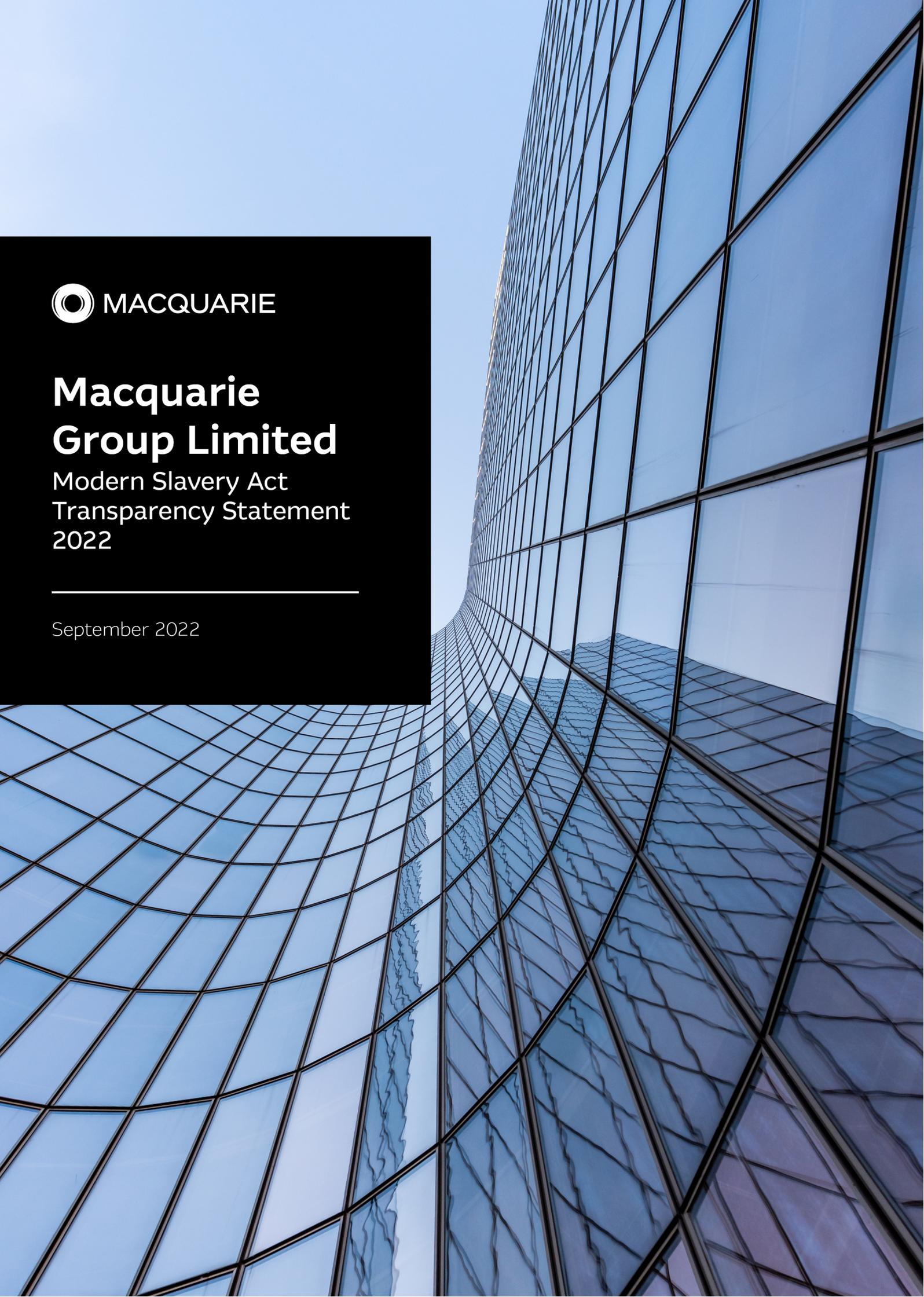




Macquarie Group Limited

Modern Slavery Act
Transparency Statement
2022

September 2022



Introduction

Macquarie (Macquarie Group Limited (“MGL”) and its subsidiaries) supports fundamental human rights as set out in the *Universal Declaration of Human Rights* and core *International Labour Organisation* conventions. In line with the *UN Guiding Principles on Business and Human Rights*, we recognise the duty of states to protect human rights as well as the responsibility of businesses to respect human rights.

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 the worst forms of child labour¹. We recognise that the global nature of our business may expose us to the risk of modern slavery and human trafficking in our value chain (our people, supply chain, customer and client relationships, and grant partners), and we are committed to identifying and mitigating these risks.

This Modern Slavery Act Transparency Statement (“Statement”) outlines the actions undertaken by Macquarie to identify and mitigate the risk of modern slavery and human trafficking occurring in our value chain for the year ending 31 March 2022. This is the seventh Statement under the *UK Modern Slavery Act 2015* (“UK Act”) and the third Statement under the *Australian Modern Slavery Act 2018* (Cth) (“Australian Act”). Consistent with last year, this Statement has been prepared as a joint Statement.²

1. In accordance with the *International Labour Organisation Convention No. 182 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour*.

2. This Statement has been prepared in accordance with the requirements of Section 54 of the *UK Modern Slavery Act of 2015* and Section 16 of the *Australian Modern Slavery Act 2018* (Cth). The Statement applies to all entities within the Macquarie Group that are subject to the provisions of the respective Acts (refer to Appendix 1 for the Reporting Entities).

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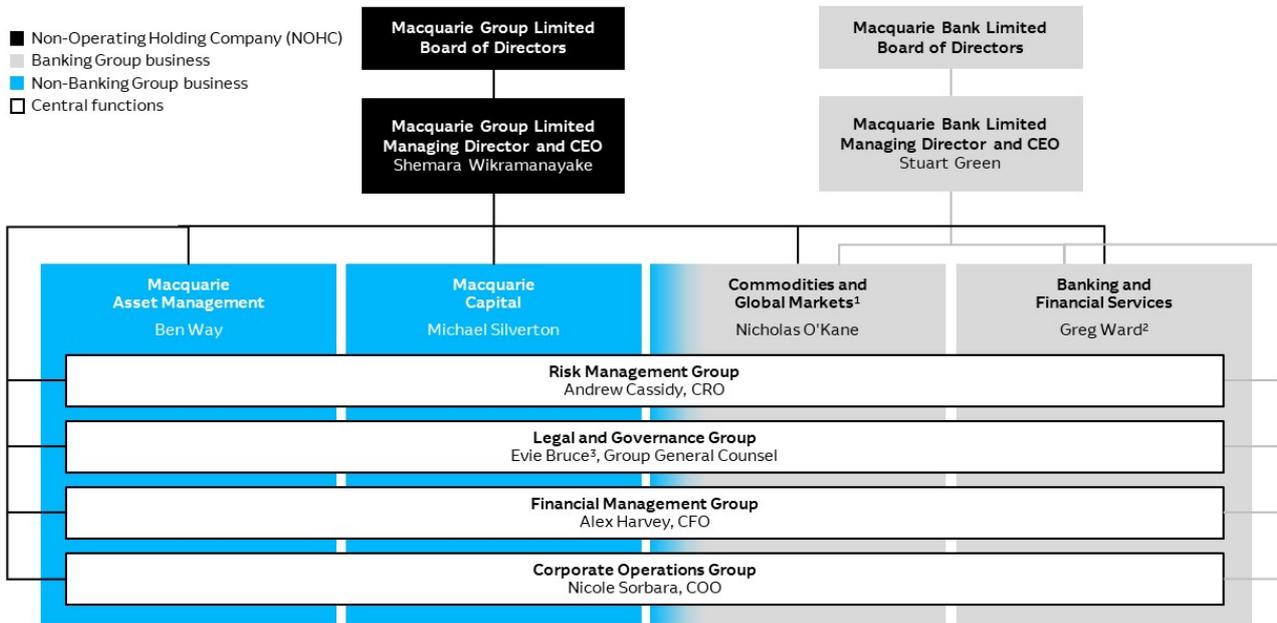
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Macquarie’s business and supply chain

Macquarie is a global financial services group operating in 33 markets in asset management, retail and business banking, wealth management, leasing and asset financing, market access, commodity trading, renewables development, specialist advice, access to capital and principal investment.

For internal reporting and risk management purposes, Macquarie is divided into four Operating Groups, which are supported by four Central Service Groups. The Operating Groups are split between annuity-style businesses and markets-facing businesses. A risk management framework applies to all Operating and Central Service Groups.



As at 9 May 2022.
 1. Certain assets of the Credit Markets business, certain activities of the Commodity Markets and Finance business, and some other less financially significant activities are undertaken from within the Non-Banking group.
 2. The current Group Head of BFS is also the Deputy Group CEO.
 3. Evie Bruce was appointed Group General Counsel in May 2022. Michael Herring was the Group General Counsel during the period covered by this Statement (FY2022) until May 2022.

