

**This document is an extract of Macquarie Group Limited's 2025 Annual Report and should be read in conjunction with the disclaimers published in that Report. These are available at: <https://www.macquarie.com/assets/macq/about/company/sustainability/macquarie-group-fy25-sustainability-report.pdf>.**

# Sustainability Report

## Our approach to sustainability reporting

Macquarie recognises the importance of sound Environmental, Social and Governance (ESG) practices as part of its responsibility to a broad range of stakeholders, including shareholders, funders, clients, employees, and the communities in which Macquarie operates.

### Reporting framework

This Sustainability Report has been prepared and guided by voluntary frameworks, including the Global Reporting Initiative (GRI), the Task Force on Climate-Related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB).

This year's Sustainability Report has been prepared on a voluntary basis. For the year ending 31 March 2026, MGL will report in accordance with the mandatory climate reporting requirements of the *Corporations Act 2001* (Cth) and the *Australian Sustainability Reporting Standards* issued by the Australian Accounting Standard Board (AASB).

Data used and included within this Sustainability Report is for the financial year ended 31 March 2025, unless otherwise stated.



Macquarie's FY2025 Basis of Preparation for Sustainability Reporting can be downloaded from [macquarie.com/sustainability](https://macquarie.com/sustainability)

### Sustainability governance framework

Macquarie's corporate governance framework is outlined on pages 36-52 in the Corporate Governance Statement of this Annual Report. In FY2025, the Board and relevant Board Committees received reporting from management on sustainability-related topics, including climate, work health and safety, modern slavery, cybersecurity and financial crime.



Macquarie's corporate governance framework and key governance practices are on pages 36-52 in the **Corporate Governance Statement** of this Annual Report.






Macquarie's Climate-related Governance details are on page 64 in the Climate Governance section of this **Sustainability Report**.

### Determining our material sustainability topics

To support the determination of material sustainability topics to report on, Macquarie has performed a materiality assessment. This assessment includes identification of whether Macquarie, through its business model and value chain, could be connected to a sustainability risk or opportunity that is or may be material to Macquarie's prospects.

### Structure of our Sustainability Report

The structure of this Sustainability Report has been informed by the outcomes of the materiality assessment. Content has been categorised across Environmental, Social and Governance (Business Conduct), as shown below.

Category	Sustainability topics	See pages
 <b>Environmental</b>	<ul style="list-style-type: none"><li>Climate change</li><li>Nature and Biodiversity</li></ul>	64 - 75
 <b>Social</b>	<ul style="list-style-type: none"><li>Own workforce</li><li>Human rights (including modern slavery)</li><li>Consumers and end users</li><li>Cybersecurity</li><li>Macquarie Group Foundation</li></ul>	76 - 82
 <b>Governance (Business conduct)</b>	<ul style="list-style-type: none"><li>Business conduct and ethics</li></ul>	83 - 85

### Independent assurance

PwC has provided limited assurance over certain metrics for the FY2025 and, where relevant, the FY2024 reporting period, as detailed in the PwC independent assurance report available within Macquarie's FY2025 Basis of Preparation for Sustainability Reporting on our website. The FY2025 Basis of Preparation for Sustainability Reporting sets out the reporting boundaries, metric definitions and measurement methodologies for the assured metrics.

## Risk management

Macquarie's approach to identifying and managing environmental and social risks is embedded across its risk management framework (further details are on pages 54-60 in the Risk Management section of this Annual Report). Under Macquarie's *Code of Conduct*, all staff share responsibility for identifying and managing environmental and social risks as part of normal business practice. This section should be read in conjunction with the Risk Management section of this Annual Report.

### Three lines of defence

Macquarie's approach to risk management of environmental and social risks adopts the 'three lines of defence' model:

- **Operating Groups (First line of defence):** Businesses have primary responsibility for day-to-day risk management, and are supported by operating group aligned dedicated environmental and social representatives and specialist capabilities. Environmental and social risks are managed in accordance with the risk management framework, including through the application of environmental and social risk related policies. Targeted training is provided to employees in key functions across Macquarie's first line of defence.
- **Risk Management Group (RMG) (Second line of defence):** RMG provides independent and objective review and challenge in relation to Macquarie's material risks, including environmental and social risk (ESR) and work health and safety (WHS) risk. The Credit-ESR team provides periodic reporting to the CRO and Board Governance and Compliance Committee (BGCC) on environmental and social risk management policies, practices and performance.  
Further details on climate risk management are on pages 66-67, and further detail on WHS risk management is on page 77. For details on risk management of other environmental and social topics refer to the relevant topic-specific sections of this Sustainability Report.
- **Internal Audit (Third line of defence):** Internal Audit provides independent and objective risk-based assurance on the compliance with, and the effectiveness of, Macquarie's financial and risk management framework, including those associated with sustainability.

### ESR Policy

Environmental and social risks that arise through Macquarie's investments, financing activities, client and supplier relationships, are managed through the implementation of the *ESR Policy* and *WHS Policy*.

Macquarie's *ESR Policy* describes its approach to ESR management when onboarding or reviewing clients and other counterparties in various sectors such as, but not limited to, mining, energy, gaming and social infrastructure, and across a broad range of transactions including equity investments, financing, leasing and advisory mandates.

The *ESR Policy* provides a process to identify, assess, manage, mitigate, monitor, report, and where relevant, remedy environmental and social risks. It takes a precautionary approach to ESR issues including labour and employment practices, climate change, human rights, resource efficiency, pollution prevention, biodiversity and cultural heritage. Informed by international guidelines, including the *International Finance Corporation Performance Standards*, the *ESR Policy* provides escalated decision-making and approval processes, alongside the credit and broader RMG approval processes. Transactions with material environmental and social risks are referred to the CRO and may be escalated to the CEO or at least two Non-Executive Directors of the Board.

The *ESR Policy* is approved by Senior Management, and subject to review and monitoring by the BGCC.

The *WHS Policy* is discussed in more detail on page 77 in the Health and Safety section of this Sustainability Report. Both policies are updated periodically to address opportunities for improvement and emerging issues.

### MAM Risk Management

MAM has its own environmental and social risk framework in place commensurate with their risk profile and fiduciary responsibilities. Investments are reviewed for material environmental and social risks as part of the investment process.<sup>1</sup>

### Greenwashing Standard

Macquarie defines greenwashing as a false, misleading, unsubstantiated, ambiguous or overstated representation of the ESG attributes of an organisation, product or service. This definition is intended to incorporate similar concepts such as impact-washing and social-washing. While the regimes that govern greenwashing vary between jurisdictions, we recognise the importance of mitigating this risk for our stakeholders.

Macquarie's *Greenwashing Standard* supports the management of legal, regulatory, reputational and environmental and social risks associated with greenwashing. It provides information on communications with potential for greenwashing risk, and review considerations and requirements in managing greenwashing risk.

<sup>1</sup> MAM has exposure to investments for which it does not, or it is not possible to, consider material environmental and social risks, such as cash securities, currency, derivatives or indirectly held securities, passively managed portfolios that aim to replicate or closely align with a reference benchmark, or where it has appointed external managers that have not integrated ESG considerations into their investment processes (acknowledging that such appointments are considered in line with the aforementioned risk profile and fiduciary responsibilities).

# Sustainability Report

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## Environment

### Climate Change

#### Climate Governance

##### Board and Board Committees

Macquarie's Board, in accordance with its Charter, reviews and approves Macquarie's *Risk Appetite Statement* and *Risk Management Strategy*, and monitors material risks faced by Macquarie and reviews how they are managed. This includes specific consideration for climate risk.

The Board annually considers and approves the strategies and business plans of our Operating and Central Service Groups, which include the risks and opportunities pertaining to the energy transition and climate change where relevant. The Board are informed by management on the development, progress and delivery of related targets and approve related disclosures annually.

The BGCC, in accordance with its Charter, assists the Board by reviewing and monitoring Macquarie's environmental and social risk management policies, practices and performance, which includes climate-related matters. The BGCC receives climate-related reporting from management at least twice a year, which includes updates on Macquarie's management of climate risk.

Board and Board Committee members' skills are regularly assessed. Sustainability Governance is one of the skills included in the Board Skills Matrix. Board members are also supported throughout the year with workshops and training on topical, emerging business and governance issues, which included sustainability reporting in FY2025.

Further details on Macquarie's Board and Board Committees is on pages 36-52 in the Corporate Governance Statement of this Annual Report.

