Sustainability in direct operations

Sustainability Plan

2025
Introduction

Since 2010, we have reduced our energy use and maintained our carbon neutral commitment. The 2025 Sustainability Plan presents an opportunity to further create a positive social and environmental impact across our operations.

Sustainability in direct operations

At Macquarie, we define sustainability in direct operations as activities we undertake to manage the environmental and social impacts associated with our corporate operations. It supports our core business and our responsibility to clients, shareholders, employees and the communities in which we operate. We strive to continually improve our performance, we comply with requirements of relevant regulation, we engage our employees on sustainability initiatives, and we report transparently on our performance.

The impacts from our direct operations predominantly relate to the resources we consume in our offices, data centres, air travel, and our procurement activity. At Macquarie, we seek to manage these impacts by monitoring and reducing resource use, maintaining carbon neutrality, improving the sustainability of our supply chain and maintaining innovative and sustainable workplaces.

2025 Sustainability Plan

Since 2010, we have reduced our energy use and maintained our carbon neutral commitment by offsetting emissions from our global electricity use and business air travel. In 2019, we joined RE100 with a commitment to source 100% renewable electricity across our global offices and data centres.

Our 2025 strategy builds on this progress and is structured around five key pillars, aligned to the UN Sustainable Development Goals (SDGs)1. We have set clear targets and initiatives under each pillar and we will continue to look for innovations that can drive progress, using the SDGs as a framework to guide implementation.

As a practical and operational strategy, the 2025 Sustainability Plan presents an opportunity to further create a positive social and environmental impact across our global premises and supply chain to reflect best practice and to reduce the long-term cost of doing business.

Tracey Macdonald
Global Head of Business Services

1. UN SDGs are a collection of 17 global goals set by the United Nations General Assembly in 2015 for the year 2030.
Climate change
Minimise our carbon footprint and ensure climate risk is considered in our corporate operations

Premises
Drive continuous improvement in the design and operation of our premises

Supply chain
Promote ethical and responsible practices in our supply chain

Health, safety and wellbeing
Encourage health, safety and wellbeing at work

Sustainability culture and engagement
Raise awareness of sustainability and engage employees and external stakeholders to drive progress

About the plan
This Plan will be applied across Macquarie’s corporate operations. It should be read in conjunction with the following Policies, which define Macquarie’s group-wide obligations in their respective areas:

- Environmental and Social Risk Policy
- Global Work, Health and Safety Policy
- Supplier Governance Policy and Principles for Suppliers

It does not cover the environmental and social risks of investments made or managed by Macquarie. These are managed through the implementation of the Environmental and Social Risk Policy. Macquarie’s sustainable financing opportunities are led by the businesses and our philanthropic and community efforts are led by the Macquarie Group Foundation.

Accountability and Governance
The Macquarie Group Board is responsible for approving Macquarie’s ESG framework, including this Plan. 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. Regular progress against the 2025 commitments is provided to the Board.

The Corporate Operations Group - Business Services Division leads the execution of the Plan in collaboration with other Macquarie functions and businesses.
Climate change

Climate change is an environmental and social risk that presents significant challenges for society and the global economy.

Macquarie recognises the importance of effective international policy frameworks to limit global greenhouse gas emissions and keep the average global temperature rise this century to well below two degrees Celsius above pre-industrial levels.

As a global financial services provider, we are committed to using our expertise in infrastructure, traditional and renewable energy, clean technology and environmental markets to support this transition. We also recognise the importance of minimising our global carbon footprint and ensuring climate risk is considered in our business resilience and continuity planning for our corporate operations.

Our approach to climate change in operations is guided by the following:

- Environmental and Social Risk Policy
- Climate Change Approach

Our 2025 commitments include:

- Sourcing 100% renewable energy for global electricity needs in line with our RE100 commitment.
- A further 20% reduction in electricity use by 2023 (from 2014 baseline).
- Maintaining 100% carbon neutrality.
- Developing climate risk analysis for Macquarie offices in countries where climate change has the potential to materially impact our corporate operations.

Our climate-related disclosures in direct operations

Within Macquarie’s ESG Report, we report against our operational metrics including the Scope 1, Scope 2 and Scope 3 emissions of our global operations, our energy use and progress against our renewable electricity target.

