improve waste recycling rates across our regional headquarters. In all major Sydney offices and our London headquarters, we reached an average recycling rate of 51% in FY2023 (compared to our 50% target by FY2025). We are also actively looking to eliminate single use plastic in our cafés and operations including the elimination of single use cups, cutlery, and plastic packaging.

We have diverted 78% of construction and demolition waste from landfill in the year exceeding the 65% target for FY2023.

In FY2023, we achieved a 77% paper use reduction from our FY2019 baseline (exceeding our 60% reduction target by FY2025) despite a 47% paper use increase due to the return to office. Paper use data is collected across most of Macquarie's offices, representing approximately 95% of our people. The environmental impacts of paper use are also being addressed through targeted communications to our people. We have an ongoing commitment to use certified sustainable or recycled paper stock for 100% of office paper needs.

We have committed to managing all our electronic waste through sustainably-certified suppliers to ensure it is managed in a responsible manner. The first phase of this scope of work involves disposal of laptops, desktops, and communications room e-waste. This is managed through sustainably-certified suppliers globally. Reporting enhancements are in progress.

(42) PwC has provided limited assurance over this metric as detailed in the PwC independent assurance report available within Macquarie's FY2023 Basis of Preparation for ESG Reporting. This also sets out the reporting boundaries, definitions and measurement methodologies for the assured metrics.

(43) For example, as appropriate and relevant: Net Zero Banking Alliance Offsets Position Paper and Oxford Principles for Net Zero Aligned Carbon Offsetting.

(44) Minimum LEED Gold, BREEAM Good or 5 Star Green Star.

Environmental, social and governance

Continued

Sustainable procurement

In FY2023, a new sustainable procurement framework was developed. The framework outlines how Macquarie can understand our environmental, social and economic impacts across the corporate supply chain, integrating sustainability throughout the procurement life cycle.

We continue to work towards our FY2025 commitment to increase our spend on environmentally and socially sustainable products to 80% of our global purchasing needs for prioritised goods. Clear and consistent sustainability definitions for prioritised goods (such as stationery, pantry consumables, and office furniture) have been developed in partnership with our suppliers and other relevant stakeholders. Adoption of these new standards is underway, and we are in the process of calculating our baseline consumption of sustainable goods using these new definitions.

Macquarie continues to be committed to spending 1% of our annual global spend (in our tier one and tier two supply chains) with diverse suppliers and 10% of our annual global spend with small businesses by FY2025.⁽⁴⁵⁾ In FY2023, Macquarie spent over \$A17.2 million (or 0.5% of global spend) with diverse suppliers and over \$A269 million (or 7.2% of global spend) with small businesses. Our supplier diversity commitment is now available on our website to support our conversations with our external stakeholders and our commitment to the diverse supplier community.

As part of the launch of our Reconciliation Action Plan (RAP) in Australia in February 2023, Macquarie has engaged with First Nations suppliers, partnering with Supply Nation as the peak body that aims to grow the Aboriginal and Torres Strait Islander business sector through the promotion of supplier diversity in Australia.

In FY2023, we continued to achieve 100% compliance with Macquarie's *Supplier Governance Policy's* environmental and social risk requirements. We have also continued to engage an independent auditor to complete ESR audits that, this year, focused on suppliers across Indonesia, Mexico, Philippines, China, Australia and the UK. The ESR audits follow the Sedex Members Ethical Trade Audit (SMETA) social auditing methodology enabling us to assess our sites and suppliers to understand working conditions in the supply chain. We are exploring other methodologies to continue to expand the scope of this assurance program.

Macquarie's approach towards identifying and mitigating the risk of modern slavery within our supply chain and business operations is set out in our Modern Slavery Transparency Statement as described on page 52.



Further information is available at macquarie.com/esg

The *Principles for Suppliers* and *Supplier diversity commitment* are available at macquarie.com/suppliers



Macquarie's 2022 Net Zero and Climate Risk Report and Modern Slavery Transparency Statement can be downloaded from macquarie.com/esg



Macquarie's Reconciliation Action Plan can be downloaded from macquarie.com/diversity-equity-and-inclusion

(45) Supplier diversity is the process of procuring from businesses owned and operated by an individual or group that is part of a traditionally underrepresented group in society such as companies owned and operated by minorities, women, First Nations peoples, and small business.