##### Management Committees

Macquarie's Executive Committee and Executive Risk Committee act as executive advisory bodies for climate-related initiatives across Macquarie, receiving periodic updates on progress and providing guidance on next steps.

##### Related functions

To support the Board and Senior Management with their responsibilities and drive progress, Macquarie has a centralised Net Zero and Climate Risk Program (the Program). Reporting to the Chief Risk Officer (CRO) and led by the Head of Net Zero and Climate Risk, the central Program team provides a coordinated approach to climate across Macquarie.

During the year, the Program was supported by the Net Zero and Climate Risk Steering Group. This body included senior representatives from across Operating and Central Service Groups, who were responsible for driving outcomes and recommending decisions relevant to the Program. The Steering Group provided support to the Board and Senior Management in decision-making and acted as an escalation body for key organisation-wide working groups, primarily the:

- Financed Emissions Working Group, which focused on the development of approaches, methodologies, frameworks and data governance related to financed emissions; and
- Climate Risk Working Group, which focused on driving the continued operationalisation and embedment of climate risk across Macquarie's frameworks, policies and procedures.

Macquarie's commitment to reach net zero emissions in its own business operations (Scope 1 and Scope 2), and reduce upstream Scope 3 emissions (Categories 1 to 8), is managed by Macquarie's Corporate Operations Group (COG) in line with Macquarie's 2025 Sustainability Plan, and commitments beyond 2025.<sup>2</sup> COG has a dedicated governance model to support this work, reporting into Macquarie's Chief Operating Officer.

#### Link between climate considerations and remuneration outcomes

Relevant sustainability measures, including those pertaining to climate, are considered in the assessment of each Executive Key Management Personnel's (KMP) performance by the Board and the Board Remuneration Committee. Commentary on sustainability considerations relevant to specific Executive KMP is on pages 126-135 in the Remuneration Report of this Annual Report.

<sup>2</sup> Further information on Macquarie's approach to net zero for Scopes 1 and 2 can be found in the FY2025 Basis of Preparation for Sustainability Reporting. A summary of progress against 2025 Sustainability Plan targets and ongoing commitments can be found at [macquarie.com/sustainability-in-own-business-operations](https://www.macquarie.com/sustainability-in-own-business-operations).

## Climate Strategy

For more than two decades, Macquarie has worked in close partnership with stakeholders in the public and private sectors to support the energy transition and advance solutions to climate challenges.

This is an important area of activity for Macquarie, and its businesses are continuing to work to develop practical solutions for its clients and communities, including:

- investing in climate mitigation, supporting the deployment of renewables at scale and newer technologies that are critical to the transition, including batteries, hydrogen, sustainable aviation fuel and solutions to reduce emissions across agriculture, waste, transportation and real estate
- investing in adaptation approaches to build the resilience of essential infrastructure to climate change impacts
- supporting Macquarie's portfolio companies in developing and implementing net zero plans
- supporting Macquarie's clients as the leading global advisor on renewable energy transactions<sup>3</sup>
- providing critical risk and capital solutions to commodity and energy suppliers, helping clients with compliance and voluntary carbon markets, and supporting the scaling-up of clean fuels and carbon capture and storage.

Macquarie also believes that the transition must be managed, orderly and just. Macquarie continues to support carbon-intensive industries to reduce their emissions and continue to work with oil and gas companies, in recognition that much of the world will depend on carbon-intensive industries for a period as mitigation solutions are implemented.

Since 2022, Macquarie has been working to combine the global renewables expertise of Macquarie's Green Investments team with fiduciary capital entrusted to MAM, thereby providing access to larger pools of capital that in turn will allow it to support projects on a larger scale. The gradual transition of MAM Green Investments' assets off Macquarie's balance sheet is ongoing, as is fundraising for a range of funds targeting climate solutions.

In 2022, Macquarie set out its strategy on Net Zero and updated it in 2023. Those principles continue to guide activity as Macquarie's climate strategy evolves to meet the needs of its clients and the requirements of governments and regulators, which differ across markets. The Net Zero Banking Alliance (NZBA) helped develop global frameworks and assisted member banks as they established their initial decarbonisation plans. With those building blocks now in place, like many peers, Macquarie is no longer a member of NZBA, as it focuses on updating and delivering its plans and reporting in line with regulatory requirements.

Macquarie continues to progress against its existing emissions targets, for its own business operations as well as its financed emissions. Further details are on pages 68-74 in the Climate Metrics & Targets section of this Sustainability Report.

As Macquarie's global regulators release guidance related to the supervision of reporting prepared under regulatory requirements, and industry standards form, Macquarie will continue to assess and adapt its approaches in line with expectations and requirements.

<sup>3</sup> In February 2025, Macquarie Capital was ranked No.1 Global Energy Transition Financial Adviser by inspiratia for the 2024 calendar year by deal value. There can be no assurance that other providers would reach the same conclusions.

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## Climate Risk Management

### Macquarie's risk management framework

Macquarie continues to embed the identification, assessment, monitoring, management and reporting of climate risks across its risk management framework. Key artefacts that support Macquarie's risk management framework include the *Risk Appetite Statement* and the *Risk Management Strategy*, which set out Macquarie's approach to managing climate risk. Further details on the risk management framework are on pages 54-60 in the Risk Management section of this Annual Report.

#### Climate risk definition

Climate risk encompasses the financial and non-financial risks arising from physical climate risk, transition climate risk or liability climate risk drivers:

- physical climate risk includes the chronic risk arising from progressive shifts in climate patterns and the acute risk presented by changes to the frequency and magnitude of extreme weather events;
- transition climate risk includes risk arising directly or indirectly from the process of (orderly or disorderly) adjustment towards a lower-carbon and more environmentally sustainable economy, including changes in policy and regulatory settings, technological innovation, social adaptation and market changes; and
- liability climate risk arises from the potential for litigation or regulatory enforcement due to the failure to adequately consider or respond to the impacts of climate change.

### Climate-related impacts on Macquarie's material risks

Climate risk is considered a risk driver. This means that Macquarie recognises it may impact a broad range of material risks within its risk management framework. Examples of processes in place to manage these impacts are outlined below for select material risks.<sup>4</sup>

#### Environmental & Social Risk

Macquarie manages climate risk primarily through the application of the organisation-wide *ESR Policy*, which describes its approach to ESR management when onboarding or reviewing clients and other counterparties across a broad range of transactions including equity investments, financing, leasing and advisory mandates. Further details are on page 63 in the Risk Management section.

As noted in the *ESR Policy*, Macquarie's net zero commitments are considered in the approach taken to manage environmental risk on transactions.

#### Credit Risk

Macquarie regularly conducts sector-specific credit portfolio analysis, monitoring credit concentration by counterparty, country, risk type, industry, and credit quality. As part of the credit approval process, the assessment of climate and environmental risks for new transactions and investments is managed in accordance with *ESR Policy* requirements.

#### Market Risk

Macquarie uses scenario analysis and stress-testing to quantify and constrain exposure to market volatility across its trading books, including that which may result from climate risk.

#### Operational Risk

Macquarie recognises that business disruption risk can be caused by internal and external factors, including those caused by climate risk such as severe weather events. To prepare for and manage disruptions, Macquarie implements resilience strategies.

In line with Macquarie's new product and business approval process, climate-related risks are assessed for all new business activities where they meet the *ESR Policy* requirements, and for new or material changes to supplier arrangements.

#### Regulatory & Compliance Risk

Established functions within RMG provide oversight and guidance on climate risk regulation, legislation and industry guidance, undertake global horizon scanning, and convene regulatory change working groups.

Macquarie's *Greenwashing Standard* provides guidance to our people to help manage legal, regulatory and reputational risks relating to greenwashing. Further details are on page 63 in the Risk Management section.

#### Recent focus

Areas of focus over FY2025 included:

- development and pilot of a climate risk scorecard to support assessment of physical and transition risk impacts to counterparty credit risk
- development of climate-related controls to support business risk and control self-assessments
- continued uplift to our client transition plan assessment approach
- continued development of climate-related metrics, to support management oversight and better inform practices.

<sup>4</sup> The risks covered in this section leverage APRA's [CPG229 Prudential Practice Guide](#). The Guidance highlights the importance of understanding the interaction between climate risks and business activities, including the compounding effect climate risks may have on an institution's other risks. This is not an exhaustive list of risk types, rather demonstrative examples.