Figure 1 – Macquarie Organisational Chart

Macquarie works with institutional, corporate, government and retail clients and counterparties around the world, providing a diversified range of products and services. We have established leading market positions as a global specialist in a wide range of sectors, including renewables, infrastructure, resources and commodities, energy, financial institutions and real estate. Further information on Macquarie’s business is available in the [FY2022 Annual Report](#) and the [FY2022 Environmental, Social and Governance Report](#). Our approach to assessing modern slavery risks in our products and services is provided in the *Our customers and clients* section (see page 9 for detail).

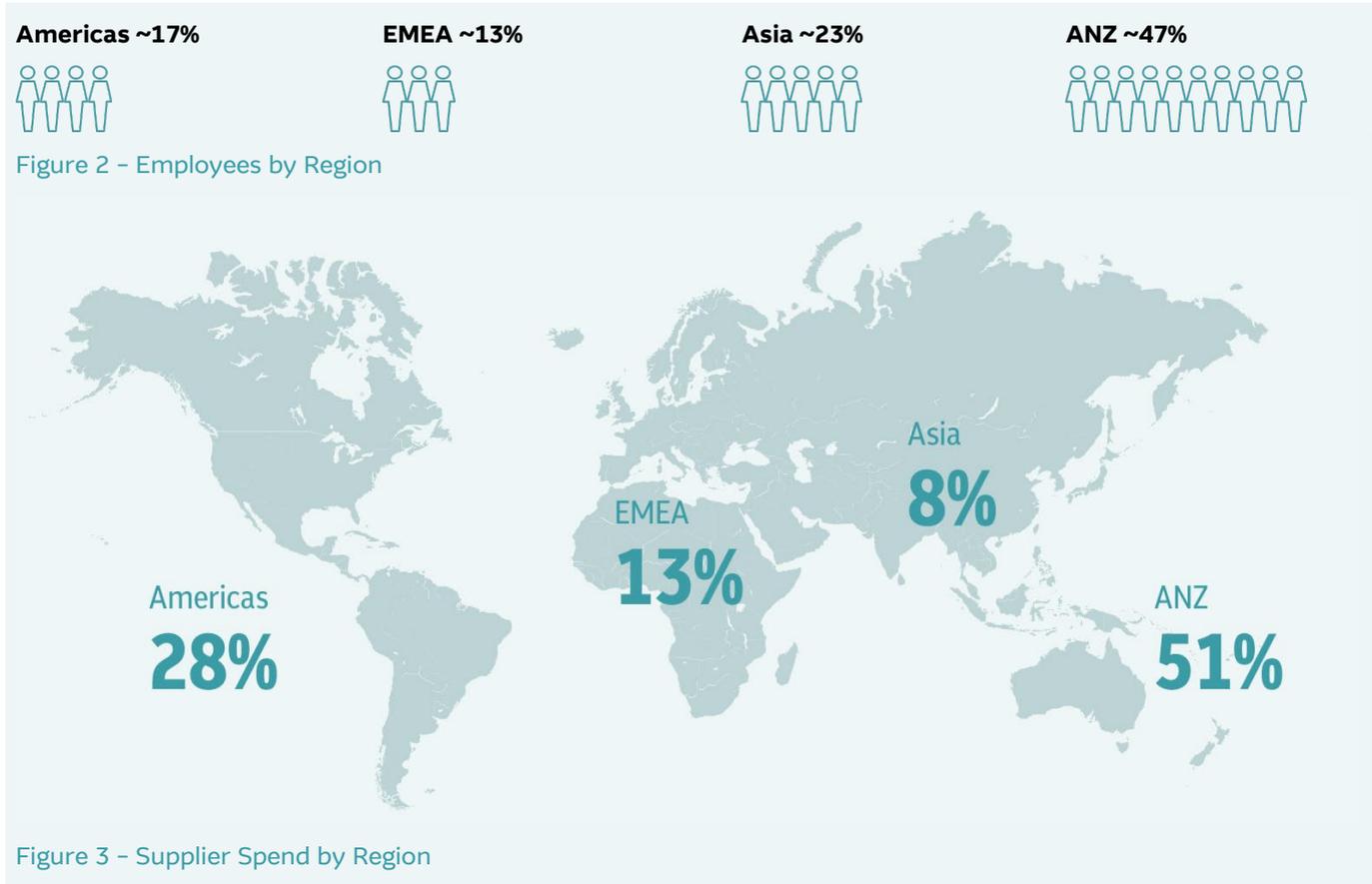
As of 31 March 2022, Macquarie employed 17,556 people globally, of which 96% were active permanent staff³. A complete breakdown of employees by region and contract type is provided in the [FY2022 Employee Composition Data](#). Further detail on our approach to addressing modern slavery risk across our employees is provided in the *Our people* section (see page 6 for detail).

Macquarie’s global corporate procurement in FY2022 involved 7,500 direct suppliers⁴ across 78⁵ countries and a spend of \$A3.12 billion. Our business is primarily office-based with the main supply chain categories comprising

3. Workforce data is based on total global workforce excluding staff employed in Operationally Segregated Subsidiaries (“OSSs”) as of 31 March 2022. Refer to Appendix 1 for further details on OSSs.
 4. In previous Statements, Macquarie included all parties paid which included staff reimbursements. The number provided here more accurately reflects direct third-party suppliers.
 5. Increased number of jurisdictions from prior reports as we have amended the data analysis to focus on supplier jurisdiction, rather than where spend has been incurred by Macquarie as this provides a more accurate view of supply chain risk.

professional services, technology, and premises. Further detail on our supply chain profile and approach to addressing modern slavery risk in our supply chain is provided in the *Our suppliers* section (see page 7 for detail).

Our business also includes the Macquarie Group Foundation (“the Foundation”), which is the philanthropic arm of Macquarie and sits within the Corporate Operations Group. Further detail on the Foundation and the approach to addressing modern slavery risk in our grant partners is provided in the *Our grant partners* section (see page 13 for detail).



Assessment of modern slavery risk

Macquarie takes a risk-based approach to identifying and assessing modern slavery risk in our operations, supply chain, customer and client relationships, and grant partners, focusing on salient risks to people.

Our modern slavery risk assessment considers the four key modern slavery risk factors⁶ of:

- Vulnerable populations
- High-risk business models
- High-risk sectors
- High-risk geographies

Based on these risk factors, there are varying levels of modern slavery risk exposure across our business:

- **Our people:** we can potentially be exposed to modern slavery risk as an employer. However, as a financial services provider where the majority of the professional workforce is directly employed, the risk of causing modern slavery in our role as an employer is low. Refer to the *Our people* section for further information.
- **Our suppliers:** we can potentially be exposed to modern slavery risk if it is present in our supply chain. For example, base-skill workers may be present in certain high-risk categories of goods or services in our supply chain such as cleaning or building maintenance. Based on our supply chain profile, the risk of modern slavery in direct suppliers remains relatively low. We recognise that the risk of modern slavery may increase further down our supply chain (tiers 2 and below) where we have lower visibility and generally lower ability to influence. Refer to the *Our suppliers* section for further information.
- **Our customers and clients:** there may be a risk of exposure to modern slavery through the financial services we provide, such as investment, lending, advisory services, or financial products we provide to clients or customers where they exhibit the risk factors listed above. For example, financial services provided to clients operating in sectors with base-skill labour and long, complex supply chains (such as in the manufacturing or construction sectors) can present a higher risk of exposure to modern slavery. Refer to the *Our customers and clients* section for further information.
- **Our grant partners:** there may be a risk of exposure to modern slavery through the Foundation's role as a grant maker supporting non-profit organisations operating in higher risk jurisdictions. Refer to the *Our grant partners* section for further information.

6. Modern slavery risk factors summarised from sources including the International Finance Corporation (IFC) "Managing Risks Associated with Modern Slavery A Good Practice Note for the Private Sector" (2018), the Global Slavery Index – 2018, The Mekong Club, and the Australian Human Rights Commission / KPMG "Financial services and modern slavery: Practical responses for managing risk to people" (2021).

Governance and policies

Macquarie has a framework of policies, programs and processes in place to identify and mitigate potential and actual human rights impacts, including modern slavery, resulting from our people, suppliers, customers and clients and grant partners. This framework is set out in Figure 4 below with details on how it operates within the *Management of modern slavery risk* section.

