



Principles for Suppliers

1. Introduction

Macquarie Group Limited and its wholly owned subsidiaries¹ (“Macquarie”) is committed to ensuring high standards of environmental, social and governance performance within its supply chain. This commitment is driven by the same core values that guide Macquarie’s business: Opportunity, Accountability and Integrity² outlined in the Macquarie Group Code of Conduct. The Supplier Principles (“the Principles”) aim to help Macquarie uphold its core values through supplier relationships which create long term, sustainable value for our clients, shareholders and community.

Macquarie has a robust risk management framework and expects our suppliers to take a proactive approach to mitigating and managing Environmental, Social and Governance (ESG) risks. This should include systems and procedures for identifying, assessing, managing and mitigating risks in relation to the areas identified in the Principles.

Macquarie is committed to continuously improving and this document is subject to modification from time to time. The latest version of the Principles is available on Macquarie’s Supplier Portal [<https://www.macquarie.com/au/en/about/suppliers.html>]. Suppliers will be requested to acknowledge the latest Principles at time of contract, renewal, or upon significant changes to the Principles, as communicated by Macquarie from time to time.

2. Application

Suppliers providing goods and services to Macquarie globally (“Suppliers”) are expected to:

- comply with all applicable laws including human rights, environment, work health and safety and anti-bribery or corruption;
- maintain relevant policies and standards that cover the topics addressed in the Principles;
- be able to demonstrate compliance with the minimum requirements of the Principles when completing a tender request, during risk profiling or onboarding and throughout the life of the arrangement if requested;
- make continuous improvements in the areas identified in the Principles;
- explain the Principles to their employees and subcontractors; and
- proactively notify Macquarie of any breaches or incidents that impact Macquarie in a timely manner or in accordance with agreed contractual terms, taking reasonable steps to address and remediate as necessary.

3. Principles for Suppliers

3.1 Business conduct and ethics

Macquarie expects ethical behaviour from its staff and seeks suppliers that conduct business in a manner that is fair, honest, respectful and lawful.

Bribery and Corruption

- Suppliers are expected to work towards preventing all forms of corruption including bribery, extortion or any attempt to improperly influence for personal or business advantage, whether direct or indirect. Suppliers must maintain adequate procedures for preventing bribery and corruption, including procedures for reporting red flags and for preventing associated persons (for example employees or subcontractors) from engaging in bribery or corruption.

¹ Subject to the exclusions noted at Section 6 below.

² www.macquarie.com/about/company/what-we-stand-for

Conflicts of interest

- Suppliers are expected to avoid, where possible, or appropriately manage, any actual or potential conflicts of interests arising due to either personal or business relationships. Any known actual or potential conflicts of interests arising due to personal or business relationships should be immediately disclosed to Macquarie.

Operational Resilience and Business Continuity

- Suppliers are expected to have assessed and tested their business continuity capabilities, such that in a severe but plausible disruption event (such as technology outage, natural disaster, cyber security breach, loss of supplier etc.,) they have confidence in their ability to maintain their critical business operations or services and provide Macquarie with services in accordance with agreed contractual provisions. Suppliers must disclose any material concerns with their ability to maintain critical business operations or services and provide Macquarie with services in accordance with agreed contractual provisions.

Cybersecurity and Data Privacy

- Macquarie seeks to function within a risk-managed environment that limits the likelihood of an information security or data loss incident occurring and minimises the impact of any such incident. Where relevant to the service provided, Macquarie expects our suppliers to:
 - protect information relating to Macquarie, its employees, customers and counterparties ('Macquarie Information') (against loss and/or unauthorised access, use, modification or disclosure;
 - handle Macquarie Information in accordance with all applicable contractual and regulatory requirements; and
 - have an appropriately documented and tested information security incident and data breach management response plan, and share this with Macquarie upon request.

Grievance Mechanism

- Suppliers are expected to have a whistle-blower policy or mechanism in place to protect employees or other persons who raise concerns in good faith.

3.2 Human rights and labour

Macquarie supports fundamental human rights as set out in the Universal Declaration of Human Rights and codified in the International Covenant on Civil and Political Rights, International Covenant on Economic, Social and Cultural Rights, and core International Labour Organisation conventions. In line with the UN Guiding Principles on Business and Human Rights (UNGPs), Macquarie recognises the duty of States to protect human rights and the responsibility of businesses to respect human rights. Macquarie has a framework of policies and processes in place to identify and mitigate potential and actual human rights impacts, including modern slavery. Our approach to managing human rights risks and our annual Modern Slavery Statement can be found at <https://www.macquarie.com/au/en/disclosures/human-rights-at-macquarie.html>

As such we expect that our suppliers meet the following standards:

No Child Labour

- Suppliers should not under any circumstances use child labour³ and must not engage in subcontracting that engages child labour.

No Forced Labour, Human Trafficking or other forms of modern slavery⁴

- Suppliers should not use or facilitate any form of modern slavery such as human trafficking, forced or involuntary labour and are expected to give local and migrant workers the right and ability to leave employment when they choose.