## Scenario analysis

Macquarie has an established climate scenario analysis process and executes climate scenario analysis regularly to help identify and assess climate-related risks and opportunities over the short, medium and long term.

### Scenarios

Macquarie considers a range of science-based scenarios when conducting climate scenario analysis, including internationally recognised scenarios such as from The Network for Greening the Financial System (NGFS). In FY2025, Macquarie conducted transition risk scenario analysis for oil/gas, utilities, metals and mining, and transportation sector credit exposures in the CGM business,<sup>5</sup> considering the following scenarios:

Scenario	Hot House World	Disorderly Transition
Scenario description	Scenario based on Nationally Determined Contributions (NDCs), representing a business-as-usual baseline for comparison	Scenario reflecting a world in which transition risk may be significant due to unanticipated policy changes
Data input	<ul style="list-style-type: none"><li>NGFS NDCs scenario</li></ul>	<ul style="list-style-type: none"><li>NGFS short-term scenario narrative</li><li>NGFS delayed transition scenario, fast-forwarded and with additional bespoke shocks<sup>6</sup></li></ul>
End of century warming	High-warming scenario (2.4°C)	Low-warming scenario (1.4°C)

### Scenario time horizons

The time horizon used for the scenarios spanned from 2024 to 2030. This was chosen to better align with the business strategy planning horizon and to account for the relatively short tenor of the in-scope portfolio, ensuring that insights from the scenario analysis are relevant to the decision-making processes.

### Transition risk models

The process of determining transition risk models for the in-scope sectors involved adapting business-as-usual credit risk models to reflect sector-specific transition risk channels, considering historical trends and carbon price sensitivities.

Macquarie evaluated credit risk metrics as well as the potential short-term impact on derivatives contracts to identify areas of risk that might emerge due to policy-driven commodity volatility.

### Scenario findings

Macquarie's analysis suggested that the impact of transition risk on in-scope sectors could be highly variable among regions, partly driven by variance in regional energy transition policies and uncertainties around the impact of carbon prices.<sup>7</sup> However, the level of adverse impact was less severe than those from the Internal Capital Adequacy Assessment Process Stress Testing, which considered multiple short-term, severe but plausible, macroeconomic stresses. This suggests that Macquarie's business model remains resilient in the short to medium term under the applied climate scenarios assumptions.

<sup>5</sup> In-scope exposures are all credit exposures (including wholesale loans, derivatives, trade receivables and contingents) within the CGM portfolio for the selected sectors.

<sup>6</sup> Key source of shocks may include, but are not limited to: high level of uncertainty related to fossil energy supply resulting in high volatility in the energy market; unanticipated carbon tax policy disrupting the profitability forecast for high greenhouse gas (GHG) emission sectors; and a confidence crisis due to financial turmoil as a consequence of stranded assets.

<sup>7</sup> These uncertainties include, but are not limited to: the timing and coverage of regional carbon price policies implementation; the trend and the magnitude of carbon prices movement among regions; and the level of carbon price burden that could be passed on from producers to consumers.



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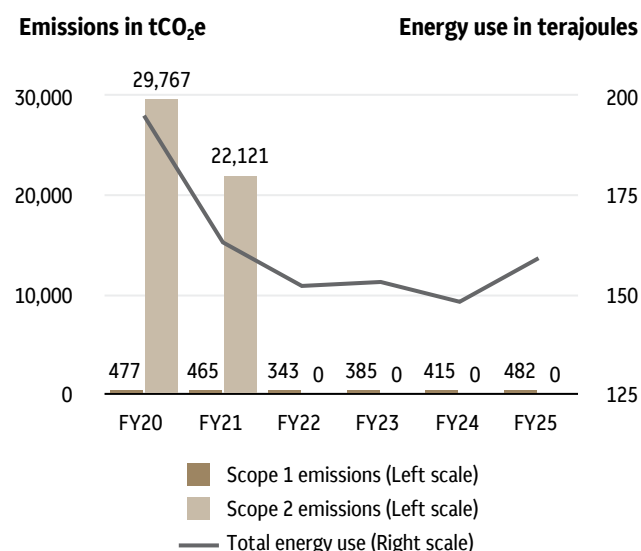
## Climate Metrics and Targets

### Progress in managing the emissions of Macquarie's own business operations<sup>8</sup>

#### Net zero emissions in FY2025 for Scopes 1 and 2

Macquarie has now achieved its commitment to net zero emissions in its own business operations for Scope 1 and 2 by FY2025. This commitment was delivered by improving energy efficiency within Macquarie's premises, reducing electricity use by 34% compared to the FY2014 baseline, and purchasing 100% renewable electricity in line with Macquarie's RE100 commitment, to deliver a 98% reduction in Scopes 1 and 2 emissions since FY2020. Macquarie offsets all Scope 1 residual emissions, that are difficult to abate, using carbon removal units with longer term storage, in line with industry guidance on credible carbon offsets.<sup>9,10</sup>

#### Scope 1 and 2 emissions and total energy use<sup>11,12</sup>



#### Macquarie's own business operations Scope 3 upstream emissions

Macquarie continues to measure and manage emissions for the Scope 3 Categories 1 to 6 and 8, in its business operational value chain, and has established commitments for the most material categories as listed below.

#### Scope 3 business operations emissions by Category

Category	FY2020 baseline (tCO <sub>2</sub> e)	FY2025 (tCO <sub>2</sub> e)
Category 1: Purchased goods and services <sup>13</sup>	137,030	164,983
Category 2: Capital goods		Included in Category 1
Category 3: Fuel and energy-related activities	4,054	3,526
Category 4: Upstream transportation and distribution		Included in Category 1
Category 5: Waste generated in operations	112	223
Category 6: Business travel	67,141	59,164
Category 7: Employee commuting		Commenced methodology development and collection of baseline data
Category 8: Upstream leased assets		Included in Category 1
<b>Total (Categories 1-6 &amp; 8)</b>	<b>208,337</b>	<b>227,896</b>

<sup>8</sup> "Own business operations" excludes emissions associated with operationally segregated subsidiaries (OSS).

<sup>9</sup> Unless otherwise stated, all Scope 2 emissions related to Macquarie's own business operations have been calculated using the market-based methodology as described by the GHG Protocol Scope 2 Guidance. PwC has provided limited assurance over this metric and Scope 1 emissions as detailed in the PwC independent assurance report available within Macquarie's FY2025 Basis of Preparation for Sustainability Reporting. This also sets out the reporting boundaries, definitions, and measurement methodologies for the assured metrics.

<sup>10</sup> Details on how this net zero position was delivered, and the guidance used, can be found in Macquarie's FY2025 Basis of Preparation for Sustainability Reporting.

<sup>11</sup> Increase in Scope 1 emissions in FY2025, compared to prior year, is due primarily to the inclusion of the base building at new global Headquarters at 1 Elizabeth Street, Sydney, including refrigerant emissions.

<sup>12</sup> Total Energy use for the year ended March 2025 is 159 Terajoules.

<sup>13</sup> Scope 3 Categories 1, 2, 4 and 8, are calculated using the spend-based methodology as set out in the GHG Protocol and are directly correlated with the spend with suppliers that is processed via Macquarie's procurement system. This methodology does not take into account any supplier-specific emissions reduction initiatives. Macquarie has restated its FY2020 baseline for Scope 3 Categories 1, 2, 4 and 8 to correct an error in the application of inflation in that year. The restated FY2020 baseline has undergone limited assurance and is included in the scope of PwC's limited assurance report.