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Environmental, social and governance

Continued

Client and customer experience

Clients and customers are at the core of our business. They put their trust in Macquarie by choosing to work with us, and we work to maintain this trust by focussing on delivering exceptional experiences and outcomes.

Macquarie relies on building and maintaining enduring relationships with our co-investors and corporate, institutional, government and retail clients across all our Operating Groups.

Our specialist teams engage with our clients through a variety of channels including one-to-one contact, video and online, knowledge-based conferences and events, and other insight-based communications. We collect formal and informal feedback and use client and data insights to help shape our products and services.

Supporting vulnerable and disadvantaged customers

We continue to see our retail customers impacted by the rising cost of living, exacerbated by the after-effects of COVID-19, the conflict in Ukraine, rising inflation, and economic uncertainty. As part of our ongoing program, Macquarie has continued to build the capability of our people to support vulnerable and disadvantaged customers and help those impacted by financial difficulty.

BFS continues to equip our client-facing teams to support customers who may be facing heightened vulnerability by tailoring resources and specialist training programs. We also continue to partner with an external specialist holistic community services provider to support BFS customers and also support BFS with resource development and delivery of specialist training.

In addition, BFS has continued to offer financial support to customers impacted by natural disaster events. The business has recently streamlined and enhanced its natural disaster response processes and, in recognition that every situation is different, offers a range of solutions that can be tailored to meet our customers' needs.

Beyond the commitments made in Macquarie's RAP, BFS has continued an online First Nations cultural competency training program for relevant BFS customer-facing teams, which was developed by an Australian Indigenous business specialising in cultural competency training. The program is designed to enhance participants' understanding of Indigenous people, culture and history while providing practical knowledge and skills to serve and support First Nations peoples more effectively.

Protecting clients from scams and fraud

As consumers shift to digital channels, new opportunities have arisen for sophisticated scam and fraud attempts. BFS took additional steps to help our customers stay ahead of the curve with scam prevention knowledge amid a heightened environment relating to data breaches and fraudulent activity.

BFS initiated a proactive scams campaign to create awareness of how scams have evolved and the measures our customers can take to protect themselves. A range of informative content and resources was launched and shared with BFS customers and advisers through the newly established Macquarie Scams Hub as part of our ongoing education around scams awareness.

This campaign, combined with leading digital security features such as the Macquarie Authenticator mobile app, is a key part of our proactive approach to keeping customers' information safe.

Providing innovative digital solutions

We have a strong focus on digital innovation. While digital security enhancements make it safer and easier to manage risks to our clients and customers, innovation also allows us to enhance how our clients and customers manage their money.

In June 2022, BFS increased the variable interest rates on its everyday transaction account to be the same as its high interest savings account to help more Australians meet their savings goals.

This account builds on BFS' digital account opening experience, which allows customers to apply for a Transaction and Savings Account, have their identity fully verified and start banking in as little as minutes. Customers can instantly load their new debit card into their Apple or Google wallet so they can start using their account straight away.

More recently, BFS launched its new digital high interest savings account for small businesses – Macquarie's Business Savings Account – one of the first business accounts in Australia to have a completely digital application process.

Macquarie Bank Limited is running its core banking platform on the public cloud, which unlocks far greater speed and processing power for its customers. Our customers' security is a key priority and we leverage both the security benefits of our cloud providers, and build on our own additional security measures, including through the Macquarie Authenticator App.

CGM and MAM have an investment in Veridapt Pty Ltd, a company that uses digital technology to capture and monitor commodity inventories. The platform helps commodities clients increase operational efficiencies, mitigate the risk of theft and fraud, and track emissions to help clients reach their net zero emissions targets. The system currently monitors over \$A10 billion of hydrocarbons annually and 16 million tonnes of CO₂.