³ In accordance with the International Labour Organisation Convention No. 138 concerning the Minimum Age for Admission to Employment

⁴ Modern slavery involves the most serious forms of human exploitation and takes many forms including: trafficking in persons; slavery; servitude; forced marriage; forced labour; debt bondage; deceptive recruiting for labour or services and child labour

Non-discrimination

- Suppliers should provide a workplace where all employees have access to equal opportunities free from harassment, discrimination, bullying, unlawful or inhumane treatment whether on the basis of gender, age, disability, ethnicity or cultural affiliation, sexual orientation, belief, educational background or any other basis.

No retaliation

- Suppliers should ensure employees are treated with respect and are protected from retaliation if concerns are raised about business and/or employee conduct.

Freedom of association

- Suppliers should respect their employees' right for freedom of association.

Fair compensation

- Suppliers should provide fair and appropriate pay and benefits that match local living wages.

Working hours

- Suppliers should ensure that all overtime work is voluntary, and employees are not required to exceed the local legal limits for regular and overtime hours.

3.3 Work Health and Safety

In addition to complying with all applicable health and safety laws, Suppliers are expected to provide a healthy and safe working environment for their employees and to mitigate health, safety and wellbeing risks as far as reasonably practicable.

- Where relevant, Macquarie will work with Suppliers to ensure appropriate WHS controls are in place.
- Based on the type of goods or services provided to Macquarie, Suppliers may be required to provide additional evidence of work, health and safety management systems and adhere to site specific requirements.

3.4 Environment and climate change

Macquarie applies a precautionary approach to environmental risk and seeks to make a positive contribution to environmental performance. Macquarie has an ongoing commitment to have a positive social and environmental impact across our own business operations and articulates our corporate sustainability commitments with specific and measurable targets across environmental and social pillars.

Climate change is one of Macquarie's ESG focus areas and assessing and managing climate change risks and opportunities is core to our business and risk management practices. For our own business operations Macquarie is committed to targeting net zero across Scope 1 and 2 emissions by FY2025, and we are developing emissions reductions strategies for Scope 3 emissions in line with industry guidance.

As such, Macquarie expects suppliers to identify, assess, manage and communicate how they are managing their environmental impacts and performance. This should cover the impacts of both goods and services where relevant, including full life cycle assessment of the environmental impact of those goods or services. Macquarie expects Suppliers to:

- Demonstrate compliance with all applicable environmental laws, regulations and relevant international standards;
- Have set, or be moving towards setting, an emissions reduction target aligned with science, and to cooperate with Macquarie in disclosing relevant emissions or climate risks;
- Make available relevant information regarding the environmental credentials of the goods or services provided to Macquarie, including provision of third-party certifications for goods and services where relevant or contractually required;
- Have an effective environmental policy and/or environmental management system in place to support environmental protection and mitigate environmental risk; and
- Seek opportunities to improve the environmental performance of goods or services regarding sustainable production, transportation, operation and disposal or termination.

4. Assessment and Compliance

Macquarie reserves the right to carry out compliance audits or assessments as necessary to ensure alignment to the Principles or compliance with applicable laws and regulations. We expect Suppliers to respond and cooperate when action is required before, during or as a result of these assessments. Macquarie recognises that compliance with these Principles may take time for some Suppliers and we commit to work with our Suppliers to help them implement plans to achieve compliance.

Nevertheless, Suppliers are expected to remediate ESG breaches in line with applicable laws and industry standards. In the case of a human rights breach that a Supplier may have caused or contributed to, Suppliers are expected to provide for or participate in the remediation of the breach in line with the [UNGPs](#).

Where a Supplier is involved in, or exposed to, significant ESG issues (including breaches), the Supplier should notify Macquarie as soon as practical or in accordance with agreed contractual terms.

In the event of any non-compliance with the requirements of the Principles and/or applicable laws and regulations, Macquarie reserves the right to reconsider its business relationship with the Supplier.

5. Raising concerns about improper conduct

Macquarie's Suppliers, their employees and subcontractors are able to confidentially report concerns about improper conduct by Macquarie, the Supplier or any other party in the supply chain. Improper conduct includes a breach of law, a breach of Macquarie's Code of Conduct or relevant policies, conduct that may endanger the health and safety of any person or the environment, financial malpractice or unethical behaviour. Any genuine concerns about improper conduct may be reported in confidence to the Integrity Office at integrityoffice@macquarie.com which is an internally independent and confidential function that oversees Macquarie's Whistleblower Program. Alternatively the [Integrity Hotline](#) can be used to report a concern (either online or by phone) anonymously.

6. Scope exclusions

These principles do not apply to Suppliers engaged by Operationally Segregated Subsidiaries ("OSS") or non-controlled entities⁵ due to them having their own separate and tailored risk management frameworks relevant to their business.

⁵ For this purpose, a "controlled" entity is an entity which Macquarie Group Limited controls, where control has the meaning given in AASB 10 "Consolidated Financial Statements".