## Macquarie's own business operations commitments and progress

### Scopes 1, 2, and 3 (Categories 1 to 8) commitments and progress

Commitment	FY2025 progress against commitment
<b>Reduction in electricity use</b> 20% reduction in electricity use by FY2023 (from a FY2014 baseline) in Macquarie's corporate offices and data centres	Macquarie's FY2025 electricity consumption was 42.6 GWh, a 34% decrease compared with the FY2014 baseline of 64.2 GWh.  The reduction since FY2014 is mainly due to the consolidation, relocation, and upgrade of office premises to more sustainable buildings, together with Macquarie's cloud transformation strategy that enables rationalisation of servers.  Macquarie will re-baseline electricity consumption in FY2026 to reflect the energy performance of the new Sydney global headquarters at 1 Elizabeth Street and 50 Martin Place.
<b>Renewable electricity %</b> Sourcing the equivalent of 100% renewable energy for Macquarie's global electricity needs in line with our RE100 commitment	Sourced the equivalent of 100% renewable energy for global electricity needs, through a combination of renewable energy from building owners or utilities (53.8%) and energy attribute certificates (46.2%). <sup>14</sup>
<b>Scope 1 and 2 emissions</b> Net zero emissions in Macquarie's own business operations by FY2025	Macquarie purchases the equivalent of 100% renewable electricity for office premises, reducing Scope 2 emissions to zero since FY2022, and is retiring carbon removal units with longer term storage to offset 482 tonnes of residual Scope 1 FY2025 emissions.
<b>Supplier science-aligned targets</b> By 2030, suppliers representing 75% of our Scope 3 Category 1: Purchased goods and services and Scope 3 Category 6: Business travel (air and hotel) emissions have a science-aligned emissions reduction target	Progressing toward the 2030 target with an estimated 39% of emissions covered by Macquarie's Scope 3 Category 1: Purchased goods and services suppliers having a science-aligned target, and 89% of emissions covered by Macquarie's Scope 3 Category 6: Business travel (specifically air and hotel) providers also having such a target in place. <sup>15</sup>
<b>Offsetting of business travel emissions</b> Continuing to offset Scope 3 Category 6: Business travel emissions including air, hotels, taxis, car rental, and food and beverage	Macquarie is purchasing and retiring a portfolio of Australian Carbon Credit Units and other voluntary carbon offsets to cover 59,164 tonnes of FY2025 business travel related emissions. The offset projects are selected based on verifiable emissions reductions, after conducting internal due diligence and engaging an independent third party to assist with evaluation.

<sup>14</sup> See the FY2025 Basis of Preparation for Sustainability Reporting for further detail on progress against RE100 Technical Criteria.

<sup>15</sup> Review of supplier commitments completed 28 February 2025. Percentage representation of science-aligned emission reduction targets for business travel (air and hotel) uses proportion of spend between suppliers as a proxy for proportion of emissions.

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## Financed emissions targets and progress

### Approach

Macquarie's framework for analysing financed emissions reflects industry recommendations, including guidance from the GHG Protocol, the Partnership for Carbon Accounting Financials (PCAF) Standard,<sup>16</sup> and Macquarie's internal expertise.

A key feature of Macquarie's framework is the use of sector-specific methodologies. Macquarie considers activities across all four Operating Groups and includes on-balance sheet lending and equity investment exposures when determining its financed emissions.

Macquarie's framework and methodologies will continue to evolve to respond to changes to the external and internal environment, including changes to its businesses, the macroeconomic environment, updates to available data and tools as well as net zero scenarios. Revisions to targets and baseline calculations will be made as necessary to reflect evolving conditions and improved data quality.

Given the unique challenges associated with estimating financed emissions, including reliance on Macquarie's clients' cadence for reporting of their non-financial data, the most recent financed emissions data disclosed in this report is for FY2024.

### Overview

Macquarie has targets for fossil fuel exposures (thermal coal and upstream oil/gas), and the residential mortgages sector, as the latter accounts for over 60% of its dollar exposures.<sup>17</sup> Given the decision in 2024 to wind down BFS car loans and novated leases business, Macquarie has withdrawn its previously announced motor vehicles target. Macquarie's targets cover around 80% of its dollar exposures<sup>17</sup> to carbon-intensive sectors, and nearly two-thirds of Macquarie's absolute financed emissions from carbon-intensive sectors.

## Sector exposure and absolute financed emissions

Details of Macquarie's on-balance sheet lending and equity investments exposure by sector and its estimate of absolute financed emissions associated with these are provided below. Macquarie recognises the methodologies that exist today to calculate absolute financed emissions are still evolving and will monitor industry developments to inform its approach as data, methodologies and climate science continue to evolve.

Macquarie's methodology for calculating absolute financed emissions builds on international standards and guidance. Macquarie focuses on what it considers to be the most important sources of emissions for each sector, accounting for its financial exposure to each of its clients in those sectors and attributing those clients' emissions to Macquarie broadly in line with the PCAF methodology.

### Data quality

Estimating emissions requires the collection and analysis of large sets of data and there continues to be significant challenges with both data availability and quality. Consequently, some estimates are based on assumptions and extrapolations. Macquarie applies the PCAF Standard data quality hierarchies,<sup>18</sup> and the data and models used in Macquarie's methodology are subject to its data governance policies and frameworks.

Over time, Macquarie expects data availability and quality will improve. As a result, it may periodically restate baseline emissions and emissions reduction targets. Macquarie notes that scenarios are likely to change with the pace of decarbonisation and it will review its approach as required.



Macquarie's FY2025 Basis of Preparation for Sustainability Reporting can be downloaded from [macquarie.com/sustainability](https://macquarie.com/sustainability)

## MAM metrics and targets

MAM has separate climate-related targets relating to its financed emissions attributed to the fiduciary investment activities undertaken on behalf of clients. This includes net zero asset alignment targets and engagement targets. To meet its targets, MAM has developed asset class specific strategies.

<sup>16</sup> Financed emissions: The Global GHG Accounting and Reporting Standard for the Financial Industry', Partnership for [Carbon Accounting Financials](#), December 2022, (PDF).

<sup>17</sup> Exposures include on-balance sheet lending and equity investments. This includes exposures from operationally segregated subsidiaries and, for motor vehicles, novated leases. See FY2025 Basis of Preparation for Sustainability Reporting for details.

<sup>18</sup> Partnership for [Carbon Accounting Financials](#), PCAF Standard (PDF).

## Macquarie's Exposure at Default (EAD) and Absolute Financed Emissions by sector<sup>19,20</sup>

		FY2024		
Sector <sup>21</sup>	Scopes included	EAD \$Ab	Absolute financed emissions (MtCO <sub>2</sub> e)	PCAF data quality score
Carbon-intensive sectors <sup>22</sup>	Oil/gas	1, 2, 3 (Cat. 11) <sup>23</sup>	<b>3.4</b>	<b>5.3</b> <b>Scope 1,2: 2.8; Scope 3: 2.8</b>
	Upstream oil/gas <sup>24</sup>	1, 2, 3 (Cat. 11)	2.3	Scope 1,2: 2.2; Scope 3: 2.8
	Midstream and downstream oil/gas	1, 2	0.3	2.2
	Coal <sup>25</sup>	1, 2, 3 (Cat. 11)	<b>&lt;0.1</b>	<b>0.1</b> <b>2.0</b>
	Coal mining	1, 2, 3 (Cat. 11)	0.0	N/A
	Real estate	1, 2	<b>155.7</b>	<b>0.9</b> <b>4.1</b>
	Residential mortgages	1, 2	134.8	0.7 4.1
	Commercial real estate	1, 2	12.7	0.1 3.9
	Transport	1, 2, 3 (Cat. 13) <sup>26</sup>	<b>10.2</b>	<b>2.0</b> <b>2.9</b>
	Motor vehicles	1, 2	4.4	0.2 2.1
	Shipping	1	1.6	0.8 2.2
	Aviation <sup>27</sup>	1, 3 (Cat. 13)	1.3	0.7 2.0
	Power	1, 2	<b>3.5</b>	<b>0.5</b> <b>4.4</b>
	Power generation <sup>28</sup>	1	0.9	0.5 2.6
	Agriculture	1, 2	<b>0.3</b>	<b>0.3</b> <b>4.3</b>
	Farming	1, 2	0.1	0.2 3.0
	Aluminium, Cement, Iron/Steel	1, 2	<b>0.0</b>	<b>0.0</b> <b>N/A</b>
Other sectors	Manufacturing	1, 2	<b>0.8</b>	<b>0.1</b> <b>5.0</b>
	Financial services	1, 2	<b>18.3</b>	<b>&lt;0.1</b> <b>5.0</b>
	Health and education	1, 2	<b>5.9</b>	<b>0.2</b> <b>5.0</b>
	Technology, media, telecommunications	1, 2	<b>6.3</b>	<b>0.2</b> <b>5.0</b>
	Retail and wholesale trade	1, 2	<b>1.0</b>	<b>&lt;0.1</b> <b>5.0</b>
	Other mining	1, 2	<b>1.7</b>	<b>0.8</b> <b>5.0</b>
	Other	1, 2	<b>9.3</b>	<b>1.0</b> <b>5.0</b>
<b>Total</b>		<b>216.3</b>	<b>11.4</b>	

<sup>19</sup> Includes on-balance sheet lending and equity investments for all sectors. This includes exposures from operationally segregated subsidiaries and, for motor vehicles, novated leases. See FY2025 Basis of Preparation for Sustainability Reporting for details.