Fair and efficient resolution of issues

Reflecting our commitment to our customers, Macquarie Bank Limited subscribes to the Australian Banking Association 2019 *Banking Code of Practice* (as amended).

Macquarie has a robust complaint management framework across our retail banking business to resolve customer complaints quickly and fairly. BFS teams analyse complaint data to understand the root causes of complaints so they can be addressed at their source, with oversight from senior management. In FY2023, 24% of BFS complaints were resolved within the same business day and 61% within five business days. For the third year running BFS external complaints with the Australian Financial Complaints Authority were lowest in the sector relative to loan and deposit funds under management.⁽⁴⁶⁾

Macquarie's Customer Advocate is separate to the operating, risk and support groups including our internal dispute resolution teams. The Customer Advocate's role is to:

- listen to our customers and provide a customer-centric voice when making recommendations to improve customer experience
- minimise the risk of future problems by reviewing key customer themes and new product approvals to identify opportunities to enhance products, services, systems and processes
- work with Macquarie complaint teams to promote fair and reasonable customer outcomes.

The Customer Advocate reports directly to the CEO and provides regular reporting to the BGCC.

Responsible and transparent communications

There are longstanding legislative and regulatory requirements in relation to treating customers fairly and prohibiting misleading statements. Recently, attention on greenwashing as a regulatory, litigation and reputational risk is increasing in importance. While the regulatory regimes that govern greenwashing vary between jurisdictions, and good practice continues to evolve, we recognise the importance of mitigating this risk for our stakeholders. As such, we established a greenwashing working group in FY2023 to seek to coordinate training and guidance efforts across the group and review our controls around greenwashing risk. Given the regulatory focus on asset managers, a greenwashing risk briefing was held for our MAM business in mid FY2023.



Further information is available at [macquarie.com/bank](https://www.macquarie.com/bank)

Further information on the Customer Advocate office is available at [macquarie.com/customer-advocate](https://www.macquarie.com/customer-advocate)



The *Banking Code of Practice* can be downloaded from [macquarie.com/banking-code](https://www.macquarie.com/banking-code)



Macquarie's Reconciliation Action Plan can be downloaded from [macquarie.com/diversity-equity-and-inclusion](https://www.macquarie.com/diversity-equity-and-inclusion)

(46) For the most recent period from 1 July 2021 - 30 June 2022.

Environmental, social and governance

Continued

People and workplace

We recruit talented individuals and encourage them to realise their potential in an environment that values excellence, innovation and creativity. By supporting their development and wellbeing, we ensure Macquarie continues to meet the highest standards and serves the evolving needs of our stakeholders.

Evolution of the Macquarie Leadership Programs

The Director Leadership Program (DLP) is a multi-month developmental experience for Macquarie Directors globally, designed to develop capability for leading self, leading people, leading teams, and leading business growth. Since scaled delivery of the program commenced in FY2023, approximately 185 Associate and Division Directors participated in ANZ (seven cohorts to date) and Asia (two cohorts to date), and the first cohorts were launched in EMEA and the Americas. Overall, the DLP has received favourable feedback, with the program delivering on its objectives and resonating strongly with participants from across Macquarie. Global delivery will continue in 2023 to further develop Macquarie's Director population, with the ambition of establishing a strong leadership pipeline to enable sustainable success as an organisation.

A new 3-day Executive Director Leadership Program (EDLP) workshop, *Leading a Purpose Driven Culture*, was piloted during FY2023. One of the key impacts of this program is to equip participants with the knowledge and tools to embed a purpose-driven culture across Macquarie. The workshop received positive feedback and will be offered to the global Executive Director population in FY2024. The foundational EDLP workshops continued to be delivered to newly promoted Executive Directors. These workshops build a shared understanding of leadership at Macquarie and facilitate strong connections across the organisation.

Future-skilling

The talent market remains tight for certain skillsets and Macquarie remains committed to giving employees the opportunity to develop skills that build their careers and that remain in demand in the changing world of work. Building on last year's research and experiential approach to future skilling, Macquarie scaled up future skilling opportunities for in demand transformation skills such as Agile ways of working, human centred design, data skills and process improvements to increase organisational efficiencies, with more than 3,400 people participating globally.