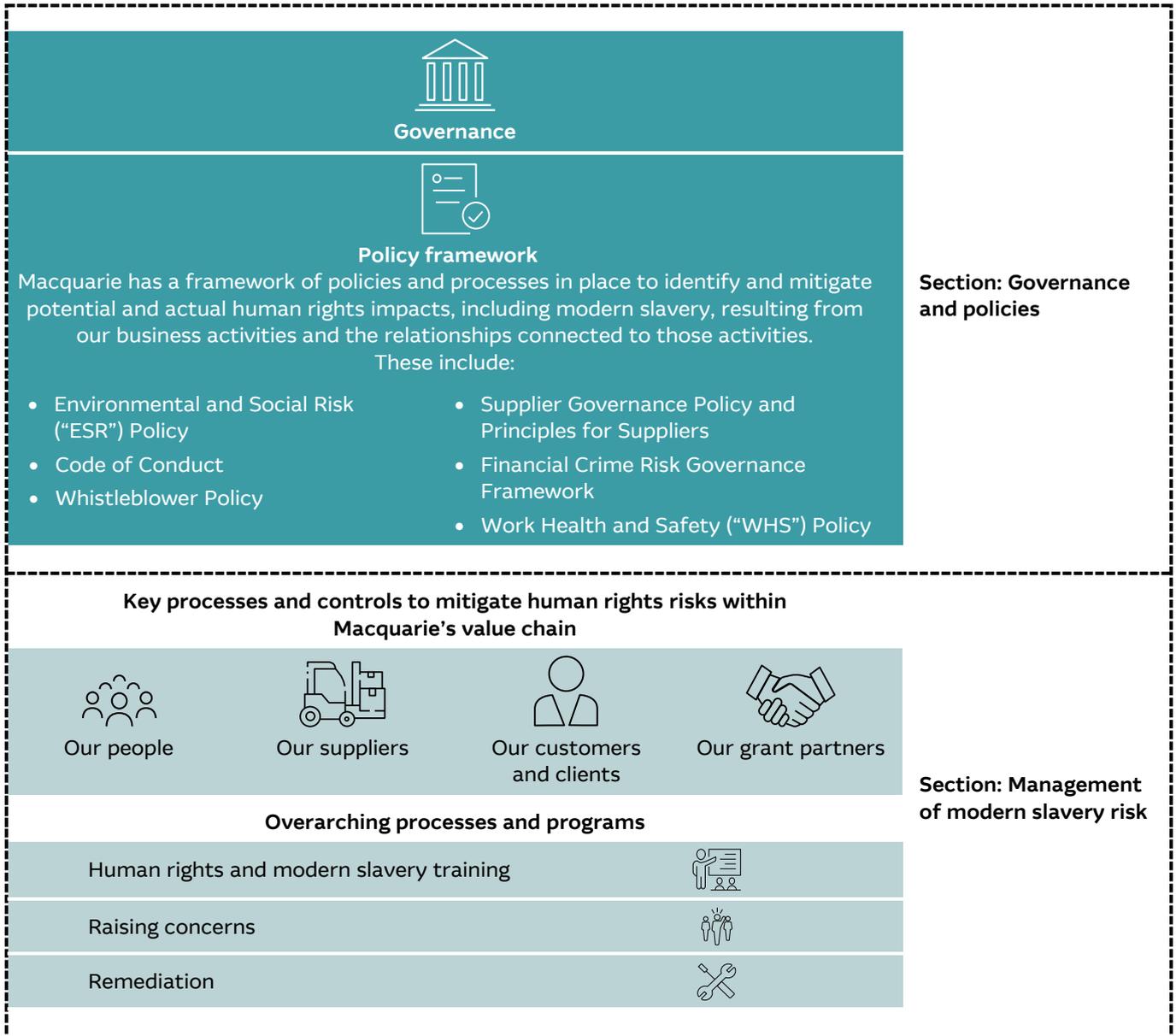


Figure 4 - Human rights, including modern slavery, governance and policy framework

Governance

The MGL Board (“the Board”) is responsible for approving Macquarie’s Risk Appetite Statement (which includes social and environmental risks) as well as the 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.

Under the *Code of Conduct*, all staff share responsibility for identifying and managing environmental and social issues as part of normal business practice. In relation to environmental and social issues in products and services, staff are supported by the Environmental and Social Risk team, which sits within the Risk Management Group and has Group-wide oversight of the *ESR Policy*. Businesses are responsible for management of their suppliers and are supported by Group Procurement, which operationalises and advises on the Supplier Governance Framework.

Since FY2021, Macquarie has operated a cross-functional and multi-jurisdictional Modern Slavery Working Group. The Working Group is chaired by the Environmental and Social Risk team, with permanent representatives from each of the four Operating Groups as well as from the Central Service Groups. The Working Group meets monthly to drive continuous improvement in Macquarie’s approach to managing modern slavery risk. This includes, for example, coordinating enhancements to our approach to transaction monitoring (see page 11 for the *Transaction Monitoring Case Study*).

Policy framework

Our human rights, including modern slavery, governance and policy framework is set out on page 4 (Figure 4). Policies and procedures are reviewed at least annually and updated if required. Management review, monitoring and assurance of the key programs, processes and controls to mitigate human rights risks (including modern slavery) is conducted in a manner consistent with the three lines of defence model. Our human rights policy framework includes:

- The [Code of Conduct](#), which incorporates the principles of [What We Stand For](#): Opportunity, Accountability and Integrity. These principles guide Board, management and staff conduct. The *Code of Conduct* outlines the way staff are expected to do business, including in relation to managing environmental and social risks. It also outlines mechanisms to raise concerns, including through Macquarie’s Whistleblower Program.
- The [Environmental and Social Risk \(“ESR”\) Policy](#), which sets out our commitment to supporting fundamental human rights. It also establishes processes for identifying, assessing, managing, mitigating, remediating and reporting material environmental and social risks, including modern slavery risks, across the business. The environmental and social risk areas covered by the *ESR Policy* include labour and employment practices such as child labour, forced and compulsory labour, freedom of association and collective bargaining. The Policy is based on international guidelines including the *International Finance Corporation (“IFC”) Performance Standards* and utilises Macquarie’s Environmental and Social Risk Assessment Tool (“ESR Tool”) to guide due diligence requirements, including an IFC-aligned assessment of human rights, labour and employment practices. From FY2023, the ESR Policy will be supplemented by detailed Human Rights Due Diligence Guidance, which provides additional guidance for human rights focused assessments where needed.
- The [Whistleblower Policy](#), which outlines circumstances under which a person may raise concerns in relation to improper conduct, the avenues for doing so, the protections that are available to those who report improper conduct, and the investigation process. Improper conduct specifically includes modern slavery and human trafficking, as well as breaches of laws, breaches of Macquarie’s internal policies including the *ESR Policy*, and conduct that endangers (or may endanger) the health and safety of any persons.
- The [Supplier Governance Policy](#) and associated framework, which outline risk triggers and due diligence requirements for Macquarie when engaging with suppliers in industries and jurisdictions considered high risk for human rights breaches (including modern slavery). The Supplier Governance Framework includes our [Principles for Suppliers](#) which articulate expectations for suppliers, including that they: respect human rights; provide safe, fair and ethical working conditions; seek opportunities to improve environmental performance; promote supplier

diversity; and do not use child labour⁷ or any form of forced or involuntary labour under any circumstance. The Principles also provide details on how suppliers are able to confidentially report concerns about improper conduct by Macquarie or the supplier via Macquarie’s Whistleblower Program.

- The Financial Crime Risk Governance Framework, which incorporates *Anti-Money Laundering* (“AML”), *Counter-Terrorism Financing* (“CTF”), *Anti-Bribery and Corruption* (“AB&C”) and *Economic and Trade Sanctions* (“Sanctions”) policies and associated procedures for detecting, mitigating and managing the risk of financial crime, including those potentially linked to human rights violations (including modern slavery).
- The [Work Health and Safety \(“WHS”\) Policy](#), which recognises, supports and promotes the right of every worker to return home safely from their workplace. To protect this key right, we are committed to building and promoting safe workplaces which enable and empower people to do their best work. To achieve this, we build and maintain a safety-positive workplace culture and manage our WHS risks effectively. WHS due diligence is conducted in parallel with ESR due diligence where appropriate.

Management of modern slavery risk

Our key processes and controls to prevent and mitigate modern slavery risks are set out in this section. We seek to exercise influence across our value chain, including with the support and guidance of expert third parties, such as human rights and legal consultants.

Our people

While the risk of modern slavery is low, we continue to take steps to prevent potential risks. We operate in a highly regulated environment and have robust policies and procedures concerning employment screening (including work eligibility checks), employment conditions (including fair pay and hours) and appropriate workplace behaviour. These policies and procedures apply across all employment types. These policies and procedures are reviewed on a regular basis and explained to staff through regular training.

All staff are expected to abide by the spirit, as well as the strict requirements, of the *Code of Conduct* and applicable policies and procedures.