<sup>20</sup> Since the publication of Macquarie's 2023 Net Zero and Climate Risk Report, enhancements have been made to sector mapping and methodology. See FY2025 Basis of Preparation for Sustainability Reporting for detail.

<sup>21</sup> Sector also includes segments in-scope for targets - italics indicate sectors with targets. On-balance sheet lending and equity exposures are mapped to an ANZSIC code sector, reflecting the client's primary business activity. In some cases, additional product-level analysis is performed to assign exposure to a sector. See FY2025 Basis of Preparation for Sustainability Reporting for details.

<sup>22</sup> Sectors include segments which may not be deemed carbon-intensive. E.g., real estate agents within the real estate sector may not be considered carbon-intensive.

<sup>23</sup> Scope 3 is included for upstream oil/gas exposure only in this line.

<sup>24</sup> Includes both pre-production and production upstream oil/gas producers.

<sup>25</sup> The coal sector includes coal mining and a small exposure to coal-fired power generation. For coal-fired power generation, Scope 1 is included only. As at December 2024, Macquarie had zero coal company on-balance sheet lending and equity exposures, achieving the original 2021 goal. Further information on Macquarie's approach to coal is on page 73.

<sup>26</sup> Scope 3 is included for aviation exposure only in this line.

<sup>27</sup> In the Aviation sector, Macquarie's current exposure is limited to lessor(s) only. Accordingly, this table only includes Scope 3 (Category 13).

<sup>28</sup> To avoid double counting, in this table Macquarie reported a small remaining coal-fired power exposure as part of the coal sector. It is not included in the power/power generation sector.

# Sustainability Report

Continued

## Sector-level target details and progress

Macquarie continues to monitor progress against its emissions reduction targets in the upstream oil/gas, coal, and residential mortgages sectors.

Sector	Scope					Target details			Target progress		
	Emissions	Financial products	Value chain	Geographical	Scenario	Target metric	Target	Baseline year	Baseline	FY2024	% change from baseline
Upstream oil/gas	1, 2, 3 (Cat. 11)	Lending and equity investments	Upstream (extraction)	Global	NGFS Net Zero 2050	Physical emissions intensity (gCO <sub>2</sub> e/MJ)	56.3-59.6 gCO <sub>2</sub> e/MJ, equivalent to a 9-14% reduction by 2030	FY2020	65.8 gCO <sub>2</sub> e/MJ	62.3 gCO <sub>2</sub> e/MJ	-5%
Coal mining	1, 2, 3 (Cat. 11)	Lending and equity investments	Coal mining	Global	N/A	Absolute financed emissions (MtCO <sub>2</sub> e)	100% reduction by end of 2024 (applicable to entire Coal sector, see page 73)	FY2020	3.58 MtCO <sub>2</sub> e	0 MtCO <sub>2</sub> e	-100%
Residential mortgages	1, 2	Lending	Operational use	Australia	Carbon Risk Real Estate Monitor (CRREM) scenario	Physical emissions intensity (kgCO <sub>2</sub> e/m <sup>2</sup> )	11.6-19.3 kgCO <sub>2</sub> e/m <sup>2</sup> , equivalent to a 50-70% reduction by 2030	FY2021	38.7 kgCO <sub>2</sub> e/m <sup>2</sup>	33.2 kgCO <sub>2</sub> e/m <sup>2</sup>	-14%

## Upstream oil/gas

### Recap of Macquarie's approach

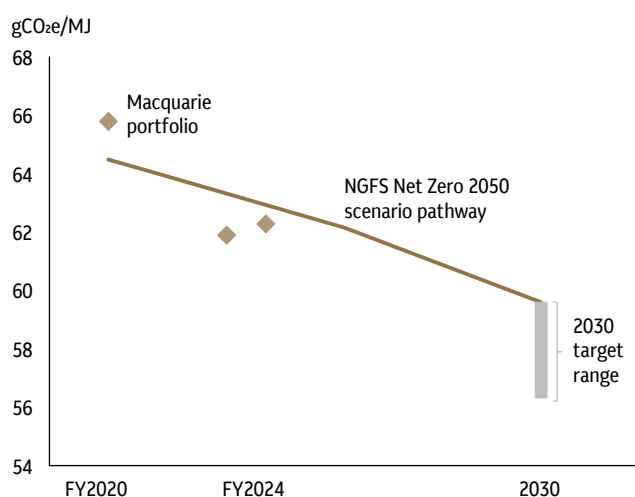
In science-based, net zero-aligned climate scenarios (e.g., NGFS Net Zero 2050, International Energy Agency Net Zero Emissions and Intergovernmental Panel on Climate Change), oil and gas generally remain critical components of the energy mix in 2030, which means decarbonisation of the operations of oil/gas companies is an important element of the energy transition, especially in the near term. Divestment strategies might not support real world emissions reductions and could result in a disorderly net zero transition that does not address the economic and social needs of the communities affected. Given the scale of the needed transition, Macquarie recognises that much of the world will depend on oil/gas for years to come and will continue to support clients in these sectors.

### Progress update

Macquarie is making progress towards its target of 56.3-59.6 gCO<sub>2</sub>e/MJ, which implies a 9-14% reduction in physical emissions intensity by 2030 from the FY2020 baseline. In FY2024, the physical emissions intensity of Macquarie's upstream oil/gas portfolio was 62.3 gCO<sub>2</sub>e/MJ, up slightly from the FY2023 level but down 5% from the FY2020 baseline.

As noted in Macquarie's prior Net Zero and Climate Risk Reports, annual physical emissions intensity outcomes are likely to exhibit considerable volatility (in both directions) as the portfolio evolves over time. Such volatility is to be expected and is consistent with Macquarie's 2030 target.

### Upstream oil/gas emissions intensity - Scope 1, 2 and 3 (Cat. 11)



## Coal

### Progress and approach

In 2021, Macquarie announced its intention to run-off on-balance sheet lending and equity exposures to coal companies by the end of 2024.<sup>29</sup>

As a means of achieving that goal, Macquarie committed to not engaging in new balance sheet activity with any counterparty where the underlying purpose was to fund the purchase, development or expansion of a coal mine (both thermal and metallurgical) or coal-fired power station.

As at 31 December 2024, Macquarie had zero coal company on-balance sheet lending and equity exposures, achieving the original 2021 goal.

Macquarie's approach to coal has continued to evolve:

- reflecting the ongoing importance of and limited viable alternatives to metallurgical coal for steel making and industry practice, Macquarie now differentiates between metallurgical coal and thermal coal
- in April 2024, advisory transactions where the underlying purpose is to fund the purchase, development or expansion of a metallurgical coal mine were brought into appetite<sup>30</sup>
- in November 2024, Macquarie allowed balance sheet lending and equity investments, where the underlying purpose is to fund the purchase, operation, development or expansion of a metallurgical coal mine
- Macquarie continues to have no appetite for financing >12 months using its balance sheet<sup>29</sup> or to advise on transactions where the underlying purpose relates to the purchase, operation, development or expansion of thermal coal activities
- Macquarie maintains the ability to work with coal companies to finance projects that will significantly reduce their carbon 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.

<sup>29</sup> 'On-balance sheet lending and equity exposures' and 'financing' refer to on-balance sheet lending and equity investment activities, excluding on-balance sheet securities held for client facilitation and market-making purposes. Lending refers to loan assets held at amortised cost and excludes certain items such as leasing, asset finance and short-term financing that generates trading income (e.g., inventory finance, pre-pays, receivables finance or letters of credit). Also, in line with the PCAF Standard Macquarie's product scope excludes issued guarantees that are not related to any potential future loans or equity investments. For coal, this relates to environmental bonds (e.g., to rehabilitate a mine at the end of its life).

<sup>30</sup> Refer to page 60 of the Macquarie Group 2024 Annual Report available at [macquarie.com/investors/reports](https://www.macquarie.com/investors/reports).

# Sustainability Report

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## Residential mortgages

### Recap of Macquarie's approach

Reducing operational emissions in this sector is heavily reliant on the decarbonisation of the electricity grid, a reduction in household gas usage (via electrification) and improvements in energy efficiency. Macquarie's ability to meet targets in this sector will depend on a coordinated approach across federal, state and local governments to encourage the growth of renewable energy supplies, enforce building standards and energy codes, and incentivise home energy retrofits. Unless and until the grid is substantially rebalanced to renewable energy supplies, improvements in any other factor will only make marginal contributions to the sector's decarbonisation.