Training

During FY2023, over 3,000 instructor-led courses were delivered globally; 94% of these were non-mandatory, covering topics including Management & Leadership, Personal Effectiveness and Wellbeing. In addition, over 1,750 web-based training sessions were completed of which 92% were non-mandatory. The 33% increase in non-mandatory web-based training sessions from last year represents our commitment to increase the accessibility and scalability of development opportunities across the globe and in a hybrid work environment.

Talent and performance management

Macquarie has always had a strong focus on developing talent and enabling career mobility within the organisation. This approach to talent management has evolved group wide with more focus on dedicated talent conversations by leadership teams, ensuring our top talent stays engaged, continues to develop and is matched with internal opportunities to build their career further. Across Macquarie globally, employee engagement is strong and remains consistently above industry benchmarks.⁽⁴⁷⁾ International mobility has been invigorated this year with close to 450 international career moves facilitated and supported.

Macquarie's company-wide performance management approach promotes ongoing performance and development check-ins and at least one annual career development conversation, in addition to an annual performance appraisal.

With significant workforce growth this year, onboarding and integration was a key focus. Across parts of Macquarie, teams scaled up business-specific orientation and integration efforts to ensure new people are highly engaged and productive as soon as possible. Senior leader onboarding was also strengthened with dedicated programs and coaching offerings to ensure new hires succeed in the organisation, particularly in MAM and Macquarie Capital.

FY2023 also saw an increased focus on early career programs in response to a very competitive talent market and the desire to build a strong internal talent pipeline to fuel the continued growth of the organisation. Graduate programs were expanded significantly this year, with over 500 graduates in FY2023 compared to around 250 in FY2022. These programs were complemented by innovative programs such as the EMEA CGM 'Rise to it' program that provides opportunities for socially disadvantaged young people to gain employment with Macquarie, as well as the ANZ Tech Select program which allowed 200 career changers and talent re-entering the workforce to be trained for a career in technology.

(47) Macquarie 2022 Voice Survey; participation rate is consistently over 80% which compares to Qualtrics Global Financials benchmark of 75%.

Diversity, Equity and Inclusion

As a services business, the diversity of our people is one of Macquarie's greatest strengths. An inclusive, equitable workplace enables us to deliver more innovative and sustainable solutions for our people, clients, customers, shareholders and communities.

Our inclusive culture and equity commitment support our purpose of 'Empowering people to innovate and invest for a better future'.

Our diverse people

Building a workforce that harnesses a range of perspectives, ideas, and insights in everything we do.

Our equity commitment

Achieving equitable outcomes by removing barriers and valuing differences, enabling everyone to be included and to reach their full potential

Our inclusive culture

Creating an environment where people are respected for their uniqueness, valued for their contributions and celebrated for being their authentic selves.

Macquarie's refreshed three-year Global Diversity, Equity and Inclusion (DEI) Strategy was launched by the CEO and Managing Director in October 2022, following extensive consultation with diverse employees around the world. The three pillars (our diverse people, our equity commitment and our inclusive culture) are consistently reflected in the four aligned Regional DEI Action Plans and eight Operating and Central Services Group DEI Action Plans.

Along with launching our inaugural RAP in Australia, we formed a working group to design a global Accessibility Action Plan, which will ensure a more equitable future for employees and candidates who are neurodivergent or living with disabilities.



Macquarie's RAP Artwork: Lakkari Pitt. Gamilaroi Ularoi yinarr artist Lakkari Pitt was commissioned to create this bespoke piece for Macquarie's Reflect RAP.

An 'Introduction to DEI' eLearning module was launched alongside the strategy, to raise awareness and drive accountability for equity and inclusion to all employees.

Macquarie-wide, we increased the focus on equitable access to progression and development for all by scrutinising our talent processes for opportunities to address and mitigate unconscious bias and provide better transparency of criteria for advancement for all our employees.