Macquarie is a signatory to the Carbon Disclosure Project (CDP) and has responded annually since 2010. Our annual responses are available on the CDP website.

We continue to report emissions for our Australian operations to the Clean Energy Regulator in accordance with the National Greenhouse and Energy Reporting Act and respond to the requirements of the European Union Energy Efficiency Directive.

Related UN Sustainable Development Goals:

2. Macquarie has been carbon neutral since 2010 by offsetting scope 2 and scope 3 emissions for corporate offices, data centres, base building and air travel.

3. Scope 1 is defined as direct emissions associated with diesel, natural gas, and refrigerants use; Scope 2 is defined as total indirect emissions from electricity usage in Macquarie’s offices and data centres; Scope 3 is defined as indirect emissions associated with business air travel.
Premises

We strive to integrate sustainability principles into the design and operation of our premises to help reduce our environmental footprint and enhance employee wellbeing.

Our approach is guided by internationally recognised sustainable building standards and we seek to:

- Proactively identify opportunities for waste minimisation during office construction, fit out and ongoing operations.
- Provide workplaces that support a healthy work environment with ample natural light, natural ventilation and clean air.
- Identify opportunities reduce resource consumption, recycle and to eliminate single-use items, especially plastic, from our workplaces.

Our 2025 commitments include:

- Diversion of 50% waste from landfill across our global headquarters.
- 80% of employees in sustainably-rated premises.
- 25% reduction in paper use (from 2019 baseline).

Related UN Sustainable Development Goals:

4. LEED Gold, BREEAM Good, 5 Star Green Star or equivalent
Supply chain

As a global business with an extensive supply chain, we recognise that our procurement activities can contribute to social and environmental impacts across the entire life cycle of goods and services.

We seek to minimise supply chain risks and realise opportunities that can be generated from supplier relationships.

Our approach to supply chain sustainability is guided by the following:

• Supplier Governance Policy
• Environmental and Social Risk Policy
• Principles for Suppliers

Our 2025 commitments include:

• Maintaining 100% compliance to Macquarie’s Supplier Governance Policy environmental and social risk requirements.
• Deploying an ongoing assurance programme for human rights and environmental risk in our supply chain.
• 1% of global procurement spend with diverse suppliers⁵.
• Increase purchase of environmentally or socially sustainable products and services.

Our Annual Modern Slavery Transparency Statement

Macquarie supports fundamental human rights as set out in the Universal Declaration of Human Rights and core International Labour Organisation conventions.

We are committed to the continuous improvement of our approach to addressing modern slavery and human trafficking risks within our supply chain.

Our annual Modern Slavery Transparency Statement outlines activities we undertake and continuous improvement initiatives to mitigate these risks.

Related UN Sustainable Development Goals:

⁵. 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
Health, safety and wellbeing

Our employees are central to our success and we recognise the importance of effective Work Health and Safety (WHS) performance as an integral part of how we successfully manage our business.

We seek to operate harm-free environments and provide wellbeing programs to further support our employees to thrive.

Our approach is guided by the following:

- Global Work Health and Safety Policy
- Macquarie Plus, our holistic wellbeing program

Our 2025 commitments include:

- Increase in employee participation in wellbeing programs.
- Promoting a business culture that proactively and continuously considers health, wellbeing and safety.
- Implementation of a fit for purpose WHS Framework that addresses the WHS risks and obligations for our corporate premises design, fit-out and operation.

Related UN Sustainable Development Goals:
Sustainability culture and engagement

Our employees and partnerships are central to the delivery and success of the 2025 Sustainability Plan.

Through a commitment to workplace sustainability and engagement, we support our employees to create positive impact in the environment and communities we operate in.

Our approach is guided by:

- The Macquarie Group Foundation
- Our Employee Network Groups
- Engagement with a broad range of internal and external stakeholders to understand emerging environmental and social risks, opportunities, and industry trends.

Our 2025 commitments include:

- Deploying an enhanced internal sustainability communications and engagement plan.
- Establishing and maintaining industry and community partnerships that are aligned to our values and support our initiatives.
- Establishing practical standards and guidelines to support the implementation of this Plan.
- Delivery of training on the topics included in this Plan.

Related UN Sustainable Development Goals:
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