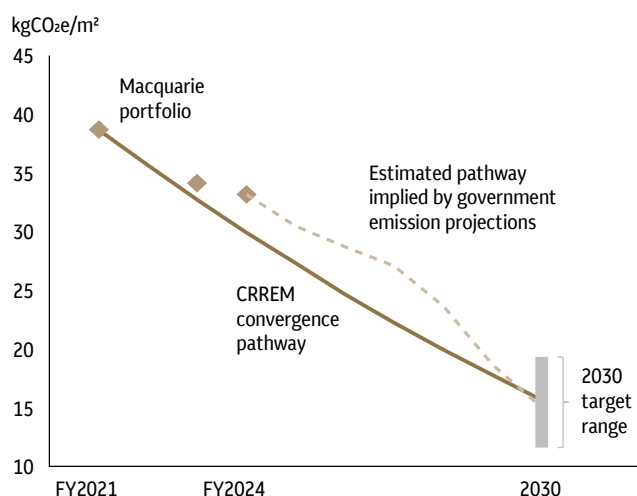
Macquarie continues to face significant data challenges in quantifying financed emissions from residential mortgages, with data quality and availability currently low. Macquarie is supportive of government initiatives to deliver a mandatory national disclosure framework.

### Progress update

Macquarie continues to see pathways towards its target of 11.6-19.3 kgCO<sub>2</sub>e/m<sup>2</sup> by 2030, which implies a reduction of 50-70% from the FY2021 baseline. However, only marginal progress has been made in FY2024. The physical emissions intensity of Macquarie's residential mortgages sector has decreased by 14% to 33.2 kgCO<sub>2</sub>e/m<sup>2</sup> from the FY2021 baseline, primarily reflecting the pace of decarbonisation within the Australian electricity grid. While the progress in FY2024 was relatively modest, it remains in line with Australian Government modelling, which suggests that progress toward their 82% renewable target in 2030 will be backloaded.

With Australia's population set to grow considerably in coming years, Macquarie plans to continue to increase lending to this critical sector to support that growth.

### Residential mortgages emissions intensity - Scope 1 and 2



## Managing progress towards Macquarie's targets

Progress towards Macquarie's targets is managed and supported by various control and monitoring mechanisms. This includes Macquarie's Net Zero Risk Assessment (NZRA) process and regular sector-level and portfolio emissions progress reviews and management reporting.

The NZRA process is in place for the upstream oil/gas sector and enables financed emissions targets to be appropriately considered in financing decisions, using a combination of possible quantitative and qualitative factors to evaluate clients' climate ambition and performance for new in-scope transactions. This can include assessment of the client's transition plans. The NZRA process includes 'second line' review by the Risk Management Group.

## Assessing client transition plans

Macquarie is continuing to evolve its approach to assessing client transition plans. Client transition plans are currently assessed for select sectors against a range of criteria that has been informed by emerging best practices from industry bodies. Assessments consider sector-specific criteria and evaluate the maturity of client transition plans. Macquarie's approach will continue to evolve as harmonisation across global best practices occurs.

## Nature and biodiversity

Macquarie recognises the impact of human activities on biodiversity as highlighted in the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services, and acknowledges the importance of the Kunming-Montreal Global Biodiversity Framework.

Nature and biodiversity risks and impacts that arise through Macquarie's investments, financing activities and client relationships are managed through its overall ESR management process. Macquarie's *ESR Policy* includes specific biodiversity risk triggers and enhanced due diligence requirements.

Acknowledging that nature and biodiversity is an emerging topic, Macquarie will continue to monitor and work on understanding the related impact on its business operations, including contributing to the development of frameworks through the Taskforce on Nature-related Financial Disclosures and the Nature Finance Council of the Australian Government.



More information on nature and biodiversity is available at [macquarie.com/sustainability](https://macquarie.com/sustainability)

## Sustainability in Macquarie's corporate offices

As part of the broader focus on the natural environment and sustainable resource use, Macquarie has a commitment that 80% of employees will be in sustainably-rated premises by FY2025. Following the moves into our new and upgraded workplaces in Sydney and New York, 85% of Macquarie people are now occupying a sustainably-rated office.<sup>31</sup>

Integrating 1 Elizabeth Street with the existing heritage-listed 50 Martin Place building, Macquarie has created a new workplace that brings together its Sydney teams, previously based across four offices in the city, in one campus for the first time in more than 25 years. The precinct has been designed with sustainability in mind and achieved the highest possible sustainability credentials: a 6-Star Green Star Design Review rating from the Green Building Council of Australia. Features include the capture and re-use of rainwater, landscaping and greening, enabling full electrification in normal operations, and implementing smart technology.

Situated in the heart of Manhattan, New York, Macquarie's new Americas headquarters at 660 Fifth Avenue represents more than 30 years of growth and innovation in the region. The building has achieved LEED Gold certification, and was selected as one of six inaugural commercial sites for the Empire Building Challenge, New York State's program to elevate new design approaches for low-carbon retrofits in New York's high-rise buildings. In addition, the Macquarie tenancy fit-out has achieved LEED Platinum certification.

## Green bond issuance

In September 2024, MBL issued its inaugural 5-year €600 million green bond. The bond is allocated against Macquarie's new global headquarters, the 1 Elizabeth Street Office Tower, which has achieved a 6-Star Green Star Design Review rating from the Green Building Council of Australia, qualifying it as an Eligible Green Project under the International Capital Market Association's Green Bond Principles.

## Resource efficiency and minimising waste to landfill in Macquarie's own operations

Within its own business operations Macquarie is focused on improving the diversion from landfill of operational and fit-out projects' waste, as well as targeting more sustainable products and services across areas such as operational electronic waste (e-waste), plastics used in premises operations, office paper, and stationery.<sup>32</sup>

Macquarie has a target to divert 50% of operational waste from landfill across its global headquarters and regional offices, and in FY2025 59% of waste was diverted, exceeding the target. Macquarie has diverted 77% of fit-out and demolition waste from landfill in FY2025, exceeding the 75% target for this year.<sup>33</sup>

Macquarie made an FY2025 commitment to eliminate single-use plastic in its premises operations and has made progress toward this by focusing on removing single-use cups, cutlery, and unnecessary plastic packaging for food presented in our cafés. However, not all single-use plastic has been eliminated from the packaging for takeaway food in Macquarie's cafés.

In FY2025 Macquarie achieved a 78% paper use reduction from the FY2019 baseline, exceeding a 60% reduction target. There is a commitment to use certified sustainable or recycled paper stock for 100% of office paper needs, and in FY2025 100% of our office paper was certified as such.

Macquarie has committed to managing e-waste through sustainably certified suppliers, and has this in place for disposal of laptops, desktops, and information technology communications room equipment.

Macquarie continues to work toward the FY2025 commitment to increase the percentage of expenditure on sustainable products to 80% of global purchasing needs for prioritised goods. Clear and consistent sustainability definitions for prioritised categories, such as IT equipment, stationery, pantry consumables, and office furniture, have been developed in partnership with suppliers, and implementation of these new standards is ongoing. Challenges have been identified in obtaining consistent data, at the product level, across all priority categories to enable reporting against this target, and we are working to address this with suppliers.

<sup>31</sup> Minimum LEED Gold, BREEAM Good, 5 Star Green Star, Green Mark Gold Plus, Beam Plus Gold or equivalent. Excludes OSS.

<sup>32</sup> Further information on Macquarie's performance against FY2025 targets, and ongoing commitments, can be found at [macquarie.com/sustainability-in-own-business-operations](https://macquarie.com/sustainability-in-own-business-operations).

<sup>33</sup> This target and progress relates to Macquarie's fit-out projects and excludes the Sydney Metro Martin Place integrated station precinct development and construction of 1 Elizabeth Street that was completed in FY2025.



# Sustainability Report

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## Social

### Own workforce

Macquarie's teams around the world are made up of diverse groups of motivated, passionate and skilled people who are empowered to deliver positive and sustainable outcomes for our clients and communities.

The diversity of our workforce is one of our greatest strengths, ensuring that our business remains innovative, sustainable and continues to meet the evolving needs of all our stakeholders.

We aim to foster an inclusive culture that welcomes a range of ideas and perspectives, and which empowers individuals to explore what's possible and deliver to their greatest potential.