Information on our approach to diversity, equity and inclusion, metrics and objectives, is provided in the **Diversity, Equity and Inclusion** section of this Annual Report

Further information is available at macquarie.com/esg and macquarie.com/careers

Macquarie's Reconciliation Action Plan can be downloaded from macquarie.com/diversity-equity-and-inclusion

Environmental, social and governance

Continued

Business conduct and ethics

Macquarie's organisational culture drives the way we do business, and our expectations of our people are outlined in the *Code of Conduct*. Our approach is based on three long-held principles: Opportunity, Accountability and Integrity.

Macquarie's purpose 'Empowering people to innovate and invest for a better future' represents *why* we exist and *what* we do. We believe that by empowering people – our employees, clients, communities, shareholders and partners – we will achieve our shared potential. Macquarie's principles explain *how* we do business.

Macquarie's Risk Culture team is responsible for developing and maintaining the framework for risk culture, and monitoring and reporting on the implementation of the framework across Macquarie. As part of their role, the team:

- assesses the risk culture across the group and provides oversight of its alignment to Board expectations
- challenges and advises Macquarie teams on how to enhance risk culture.

Macquarie's Conduct Risk team is responsible for managing Conduct Risk globally through establishing and maintaining the Conduct Risk Management Framework and associated policies, processes, guidelines, controls and reporting mechanisms. The team also provides Conduct Risk training and awareness activities for Macquarie employees, and provides regular reports to the BGCC.

Macquarie's Integrity Office provides an internally independent and confidential point of contact for Macquarie employees and external parties to safely raise concerns about improper conduct. It is responsible for implementing the *Whistleblower Policy* and for managing the investigation of concerns raised under this policy, including any raised through the Hotline, an externally managed anonymous channel. The Integrity Office reports to the CEO and provides regular reports to the BGCC.

61 disclosures received and managed by the Integrity Office in FY2023⁽⁴⁸⁾


The Integrity Office also promotes high ethical standards and good decision-making through communications and engagement with our people.

 Information on our risk culture and approach to conduct risk is provided in the **Risk Management** section of this Annual Report

 *What We Stand For* is available at [macquarie.com/what-we-stand-for](https://www.macquarie.com/what-we-stand-for)

Tax transparency

Macquarie acknowledges stakeholder expectations for increased transparency on tax-related matters. Macquarie is a signatory to the Australian Board of Taxation's voluntary Tax Transparency Code.

 More detailed information on Macquarie's approach to tax transparency is available at [macquarie.com/fy23-tax-transparency](https://www.macquarie.com/fy23-tax-transparency)

Political engagement and public policy

Macquarie believes we need to be engaged and understand the evolving policy, political and regulatory environments in Australia and other jurisdictions in which we operate, as these factors impact our business as well as our clients' businesses.

As a listed financial institution operating in highly regulated sectors, we have a responsibility to our shareholders, clients, counterparties and employees to understand and contribute to public policy and to ensure that our organisation and operating environments are well understood by parliamentarians and policy makers. Additionally, our clients, many of whom also operate in regulated sectors, expect us to have detailed current knowledge of public policy issues and drivers when we provide advice and services to them.

Macquarie contributes to public policy in the markets in which we operate in the following ways:

- making submissions to industry consultation processes and inquiries, where appropriate. These may be processes established by parliaments, government departments or government agencies such as regulators. Submissions may be made by Macquarie directly or as part of a broader industry group
- participating in government and other policy advisory panels when invited to do so, and where we can make a differentiated contribution based on our expertise
- engaging with parliamentarians and policy-makers through avenues such as formal meetings, attending events, speaking in public forums and appearing before parliamentary inquiries where appropriate
- contributing to the advocacy work done by industry groups in key markets around the world. Given the diversity of Macquarie's business activities, we are members of industry groups representing sectors such as financial services and markets, infrastructure, energy as well as general business peak bodies.

In Australia, political parties are funded by a mix of public and private monies. As part of its engagement with the Australian political process, Macquarie provides financial support to the major political parties, primarily through paid attendance at events.

(48) Covers all disclosures made to the Integrity Office, including whistleblower disclosures, and includes disclosures made through the anonymous reporting channel.