We are committed to maintaining a safe workplace that values equal opportunity and is free from discrimination, harassment and victimisation. We are also committed to maintaining an environment where staff feel comfortable raising issues or concerns and do not experience detriment as a result of speaking up. During the employee onboarding and orientation process, we offer a series of learning and development activities (including events hosted by the Group Chief Executive Officer (“CEO”)) and the Group Integrity Officer. These are designed to communicate and embed the Macquarie culture and reinforce the ongoing importance of meeting behavioural expectations and managing risk effectively across all our businesses and regions.

Our contingent workforce of 4%⁸ consists of non-employees including independent contractors, consultants, secondees and agency workers who are predominantly engaged in professional services roles. Our non-employees are engaged on standard terms of engagement that are regularly reviewed for compliance with local legislation and best practice.

We have regular review processes in place to ensure that all policies and procedures are amended as needed to reflect changes to employment legislation and regulation. This review covers all employment legal matters, including working time and remuneration rules. Further, we have a robust training framework to ensure all staff are aware of Macquarie’s expectations and values, including those set out in the *Code of Conduct*. Processes are in place to monitor staff compliance with training.

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

8. Note that 96% of our workforce are active permanent staff, refer to the *Macquarie’s business and supply chain* section.

In FY2022, Macquarie:

- Undertook scheduled reviews of our standard recruitment agreement templates with the service providers that provide our contingent workforce. These agreements were reviewed and updated as appropriate to include enhanced provisions on ESR where relevant.
- Refreshed our *Code of Conduct* which includes key messaging on the importance of speaking up and provides guidance to staff on how to raise concerns, including the avenues available, and how they can be supported. These messages were promoted by senior executives throughout the organisation in a range of communications.
- Continued to run our flagship induction program to reach all new employees globally with a focus on culture and speaking up through “Your Voice Matters”, presented live by the Group CEO or regional CEO.
- Educated business leaders and people managers through “Listen Up” scenario-based training to equip them with skills to respond appropriately when matters are escalated to them.

Our suppliers 

Our Supplier Governance Framework brings under governance all direct, tier one suppliers which meet high inherent risk and / or high value triggers. The relevant Operating Group or Central Service Group that procures the goods or services owns the supplier relationship and is responsible for assessing all direct supplier⁹ relationships to determine whether they meet these triggers and if so, the suppliers are subject to risk assessment, profiling and ongoing governance. Due diligence on suppliers specific to a transaction is covered by our *ESR Policy* and is outlined in the *Our customers and clients* section.

Under our *Principles for Suppliers*, we request our direct suppliers to cascade human rights and modern slavery standards down the supplier’s own supply chains. We are committed to maturing our supplier governance framework to include enhanced visibility through the supply chain.

Heightened ESR is a high inherent risk trigger for the purposes of the Supplier Governance Framework. Heightened ESR supplier arrangements are determined through a combination of high-risk industry and high-risk jurisdiction. The industry and jurisdiction typologies are based on the Global Slavery Index and externally recognised ESG and financial crime risk databases. The following sets out the industry and jurisdiction analysis split which is then combined to determine if a supplier is deemed a High ESR supplier:

- **Industry analysis:** As a proportion of spend, ~15%¹⁰ of Macquarie’s direct supplier spend was with suppliers that have an inherently higher risk of modern slavery in their operations or supply chains due to their industry. Construction, facilities management, hospitality, and IT hardware were examples of industries considered high risk. Figure 5 below demonstrates our overall spend split according to industry while Figure 6 provides a breakdown focused on the supplier spend across high ESR risk industries.

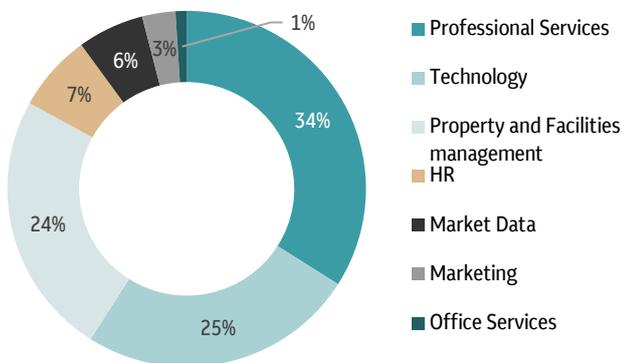


Figure 5 - Direct Supplier Spend by Industry

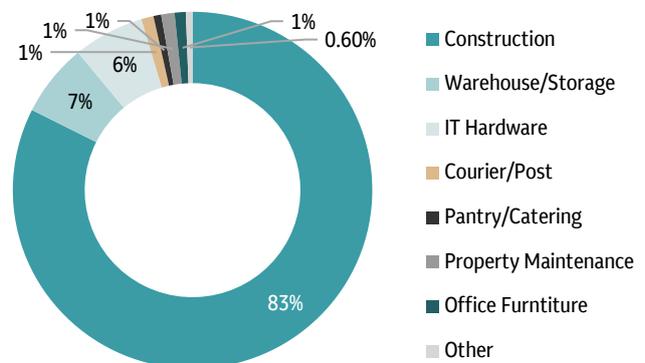


Figure 6 - Supplier Spend by High ES Risk Industry

9. Direct suppliers are those which enable Macquarie to operate in the ordinary course of business as defined in the *Supplier Governance Policy* and therefore excludes some third-party arrangements. For example, those third parties which are limited in scope to a specific transaction.

10. Note that Figure 5 displays the direct supplier spend at a level 1 categorisation. The calculation of ~15% of Macquarie’s direct supplier spend being with suppliers that have an inherently higher risk of modern slavery in their operations or supply chains is based on an analysis at level 2 and level 3 sub-categories. In Figure 6 the high proportion of spend in construction is attributed to the ongoing development of Sydney Metro Martin Place as well as other global workplace projects.

- Jurisdiction analysis:** As a proportion of spend, ~7% of our direct supplier spend was with suppliers that are domiciled or operating in jurisdictions with an inherently higher risk of modern slavery (refer to Figure 7 below that displays our direct supplier spend by environmental and social jurisdiction risk). This is slightly reduced from FY2021 (down from 9%) which we attribute to office closures arising during COVID-19. Jurisdictions considered very high or high-risk where Macquarie’s direct suppliers operate included Brazil, China, Hong Kong, India, Indonesia, Malaysia, Mexico, Philippines, Singapore, South Africa, Taiwan, Thailand and the United Arab Emirates (refer to Figure 8 below that displays the breakdown of direct supplier spend by high ESR jurisdiction). It should be noted that Macquarie has offices in each of these jurisdictions and therefore procures from suppliers in region.

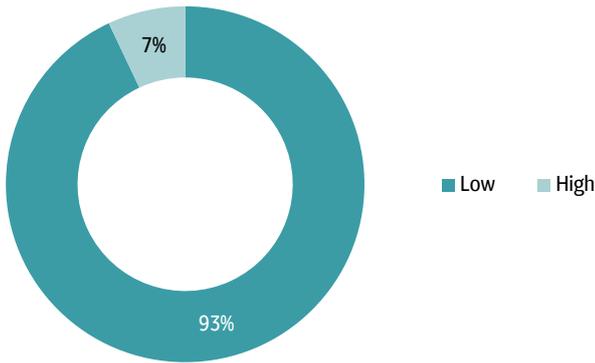


Figure 7 - Direct Supplier Spend by ES Jurisdiction Risk

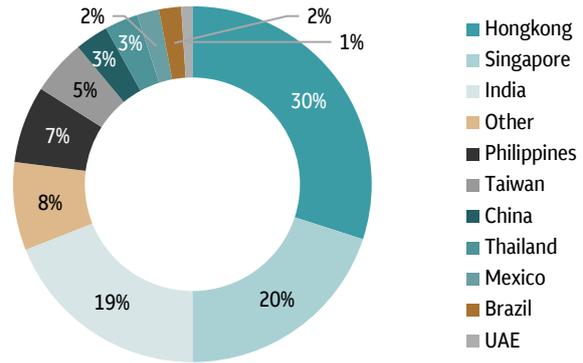


Figure 8 - Supplier Spend by High ES Risk Jurisdiction

Using our methodology of combining both jurisdiction and industry risks ~2% of our direct supplier arrangements have been identified as high ESR suppliers, and therefore we assess the risk of modern slavery in our supply chain to remain relatively low.