Our ongoing commitment to a diverse workforce helps us to recruit, develop and retain a broad range of talent across markets that represents the diversity of the communities we serve.

### Our approach and policies

Macquarie's principles of Opportunity, Accountability and Integrity underpin our *Workforce Diversity Policy* and are embedded in our culture. Macquarie views diversity as a broad range of attributes, experiences, skills, and views. The *Workforce Diversity Policy* outlines Macquarie's commitment to maintaining its inclusive culture and diverse representation at all levels of the organisation. Macquarie's Executive Committee and Board of Directors receive regular updates on progress on our commitments and encourage continuous improvement.

Performance assessments of all employees take into consideration their people leadership and professional conduct, which includes fostering a diverse and inclusive work environment. Leadership teams in each Operating and Central Service Group and region are also accountable for making progress against Macquarie's diversity objectives.



Further information on Macquarie's commitment is available at [macquarie.com/diversity](https://macquarie.com/diversity)



Further information is outlined on pages 46-47 in the [Corporate Governance Statement](#) of this Annual Report.

### Actions

#### Race and reconciliation

Cultural and racial inclusion continue to be priorities for Macquarie, and we take an active and localised approach to drive progress in our business and communities.

In FY2025, we began preparing our second *Reconciliation Action Plan* (RAP) in Australia, whilst continuing to build on the progress of our first RAP. The second RAP will launch in FY2026,

strengthening our relationships and commitment to reconciliation with First Nations people and businesses.



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

### Gender pay gap monitoring

Macquarie conducts annual gender pay gap reviews and provides comprehensive data to the Workplace Gender Equality Agency (WGEA) in Australia, and adheres to regulatory requirements in other locations where we operate.

Macquarie's management and Board Remuneration Committee annually review pay for men and women in equivalent roles, seeking to maintain fairness.

Details on Macquarie's remuneration framework are outlined on page 102-152 in the Remuneration Report section of this Annual Report.

### Families and carers

Macquarie continues to provide support to working parents and carers of all genders through flexibility, paid leave, and initiatives such as coaching and transition support to return to work.

### Accessibility

In FY2025, we published our inaugural global Accessibility Action Plan (AAP) detailing how Macquarie will meet global and Australian accessibility standards. The plan outlines our progress and three-year commitments to improve accessibility and inclusion for candidates, employees and customers.



Macquarie's Accessibility Action Plan can be downloaded from [macquarie.com/diversity](https://macquarie.com/diversity)

### Gender representation

Female representation has increased across all Macquarie levels over the medium-long term. We seek to improve our gender representation through ongoing monitoring of our progress, empowering our employee network groups and investment in development programs.

### Metrics

#### Global female representation by level<sup>34</sup>

As at 31 March (%)	FY2025	FY2024	FY2023	FY2022	FY2021
Board of Directors	62.5	62.5	62.5	50.0	45.5
Executive Committee <sup>35</sup>	30.0	33.3	30.0	30.0	27.3
Division Head <sup>36</sup>	26.4	23.3	25.5	26.5	23.0
Senior Executive <sup>37</sup>	24.0	24.3	23.3	21.8	20.5
Macquarie workforce	44.2	44.3	44.1	43.0	42.0

<sup>34</sup> Workforce data based on total global workforce as at 31 March 2025, excluding employees in (1) operationally segregated subsidiaries and (2) investments where Macquarie does not have a controlling interest.

<sup>35</sup> The proportion of females at Executive Level temporarily increased in FY2024 when Nicholas O'Kane stepped down as Group Head of CGM before 31 March 2024, and Simon Wright was appointed on 1 April 2024.

<sup>36</sup> Division Head refers to all Macquarie Division Directors and Executive Directors who are in critical roles and either (1) report directly to a Group Head or (2) are two layers down from the CEO.

<sup>37</sup> Senior Executive refers to all Macquarie Division Directors and Executive Directors.

## Training and development

### Our approach and policies

Macquarie focuses on developing talent and enabling career mobility within the organisation. Our talent management approach focuses on dedicated conversations so our people stay engaged, continue to develop, and are matched with internal opportunities to build their careers.

Macquarie's performance management approach promotes continuous development, which includes at least one annual performance appraisal for all employees and regular career development discussions with their managers.

Macquarie is dedicated to providing employees with opportunities to develop in-demand skills for evolving career landscapes.

### Actions

#### Employee upskilling and development

A key principle of Macquarie's learning programs is to enable access to development opportunities for all staff levels, from junior employees through to senior leaders. We upskill our people through formal programs and self-directed learning, utilising continuously available resources through the Macquarie Learning Platform.

Macquarie recognises the need for access to learning and development no matter where our people are in the world. To do this we deliver an enterprise-wide global core curriculum that meets the behavioural skill development needs of our people. Programs focus on areas such as Communication, Influencing and Personal Effectiveness.

In FY2025, Macquarie evolved its approach to supporting new people leaders with the design and development of our People Manager Essentials (PME) Program. The program provides foundational people management skills such as feedback, coaching, managing change and delegation. The program is complemented by a digital resource for people managers to support them, when they need it, in the moments that matter.

Macquarie recognises the effect that sponsorship can have on an individual's career progression. This year we progressed our approach from regional, business-specific sponsorship programs to a globally consistent approach by piloting the Global Sponsorship Program. The program aims to enhance career development and retention for mid-level employees by offering guidance, networks, opportunities, and advocacy from senior leaders. Participants received targeted development to address focus areas consistently identified across the cohort. The approach not only supports career development and retention but also improves opportunities for global mobility. Enabling career mobility has long been a focus across Macquarie. Matching internal talent to opportunities that support development and growth is essential to supporting the careers of our people. During FY2025, 270 international career moves were facilitated.

## Engaging with own workforce

Macquarie engages with its global workforce through the annual staff survey and at key employee lifecycle moments. Insights from these, coupled with other data sources, provide leaders and teams with actionable insights on culture and employee experience. Macquarie consistently maintains high levels of employee engagement.<sup>38</sup>

### Remuneration

Details on Macquarie's remuneration framework are outlined on pages 102-152 in the Remuneration Report section of this Annual Report.

## Health and safety

### Our approach and policies

Macquarie's Executive Committee and Board of Directors recognise, support and promote the rights of every worker to return home safely from our global operations and investment activities. Macquarie's *WHS Policy* outlines how we apply our WHS risk management principles for various activities where Macquarie's level of control and influence varies:

- Macquarie's day-to-day operations and potential impacts to our people, third-party suppliers and visitors to Macquarie premises;
- product and services provided to our clients; and
- investments in businesses or projects by Macquarie or on behalf of third-party investors.

### Actions

#### WHS risk management

Macquarie manages its WHS risks by:

- maintaining clear expectations and behaviours agreed with our employees, contractors, visitors and business partners
- incorporating WHS into our investments and business decision-making processes
- applying 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 effective communication on relevant WHS matters and information
- allocating adequate resources to manage material WHS risks
- measuring, monitoring and managing the progress of our WHS performance to achieve our WHS vision.

#### Health and safety culture

Macquarie's health and safety culture is underpinned by a framework that integrates policies, procedures, and safety measures to prioritise employee wellbeing.

Macquarie employee participation at local and regional levels is facilitated through health and safety forums and consultation committees. These initiatives focus on current conditions and inform our future wellbeing strategies to prevent risks and manage injuries and illnesses effectively.

<sup>38</sup> Macquarie 2024 Voice Survey; participation rate is consistently above 80%.

# Sustainability Report

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

- resources to help identify health and wellbeing risks, trends and insights, enabling proactive preventative measures to improve our people's physical and psychological health and safety
- ongoing access to education, assessment and equipment to prevent workplace injuries and incidents
- access to mental health and wellbeing training and resources for our employees, including guidance on creating mentally and physically healthy workplaces, employee, family, and financial counselling, health coaching, and targeted, specialised individual support
- confidential reporting systems to encourage our people to voice concerns about workplace health and safety issues, including forms of inappropriate behaviour and work-related psychosocial hazards, and response mechanisms to ensure concerns are addressed and resolved
- dedicated multidisciplinary health and safety teams that monitor external developments to identify, assess, and mitigate health and safety risks affecting our people, and to ensure our practices comply with legal requirements and adapt to regulatory changes.