In FY2022, Macquarie:

- Continued to mature the *Supplier Governance Policy* and associated framework which includes a systematic, risk-based approach to ESR assessment across Macquarie’s global supply chain. The residual risk profile for heightened ESR suppliers has remained steady from prior year, reflecting continued Group-wide compliance with the framework requirements.
 - Suppliers under governance are required to be centrally procured and undergo risk assessment and due diligence with internal approvals obtained prior to contract execution, as well as subject to ongoing governance.
 - All suppliers under governance are required to complete an ESR questionnaire and provide written acknowledgement of Macquarie’s Principles for Suppliers. As at 31 March 2022, 100% of heightened ESR suppliers had acknowledged our Principles for Suppliers.
 - All suppliers under governance are subject to initial and ongoing adverse media screening to identify any potential allegations of human rights and broader ESG issues.
 - Where concerns are identified about our suppliers (through due diligence, adverse media screening, performance management or other mechanism e.g. whistleblowing), Group Procurement and the Risk Management Group work with our business teams and suppliers to understand, manage or avoid the risk. For example, we may request more frequent governance meetings with suppliers to understand progress.
- Built on the successful pilot completed in FY2021 regarding contractual terms. Where a new supplier is assessed as heightened ESR, steps are taken to negotiate appropriate Responsible Supply Chain provisions into the relevant contract. This is in addition to our Compliance with Laws clause which is standard for all suppliers under governance. Contracts for existing heightened ESR suppliers will be remediated to include the Responsible Supply Chain clause at the point of contract renewal.
 - We believe that the Responsible Supply Chain clause will help to reduce modern slavery risk by mandating that suppliers comply with our Principles for Suppliers, maintain written records documenting their compliance with

these Principles and allow Macquarie to assess supplier compliance. This will provide us with enhanced visibility and clearly establish Macquarie's desire to engage our suppliers on their approach to combatting modern slavery.

- We recognise that our suppliers may need time to fully comply with the Responsible Supply Chain clause. We are committed to working with our suppliers to increase their understanding of modern slavery risks and enhance their policies and practices.
- Continued with our Supplier Assurance Program:
 - Our risk-based Supplier Assurance Program for ES risk uses independent auditors who apply industry best practice audit methodology, with suppliers' compliance assessed against the Ethical Trade Initiative (ETI) Base Code and the Sedex Members Ethical Trade Audit (SMETA) methodology. Border and office closures due to the global pandemic continued to impact our ability to fully execute our intended assurance plan. We remain committed to this process and focused on expanding it as offices reopen.
 - The assurance program in FY2022 included two audit closure reviews for suppliers previously audited in FY2021 as well as four new audits. Jurisdictions of suppliers audited included Mexico, India, Singapore, Australia and China. Industries included: cleaning services; card services (manufacturing) and security services.
 - To date no instances of modern slavery have been identified through these audits, though areas of improvement were identified and we note that several of the reviews remained in progress as at 31 March 2022. As in previous years, findings identified related to non-conformance with local labour laws and suppliers demonstrating a low level of maturity in their internal policies and procedures. We are committed to working with these suppliers to remediate these non-conformances through time bound corrective action plans, and to ensure success through follow up audits.
- Commenced the implementation of a new supplier risk management platform ("Macquarie MySupplier"). This platform is a material change to our supplier risk process and capabilities and will provide enhanced data across all facets of supplier risk, including ESR. We believe that the new platform will also support our commitment to enhance our understanding of subcontractor risk.
- Committed to developing an end-to-end sustainable procurement framework in FY2023, to be fully implemented groupwide by 2025. This commitment aims to closer align Macquarie to the ISO20400¹¹, and will further mature approaches to human rights and modern slavery considerations across our direct operations.
- Improved timeliness of supplier payment. We acknowledge that the way we pay our suppliers may lead to increased risk of human rights breaches, particularly for small or medium-sized enterprises. By way of example, late payment of invoices can lead to reduced cash flow for our small business suppliers which may in turn lead to late or under payment for their workers. In FY2022, following a global program to accelerate how quickly we pay our suppliers and simplify the user experience for our Operating Groups, we have improved and evolved our processes, leveraging cloud technology, whilst partnering with suppliers to identify and address areas of inefficiency. During FY2022, we consistently paid our suppliers within 30 days and over the second half of the financial year we typically paid our global suppliers within 20 days. Furthermore, our continued focus to ensure small business suppliers' payments are prioritised has resulted in an average payment time of less than 8 days for our Australian small business suppliers.

Our customers and clients

Macquarie's financial services are provided to customers and clients in a wide range of countries and sectors with heightened exposure to modern slavery risk. We manage human rights related issues (including modern slavery) in our customers and clients via our *ESR Policy*, Financial Crime Risk Governance Framework and *WHS Policy*.

Environmental and social risk

The *ESR Policy* includes a due diligence approach intended to support the identification and management of potential and actual human rights risks, including the risk of modern slavery, in investment decision making and in

11. ISO20400 provides guidance to organisations, independent of their activity or size, on integrating sustainability within procurement.

the screening of new client relationships. The scope of our human rights due diligence varies based on the nature, size and complexity of our activity, as well as the risk of human rights impacts. Enhanced due diligence is conducted where risks may be heightened, such as in certain emerging markets or industries with known issues in their operations or supply chains.

The *ESR Policy*, *ESR Tool*, and *Human Rights Due Diligence Guidance* outline high-risk jurisdictions, practices, impacts and sectors based on a range of external and internal sources and indices. Potential human rights issues, including modern slavery risk, are assessed at jurisdiction, sector, client and project levels. Risk categorisation is based on the IFC typology and drives due diligence requirements, impact assessments, escalated decision-making, and implementation of mitigation plans. The *ESR Policy* requirements include:

- Screening new clients for material environmental and social risks (including for human rights breaches such as modern slavery).
- Assessment, categorisation, mitigation and management of environmental and social risks (including modern slavery risks) in new transactions, investments and products.
- Due diligence requirements guided by Macquarie's Environmental and Social Risk Assessment Tool, which may include environmental and social impact assessments, human rights impact assessments, action and management plans.
- Escalated decision-making and approval processes, alongside the credit approval process, for material environmental and social risks. Transactions may be reviewed by Macquarie's Chief Risk Officer, Chief Executive Officer, Macquarie Board Chair or Macquarie Board.
- Identification and compliance with applicable environmental and social laws and regulations.
- Monitoring and reporting requirements.

A summary of ESR reviews by jurisdiction and sector is provided in the ESG section of Macquarie's FY2022 Annual Report. For example, 9% of ESR Policy referrals came from transactions in Asia, a region that has a higher inherent risk of modern slavery¹². Further, ESR reviewed transactions in the renewables¹³ and manufacturing¹⁴ sectors, which are considered to present a higher inherent risk of modern slavery.

On an ongoing basis, there are processes in place to monitor for indicators of modern slavery risk within customers and clients. They include adverse news screening of counterparties, transaction monitoring (see page 11 for *Transaction Monitoring* case study) as well as human rights training, to help staff identify, mitigate and escalate negative human rights impacts from clients, investments and suppliers.

More information on Macquarie's human rights approach is available in the [ESR Policy summary](#).

Financial crime risk

Recognising that there are areas of commonality between human rights and financial crime risk, modern slavery risk is considered in the processes and procedures for detecting, mitigating and managing the risks of financial crime. This includes when assessing financial crime risk across customer and third-party onboarding, due diligence, payment and customer screening. Macquarie also supports the Australian Transaction Reports and Analysis Centre ("AUSTRAC") and Fintel Alliance's efforts to combat money laundering (including laundering proceeds from modern slavery) and to monitor transactions.

12. Global Slavery Index - 2018.

13. KPMG and the Australian Human Rights Commission - Resources, Energy and Modern Slavery: practical responses for managing risk to people (2021).

14. Global Slavery Index - 2018.

Transaction Monitoring



In recognising the ongoing role financial crime risk management procedures play in identifying and preventing modern slavery risk, during the current period FCR undertook a review of a subset of AML, AB&C and Sanctions procedures across both Institutional and Retail banking operations. This included reviewing product risk assessments through a modern slavery lens, conducting gap analyses of monitoring activities and identifying controls to be enhanced to better manage modern slavery risk. For example, modern slavery references were added to a number of key procedural and governance documents.

Transaction Monitoring: The review included a gap analysis of transaction monitoring rules and key word searches compared with behavioural, demographic and transactional risk indicators and typologies as set out in recent Australian Banking Association (“ABA”) guidance documents¹⁵. The analysis identified those FCR scenarios most likely to correspond with secondary indicators of modern slavery exploitation that require further investigation by the FCR team with the view to making further enhancements in future.

Institutional Business: The review identified key documents (i.e., Procedures for establishing minimum standards of Conduct and Governance) best placed to enhance modern slavery awareness and controls and a process has commenced to update/embed modern slavery references within these documents as required.

Training and Education: The review further highlighted key individuals and roles within the FCR team that have modern slavery risk touch points. Tailored training and guidance documents were prepared accordingly.

Funds

Macquarie Asset Management (“MAM”) comprises the MAM Private Markets and MAM Public Investments business units, which each have their own environmental and social risk framework in place, commensurate with their risk profile and fiduciary responsibilities.

Where applicable, MAM Private Markets portfolio companies in the UK and Australia are subject to reporting requirements of the respective modern slavery acts in each region. This Statement does not cover MAM Private Markets portfolio companies that report separately under the UK Act or the Australian Act.

During new investment screening and due diligence, MAM Private Markets assesses a range of ESG risks, including modern slavery risk. Any deficiencies identified, along with the level of control and influence over the new investment, are considered when making the investment decision and addressed during the new investment transition phase.

At each portfolio company, MAM-nominated Non-Executive Directors (“NEDs”), together with the rest of the board and management team, aim to ensure that an appropriate risk management framework is in place that addresses material ESG risks, including modern slavery risk.

MAM has commenced a human rights risk assessment (which includes an assessment of modern slavery risk) across its existing Private Markets portfolio to identify portfolio companies that exhibit comparatively higher human rights risk and provide targeted engagement and support where required.

MAM Public Investment’s Australian and UK schemes generally make small, non-controlling investments in a wide range of securities (usually listed securities) and other financial instruments. MAM Public Investments has an ESG policy, which sets out where ESG factors, including human rights or labour rights breaches, may be considered as part of the investment process. Where applicable, MAM may discuss ESG factors with companies as part of its securityholder engagement process and will generally consider modern slavery risks when voting proxies (where securities have voting rights attached)¹⁶.

15. KPMG and the Australian Banking Association - Typologies and Indicators of Modern Slavery (2022).

16. Note that MAM Public Investment’s ESG policy and processes may not apply to all of MAM Public Investment’s Australian schemes as its ESG policy may not apply where an external investment manager is appointed, and external managers may or may not have separate engagement and proxy voting policies in place.

In FY2022, Macquarie:

- Reviewed 498 counterparties, 431 transactions and 112 advisory mandates under the ESR Policy. Onboarding cases are reviewed in consultation with the FCR team.
- Enhanced the investee company good practice principles and guidance to support Nominee Directors' in working with their investee company Boards on overseeing human rights risks.
- Enhanced our internal human rights risk framework, including developing guidance documents to support the existing human rights due diligence and adverse impact review processes.
- Commenced a process uplift project which will support the development of enhanced reporting in relation to transactions in jurisdictions or sectors with heightened exposure to modern slavery risk.
- Enhanced human rights and modern slavery considerations in FCR frameworks, per the *Transaction Monitoring Case Study* (see page 11).

Green Investment Group approach to solar due diligence



As a global developer, investor, financier, and manager of renewable energy projects, Macquarie has built expertise in investing directly in climate mitigation and adaptation and in supporting our clients and portfolio companies to decarbonise their activities.

The growth of the solar sector has been accelerated by the world's demand for affordable, reliable, sustainable and modern energy, however, an identified human rights and modern slavery risk relates to polysilicon manufacturing, a key component in solar panels.

Specifically, certain geographies have been associated with a manufacturing process linked to forced labour. There is increasing global scrutiny around this issue, with entities linked to human rights breaches identified and published on governmental lists being subject to trade restrictions and targeted sanctions.

Macquarie and its specialist green investment arm, the Green Investment Group (GIG)¹⁷ takes the reports of human rights abuses and allegations associated with polysilicon manufacturing seriously and have implemented enhanced due diligence to understand this complex matter.

GIG has an established Workplace Health, Safety, Environment and Social (WHSES) program and management system that includes early-stage planning through due diligence, resourcing, governance enhancements, investment monitoring, and incident response management. This program builds upon existing Group-level programs and processes (as outlined on page 9).¹⁸

For solar development projects specifically, GIG has:

- Since 2019, implemented a due diligence program for solar panel manufacturers within its principal investments portfolio which involves diligence on social, safety and environmental topics and an onsite audit when permitted and practicable.
- In 2021, engaged independent WHSE and quality assurance consultants, to undertake traceability studies on select solar panel manufacturers to better understand their upstream supply chains and potential exposure to forced labour.

Given the complexity of these issues, we continue to monitor the latest regulatory and industry developments concerning the solar supply chain and its links to forced labour to ensure we maintain regulatory compliance and meet stakeholder expectations. We are also committed to working with our suppliers and counterparties to enhance transparency and traceability and consult with relevant industry bodies to continually inform our approach.

17. The Green Investment Group has transitioned from Macquarie Capital to Macquarie Asset Management as of 1 April 2022.

18. Macquarie's procurement for our direct corporate operations does not include solar panels. However, should the need to procure solar panels arise, this would be managed through our standard procurement processes including due diligence as articulated in the *Our suppliers* section on page 7.

Our grant partners

The majority of the Foundation's global grant funding is directed to organisations supporting social and economic opportunities for people in the communities where we live and operate, with each region concentrating its efforts on issues with local relevance. For example, in Asia we support organisations enabling better migration outcomes for migrant workers as a means to combat modern slavery. Read more about Macquarie's global grant making focus [here](#).

We employ a risk-based due diligence approach to assessing grant partners. This includes a modern slavery risk questionnaire, completed by all grant applicants, with referral to the ESR team for further diligence on grant applicants identified as presenting a high inherent modern slavery risk. The questionnaire and further diligence help identify potential modern slavery risks, actions to address those risks and improves transparency.

Grant making is overseen by the Macquarie Group Foundation Committee. There is an escalation and approval pathway to the Macquarie Group Foundation Committee if material modern slavery concerns are identified, which are considered alongside other material financial and non-financial risks. Further information on the Foundation is available in the [FY2022 Annual Report](#).

In FY2022, Macquarie:

- Reviewed and updated our approach to grant making by integrating a modern slavery risk questionnaire into the application for all grant applicants and by conducting modern slavery due diligence for identified high inherent modern slavery risk grant applicants.
- Continued to deliver Better Migration Week, a staff engagement initiative in Asia that raises awareness and engagement with our grant partners in Asia which are supporting workers to achieve better migration outcomes.
- Continued to fund migration-related projects, across Hong Kong, India, Singapore, and the Philippines, providing thirteen grants which are working to address economic vulnerability and other root causes of modern slavery.

Training

Targeted training is provided to staff in key Operating and Central Service Groups to support the identification and management of labour and human rights issues.

In FY2022, Macquarie:

- Continued to deploy an online human rights (including modern slavery) e-learning module. The e-learning module aims to help staff identify, mitigate and escalate negative human rights impacts (including modern slavery) from clients, investments and suppliers. The e-learning module covers four key indicators that elevate the risk of human rights (including modern slavery) breaches, namely vulnerable populations, high-risk business models, high-risk sectors and high-risk geographies. The e-learning module was rolled out to staff in relevant transaction and procurement roles, including Nominee Directors. This module was completed by 4,400 staff members in the year ended 31 March 2022.
- Deployed modern slavery director's training material to all new Nominee and Non-Executive Directors on the Boards of all reporting entities (refer to Appendix 1). The material provided an overview of the relevant Act (either the UK or Australian Act), outlined obligations for Directors under the relevant Act and presented Macquarie's approach to the relevant Acts' mandatory requirements.
- Continued to deliver Macquarie's ESR and WHS training to an additional 590 staff, including risk managers and those within specific business groups with the greatest potential exposure to environmental and social risks, to support them in the identification and escalation of human rights risks.
- Continued to provide all new employees with face-to-face and/or online training in relation to the *Code of Conduct*. New employees also receive additional training via the Risk Induction modules and other introductory events that reinforce the importance of the *Code of Conduct*. All staff undertake *Code of Conduct* training annually, including completing a declaration of understanding.
- Continued to deliver face-to-face training to 326 staff regarding the supplier governance framework, which included roles and responsibilities, high inherent risk triggers (including how to identify and understand ESR risks

within our supply chain) and governance requirements throughout the Supplier Life Cycle. Targeted staff included supplier relationship managers within the Operating Groups, Group Procurement staff, and Business Operational Risk Managers.

Raising concerns

Whistleblower program

Staff and external parties (including former staff, current or former consultants, contractors, third party providers, auditors, brokers and suppliers) are able to report concerns under the *Whistleblower Policy* by contacting the [Integrity Office](#), an internally independent and confidential function that oversees Macquarie's Whistleblower Program.

The Whistleblower Program is promoted extensively internally including via the *Code of Conduct*, and externally via the Macquarie website and the *Principles for Suppliers*. It incorporates the *Whistleblower Policy*, and the support and protections available to those who report concerns to ensure that they do not suffer detriment as a result of speaking up. In FY2022, there were no reports of slavery or trafficking through the Whistleblower Program.

FCR Suspicious Matter Reporting ("SMR")

In instances where a modern slavery concern is raised (e.g., via the Whistleblower Program, transaction monitoring or other referral) the FCR team investigates the content of the referral to determine whether suspicious activity has occurred according to the Anti-Money Laundering and Counter-Terrorism Financing Investigations Standard. If referrals result in identifying suspicious activity, in Australia the ANZ Regional FCR team submits SMRs to AUSTRAC and in the UK the EMEA Regional FCR team submits Suspicious Activity Reports ("SARs") to the National Crime Agency. Where suspicious activity occurs outside of Australia or the UK, the FCR team refers the investigation to a secondary investigator located in the respective region for appropriate regulatory reporting.

Once an SMR has been lodged with the relevant regulator, the regional FCR Advisory teams review whether further Ongoing Customer Due Diligence is required and assess whether the relationship between the party conducting suspicious activity and Macquarie can be further de-risked or whether off-boarding the party is more appropriate.

Remediation

Macquarie recognises there are different ways in which an enterprise can be involved in or linked to an adverse human rights impact and the associated remediation actions. Our *ESR Policy* establishes processes for identifying, assessing, managing, mitigating, remediating (via the internal *Incidents and Issues* process) and reporting material environmental and social risks, including modern slavery risks. If Macquarie becomes aware of a client or supplier involved in or linked to an adverse human rights impact, we will consult to understand the remediation actions being undertaken and assess the extent to which these actions will remediate the situation and mitigate reoccurrence.

Where local legislation conflicts with the principles and processes described in the *ESR Policy*, Macquarie will comply with the law, while also seeking ways to uphold human rights principles within our sphere of influence.

Through our *Principles for Suppliers* and our supplier ESR assurance programme, we are committed to working with our suppliers to remediate non-conformances identified in onsite audits through time bound corrective action plans.

Measuring the effectiveness of our actions

We monitor and report a range of indicators to assess the effectiveness of our approach to identifying, assessing, managing, mitigating and reporting modern slavery risk. We seek to review and enhance measurement indicators to guide our continuous improvement efforts. We will also continue to monitor regulatory developments and engage industry peers to understand better ways to measure effectiveness.

Table 1 - Measuring the effectiveness of our actions

| Focus area | Indicator | FY2021 | FY2022 |
|---|---|----------------------|-------------------|
|  Training | # of staff completing human rights training (including video conference sessions and human rights e-learning module completions) | 1,499 | 4,400 |
| | # of Nominee Directors and Non-Executive Directors completing modern slavery training | - | 114 ¹⁹ |
| | # of assigned staff completing ESR and WHS training | 144 | 590 |
| | # of staff completing <i>Supplier Governance Policy</i> training | 17,225 ²⁰ | 326 |
|  Supplier due diligence | % of all suppliers under governance completing the supplier ESR questionnaire | 97 | 99 |
| | % of high ESR suppliers subject to ESR onsite assurance | 2 | 3 |
| | # of modern slavery incidents identified through ESR onsite assurance | 0 | 0 |
| | % of all suppliers under governance who have acknowledged the <i>Principles for Suppliers</i> (requirement introduced in November 2020) ²¹ | 68 | 79 |
| | % of all suppliers under governance who have been subject to negative news screening for ESR purposes | 94 | 100 |
|  Transaction due diligence | # of ESR reviews of counterparties, transactions, and advisory mandates | 697 ²² | 1,041 |
|  Reports | # of reports of slavery or trafficking through the Whistleblower Program | 0 | 0 |

19. Nominee Director Training was provided in June-August 2021 for directors of reporting entities captured by the FY2021 Statement and was provided before approval of the FY2021 Statement.

20. Includes staff completing *Supplier Governance Policy* training online which was a one-off training developed and rolled out in FY2021 as a group wide initiative. In FY2022, training was conducted via face-to-face sessions with supplier relationship managers.

21. Suppliers under governance comprises all direct suppliers which meet high inherent risk and/ or high value triggers. One cohort of suppliers under governance comprises high ESR suppliers, of which 100% had acknowledged the *Principles for Suppliers* as at 31 March 2022 (as stated in the *Our suppliers* section of this Statement). The obligation for all suppliers under governance to acknowledge the *Principles for Suppliers* was introduced in November 2020.

22. The number of reviews conducted under the ESR Policy in FY2021 has been restated from 612 to 697.

External stakeholder engagement

We are active in a number of external initiatives relevant to addressing modern slavery in the financial sector, including:

Table 2 - Our engagement with external initiatives

| Initiative  | Our role  |
|---|--|
| <p>UN Principles for Responsible Investment, which works to understand the investment implications of ESG factors and support the incorporation of these factors into investment decision-making.</p> | <p>MAM has been a signatory since 2015 and a member of the Infrastructure Advisory Committee.</p> |
| <p>Mekong Club, which works with organisations in the private sector to end modern slavery and human trafficking. We are also part of the Asia Pacific Banks Alliance (APBA), a project that the Mekong Club coordinates in collaboration with the Thomson Reuters Foundation. The APBA engages with local financial institutions, law enforcement, NGOs, and governments to combat modern slavery.</p> | <p>Maintained participation in the Mekong Club working group and shared insights and research with our internal Modern Slavery Working Group and relevant staff.</p> |
| <p>Australian Banking Association’s Modern Slavery Working Group.</p> | <p>Maintained participation in the Modern Slavery Working Group, and shared insights and research with our internal Modern Slavery Working Group and relevant staff, including in relation to the Typologies and Indicators of Modern Slavery²³. This then informed Macquarie’s transaction monitoring process. Refer to the <i>Transaction Monitoring</i> case study on page 11.</p> <p>We will work with the ABA to contribute to the Australian Government’s statutory review of the Australian Act.</p> |
| <p>Fair Hire Pledge, an agreement between companies and the public stating that management expects their employees to hire domestic workers fairly.</p> | <p>Macquarie was a founding signatory to the Pledge. We continued to provide support through skilled volunteering, events, and board membership.</p> |
| <p>Fintel Alliance, a public-private partnership managed by AUSTRAC to bring together a range of financial sector organisations to increase the resilience of the financial sector to criminal exploitation and support law enforcement investigations into serious crime and national security matters.</p> | <p>Maintained participation as a member in the Alliance and shared insights and research with our internal Modern Slavery Working Group and relevant staff.</p> |
| <p>Living Wage Foundation, which seeks to lift the minimum wage for all workers in the UK.</p> | <p>Maintained accreditation as a UK Living Wage Employer.</p> |

23. ABA Typologies report here: <https://assets.kpmg/content/dam/kpmg/au/pdf/2022/typologies-indicators-modern-slavery.pdf>

Continuous improvement

We aim to continually review and enhance our approach to addressing modern slavery risks. In FY2021, we identified 16 continuous improvement initiatives for the FY2022 period. Out of these 16, 13 are ongoing business-as-usual initiatives and three were one-off projects that have been completed. Progress on our FY2021 continuous improvement initiatives is detailed within the *Management of modern slavery risk* section on pages 6-14.

New continuous improvement initiatives for FY2023 are outlined in the table below.

Table 3 - Continuous improvement initiatives for FY2023

| Focus area | FY2023 continuous improvement initiatives |
|--|---|
|  <p>Our suppliers</p> | <ul style="list-style-type: none"> • Group-wide implementation of the Macquarie MySupplier platform, which will support continued maturity of the Supplier Governance Framework and allow for an increased focus on subcontractor / tier 2 visibility through our supply chain. • Further expand the Supplier Assurance Program reach through engagement with third party data providers. |
|  <p>Our customers and clients</p> | <ul style="list-style-type: none"> • Enhance the approach to human rights risk assessments in our customers and clients by incorporating more detailed sector and jurisdiction risk factors in assessments. • Develop further topic-specific guidance on human rights risks where needed. |
|  <p>Our grant partners</p> | <ul style="list-style-type: none"> • Share additional resources with grant partners on modern slavery risk identification and management. |

Consultation

Macquarie took a cross-functional approach to preparing and drafting this Statement. As noted in the *Governance and policies* section on page 5, the Modern Slavery Working Group met monthly to discuss the different streams of modern slavery work, progress by Operating and Central Service Groups, and the preparation of this Statement.

The ESR, Group Procurement and Legal and Governance teams together with the relevant Operating Groups conduct significant engagement on modern slavery with reporting entities (listed in Appendix 1). Engagement includes providing reporting entity boards with an outline of modern slavery regulatory updates and trends, Macquarie's approach to modern slavery reporting and the annual statement for review and approval. Briefings are also conducted for all new reporting entity board members on the relevant Act and its requirements.

The board of each reporting entity (listed in Appendix 1) was given an opportunity to consider and provide comments on this Statement prior to publication²⁴.

Approval

This *Modern Slavery Act Transparency Statement* was approved by the Macquarie Group Limited Board and will be updated annually. As set out in the *Governance and policies* section on page 5, the Board of Macquarie Group Limited is ultimately responsible for Macquarie's risk management framework which applies across the Group.

The Board or governing body of each reporting entity has considered and approved this Statement prior to publication.



Shemara Wikramanayake

Managing Director and Chief Executive Officer

Macquarie Group Limited

September 2022

24. The signatures of the Reporting Entities of Macquarie and the dates of their respective board approvals and names of their respective signatory directors (or equivalent), that are required to make an annual statement pursuant to the MSA are available on request from the RMG Behavioural Risk - Environmental and Social Risk team, Macquarie Group Limited, Level 6, 50 Martin Place Sydney NSW Australia 2000.

Appendix 1 – Reporting entities

Reporting entities captured by this Statement in consideration of the definition of reporting entities under the UK Act and the Australian Act are listed on page 20.

This Statement does not cover:

- Operationally Segregated Subsidiaries (“OSSs”) of Macquarie Group as each OSS has a tailored risk management framework (“RMF”), distinct from Macquarie’s own RMF. Where relevant, OSSs are responsible for publishing their own modern slavery statements.
- Any other entities that are not controlled, managed or operated by the Macquarie Group, unless expressly identified on page 20.

In relation to the subsidiaries of reporting entities under the UK Act:

- To the extent that a subsidiary is separately governed and managed and does not supply the reporting entity, the subsidiary is considered outside the reporting entity’s business.
- To the extent that the reporting entity does manage or exercise dominant influence over the subsidiary’s day-to-day activities, that subsidiary is considered part of the reporting entity’s business and that subsidiary’s modern slavery risks are considered as part of this Statement.

UK reporting entities:

BERNARD TOPCO LIMITED
MACQUARIE (UK) GROUP SERVICES LIMITED
MACQUARIE ASSET HOLDINGS LIMITED
MACQUARIE ASSET MANAGEMENT HOLDINGS PTY LIMITED
MACQUARIE BANK LIMITED
MACQUARIE CAPITAL (EUROPE) LIMITED
MACQUARIE CORPORATE HOLDINGS PTY LIMITED
MACQUARIE EUROPEAN INVESTMENT HOLDINGS LIMITED
MACQUARIE GROUP INVESTMENTS (UK) NO.2 LIMITED
MACQUARIE GROUP SERVICES AUSTRALIA PTY LIMITED
MACQUARIE INFRASTRUCTURE AND REAL ASSETS (EUROPE) LIMITED
MACQUARIE INTERNATIONALE INVESTMENTS LIMITED
MACQUARIE INVESTMENT MANAGEMENT EUROPE LIMITED
MACQUARIE INVESTMENTS (UK) LIMITED
MACQUARIE LEASING LIMITED
MACQUARIE METERS 3 (UK) LIMITED
MACQUARIE PRINCIPAL FINANCE PTY LIMITED
MACQUARIE ROTORCRAFT LEASING HOLDINGS LIMITED
MACQUARIE TRANSPORTATION FINANCE LIMITED

Australian reporting entities:

BOND STREET CUSTODIANS LIMITED²⁵
MACQUARIE AMERICAS HOLDINGS PTY LTD
MACQUARIE ASSET MANAGEMENT EUROPE HOLDINGS PTY LIMITED
MACQUARIE ASSET MANAGEMENT HOLDINGS PTY LIMITED
MACQUARIE ASSET MANAGEMENT UK HOLDINGS PTY LIMITED
MACQUARIE ASSET MANAGEMENT US HOLDINGS PTY LIMITED
MACQUARIE B.H. PTY LTD
MACQUARIE BANK LIMITED
MACQUARIE CAPITAL (AUSTRALIA) LIMITED
MACQUARIE CORPORATE AND ASSET FINANCE LIMITED
MACQUARIE CORPORATE FINANCE HOLDINGS PTY LIMITED
MACQUARIE CORPORATE FINANCE LIMITED
MACQUARIE CORPORATE HOLDINGS PTY LIMITED
MACQUARIE CORPORATE INTERNATIONAL HOLDINGS PTY LIMITED
MACQUARIE EQUITIES (US) HOLDINGS PTY. LIMITED
MACQUARIE FINANCE HOLDINGS LIMITED
MACQUARIE FINANCIAL HOLDINGS (USA) LLC
MACQUARIE FINANCIAL HOLDINGS PTY LIMITED
MACQUARIE FUNDING HOLDINGS LLC
MACQUARIE FUNDS MANAGEMENT HOLDINGS PTY LIMITED
MACQUARIE GLOBAL SERVICES PRIVATE LIMITED
MACQUARIE GROUP (US) HOLDINGS NO.1 PTY LTD
MACQUARIE GROUP LIMITED
MACQUARIE GROUP SERVICES AUSTRALIA PTY LTD
MACQUARIE INFRASTRUCTURE AND REAL ASSETS HOLDINGS PTY LIMITED
MACQUARIE INFRASTRUCTURE MANAGEMENT (ASIA) PTY LIMITED
MACQUARIE INTERNATIONAL FINANCE LIMITED
MACQUARIE INVESTMENT MANAGEMENT AUSTRALIA LIMITED²⁶
MACQUARIE INVESTMENT MANAGEMENT HOLDINGS PTY LIMITED
MACQUARIE INVESTMENT MANAGEMENT LTD²⁷
MACQUARIE INVESTMENT SERVICES LIMITED²⁸
MACQUARIE LEASING NSW PTY LTD
MACQUARIE LEASING PTY. LIMITED
MACQUARIE PRINCIPAL FINANCE PTY LIMITED
MACQUARIE SECURITIES (AUSTRALIA) LIMITED
MACQUARIE SECURITISATION LIMITED²⁹
MACQUARIE SERVICES (USA) LLC
MACQUARIE UK HOLDINGS PTY LIMITED
SKYLIGHT DEV CO PTY LIMITED

25. As trustee for the Macquarie Group Employee Retained Equity Plan.

26. In its own right and in its capacity as responsible entity for the following funds: Arrowstreet Global Equity Fund, Arrowstreet Global Equity Fund (Hedged), IFP Global Franchise Fund, Macquarie Australian Pure Indexed Equities Fund, Macquarie Balanced Growth Fund, Macquarie Diversified Equity Yield Fund, Macquarie Equity Index Fund, Macquarie Global Equities Fund, Macquarie Hedged Index Global Infrastructure Securities Fund, Macquarie Income Opportunities Fund, Macquarie International Equities Fund, Macquarie Multi-Factor Fund, Macquarie True Index Australian Shares Fund, Macquarie True Index Global Infrastructure Securities Fund, Macquarie True Index Global Real Estate Securities Fund, Walter Scott Global Equity Fund, Walter Scott Global Equity Fund (Hedged). Macquarie Investment Management Australia Limited has used data from the financial statements for: (a) the year ended 31 March 2022 for those schemes with a 31 March year end; and (b) the years ended 30 June 2021 and 30 June 2022 for those schemes with a 30 June year end (as the financial year of these schemes overlap with the reporting period for this Statement).

27. In its own right and in its capacity as trustee for the Macquarie Superannuation Plan and as operator of the Macquarie Investor Directed Portfolio Services.

28. As responsible entity for the Macquarie Separately Managed Account.

29. In its own right and in its capacity as trust manager for the PUMA Series W Trust, Puma Series R Trust and SMART ABS Series W Trust which are within scope of the *Australian Modern Slavery Act 2018* (Cth).

Appendix 2 – Mandatory criteria reference table

Table 4 below provides reference pages for the relevant disclosures in each criterion for both the Australian *Modern Slavery Act 2018* (Cth) and the United Kingdom's *Modern Slavery Act 2015*.

Table 4 - Mandatory criteria reference table

| Australian Modern Slavery Act (Cth) Mandatory Criteria | UK Modern Slavery Act (2015) requirements | Macquarie Group Limited Statement section reference |
|---|---|--|
| Section 16(1)(a) Identify the reporting entity | N/A | Introduction Appendix 1 Reporting entities |
| Section 16(1)(b) Describe the structure, operations and supply chains of the reporting entity | Section 54(5)(a) the organisation's structure, its business and its supply chains | Macquarie's business and supply chain Management of modern slavery risk |
| Section 16(1)(c) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls | Section 54(5)(d) the parts of its business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps it has taken to assess and manage that risk | Assessment of modern slavery risk Management of modern slavery risk |
| Section 16(1)(d) Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes | Section 54(5)(b) its policies in relation to slavery and human trafficking; (c) its due diligence processes in relation to slavery and human trafficking in its business and supply chains; and (f) the training about slavery and human trafficking available to its staff | Actions taken and due diligence: Management of modern slavery risk Policies: Governance and policies Training: Training Measuring the effectiveness of our actions |
| Section 16(1)(e) Describe how the reporting entity assesses the effectiveness of such actions | Section 54(5)(e) its effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate | Measuring the effectiveness of our actions |
| Section 16(1)(f) Describe the process of consultation with any entities that the reporting entity owns or controls. In the case of a reporting entity covered by a statement under section 14 – the entity giving the statement | N/A | Consultation |
| Section 16(1)(g) Include any other information that the reporting entity, or the entity giving the statement, considers relevant | N/A | Continuous improvement |