## Wellbeing

Macquarie offers a broad range of wellbeing benefits and initiatives, designed to provide our people with the necessary tools and resources to prioritise their physical and psychological wellbeing. Our approach emphasises the importance of maintaining a balanced lifestyle across physical, mental, emotional, and social wellbeing factors.

## Metric

### Lost Time Injury Frequency Rate (LTIFR)<sup>39</sup>

	FY2025	FY2024
Period from 1 April to 31 March	0.16	0.18

## Health and safety in our investments

Macquarie integrates WHS into the investment lifecycle to actively manage WHS risks and improve investment returns. This includes identifying WHS risks and improvement opportunities at acquisition, if necessary establishing transition plans in agreement with shareholders and assets, and monitoring investment WHS performance throughout the investment lifecycle.

Macquarie's Operating Groups each have tailored Safety Alignment Frameworks to address the specific WHS risk profiles within our investments. Frameworks are regularly reviewed and enhanced to drive consistent WHS principles and expectations for equity and fund management portfolio companies, seeking to eliminate fatalities and serious injuries. Macquarie Nominee Directors are required to meet expectations stipulated in the Safety Alignment Frameworks and are provided training and support by a network of senior WHS professionals. In FY2025, 58 Macquarie Nominee Directors received WHS governance training. WHS is the responsibility of 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.

In FY2025, Macquarie enhanced its WHS governance expectations for equity and fund management investments across WHS high-risk sectors and industries based on our investment insights. This included the introduction of targeted critical risk expectations, additional investment portfolio WHS performance analysis tools, and an increased focus on high-potential near miss incident reporting and investigation within the investments. Macquarie continues to focus on implementing leading WHS practices, improvement initiatives, assuring that adequate WHS resources are in place and sharing lessons learned across our regions and Operating Groups. This also includes Macquarie regularly promoting intra-industry WHS forums to share lessons learned between organisations and across regions. In FY2025, 20 safety alerts and lessons learned were shared across our organisation.

## Human rights

### Our approach and policies

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 Conventions*.

Macquarie has a company-wide framework of policies and processes in place to identify, prevent or mitigate and, where relevant, remediate 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 can be downloaded from  
[macquarie.com/human-rights-at-macquarie](https://macquarie.com/human-rights-at-macquarie)

<sup>39</sup> 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 LTIs resulting in a compensable claim per million workhours. Data is based on total global workforce for the period 1 April 2024 to 31 March 2025, for Macquarie employees.

## Consumers and end-users

Maintaining and developing our relationships with our corporate, institutional, government and retail customers, along with our co-investors is a focus across all our Operating Groups.

Our responsibilities as a retail bank, including towards individual customers, have been considered below.

### Our approach

In BFS, we offer a diverse range of personal banking, wealth management and business banking products and services to retail customers, advisers, brokers and business clients across Australia. We are dedicated to understanding the needs of our approximately 2 million customers, promoting financial inclusion and safeguarding customer data.

### Actions

#### Enhancing engagement with customers

This year, BFS expanded Live Chat, an in-app and online real-time two-way communication channel across our client service teams. Customers and advisers can quickly and conveniently connect with our consultants digitally, providing a more seamless experience than phone based engagements for the most common enquiries.

BFS has also invested in building its omni-channel service offering for customers. This includes the development of personalised alerts, offers and insights for customers, and utilising new technology capabilities to ensure customer support teams have a comprehensive customer view to enhance real-time interactions. BFS continues to leverage existing and emerging technologies to further evolve the customer experience.

#### Protecting customers from scams and fraud

BFS is committed to helping our employees and customers become cyber-resilient.

In FY2025, to ensure more customers are receiving the highest level of protection against fraud, updates to online banking required customers to have Macquarie Authenticator, a multi-factor authentication app, for payments above \$A2,000, for certain payment methods.

Throughout FY2025, BFS continued to invest in fraud prevention solutions, including adding phone numbers to the 'Do Not Originate' list to help reduce scam calls. Payment blocks were also implemented to certain high risk Bank State Branch numbers (BSBs), including some cryptocurrency exchanges. BFS developed and employed AI detection models to identify and prevent money mules.

A key part of proactively protecting customers from fraud and scams is through customer education programs. BFS regularly updates the Macquarie Scams Hub with informative content on the latest scams activity, including resources and insights on how customers can best protect themselves against fraud and scams.

BFS continues to invest in advanced AI and machine learning biometrics to strengthen our fraud prevention capabilities, including behavioural biometric solutions that monitor customer's digital interactions to detect potential fraud and scams.

#### Supporting customers experiencing vulnerability

Reflecting our commitment to our customers, Macquarie Bank Limited subscribes to the latest version of the Australian Banking Association *Banking Code of Practice*. In line with this and regulatory obligations, BFS supports staff to identify, acknowledge and respond to customers experiencing vulnerability who may require additional care. Customer-facing staff members receive mandatory training and ongoing education, focused on identifying, acknowledging, and responding to customers experiencing vulnerability, and specialised workshops which provide relevant information on financial abuse, dispute support and managing difficult situations.

BFS continues to provide access to external specialist community support services, including contact information for organisations that can help in circumstances involving financial abuse and domestic violence, with ongoing client referrals to a third-party phone-based specialist. Further customer support is provided by our specialist care teams on a case-by-case basis, including financial aid for essential items, funding for legal and/or financial advice, fee and interest refunds, and assistance with accommodation and moving costs.

In FY2025, BFS enhanced its financial assistance offering, including direct access to Live Chat and improved online information for customers. BFS also refined its processes to address financial abuse in transaction descriptions for online and mobile banking products, to help protect customers.

### Providing BFS customers with innovative digital solutions

In FY2024, BFS launched the digital variable rate review feature enabling home loan customers to review their current home loan interest rate and determine, in real time, if an alternative rate is available to them.

More than 395 app enhancements were made over FY2025 as part of the ongoing evolution of the digital banking experience, with continued investment in digital experiences, achieving Net Promoter Scores (NPS) of 45.8 for Mobile Banking, 30.1 for Online Banking and 21.0 for Consumer.<sup>40</sup>

<sup>40</sup> Net Promoter Score (NPS) is a global metric used to measure customer loyalty and satisfaction based on a company's brand, products or services, and the likelihood of a customer recommending the business. Data sourced from RFI-DBM Atlas as at February 2025 and reported on a 6-month moving average. Based on Australian consumers aged 18+ who have any financial relationship with the specified banks, rating their likelihood to recommend that bank.

# Sustainability Report

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## Channels to raise concerns

In line with our obligations under ASIC *Regulatory Guide 271* (RG 271), customers can raise complaints via our website, Live Chat, phone, email, our social media platforms or mail. The effectiveness of these channels is tracked through hindsight reviews, feedback mechanisms and stakeholder engagement across the organisation through a series of reporting and forums.

All BFS staff complete annual mandatory complaints awareness training to ensure they can appropriately identify and report complaints. The resolution of complaints is achieved either at the first point of contact or through detailed case management, with each case being managed by a dedicated case manager to ensure a thorough understanding of the customer's concerns, a comprehensive review of information and the identification of an appropriate resolution.

## Metrics

### Complaint metrics

	FY2025	FY2024
Number of complaints	<b>60,617</b>	41,754
Complaints as a % of accounts <sup>41</sup>	<b>1.77 %</b>	1.37 %

BFS complaints as a proportion of its customer base remains low year on year, with the key thematic driver for a slight increase in total FY2025 complaints being changes to certain customer banking options during the period. BFS is committed to customer remediation that emphasises consistency, timeliness, fairness and transparency. When an error is identified, we follow established remediation protocols to ensure we contact the customer and provide an appropriate solution promptly.

The Macquarie Customer Advocate's role is to make it easier for our customers by helping to facilitate fair complaint outcomes and minimising the likelihood of future problems. Further detail is on page 46 in the Corporate Governance Statement of this Annual Report.

## Responsible and transparent communications

There are Australian regulatory requirements in relation to treating customers fairly and ensuring statements made to customers are not misleading.

Expectations of employees to treat customers fairly are also reinforced in Macquarie's *Code of Conduct*. New starter and annual refresher training is provided to BFS employees on conduct expectations and other key topics, such as complaints management and protection of data and privacy. In line with Macquarie's obligations under ASIC regulatory guidance RG274 *Design and Distribution Obligations*, BFS monitors a range of metrics to inform any ongoing adjustments required to our target market and product offering.



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



The *Australian Complaints Handling Policy* explaining the process for lodging a complaint is available at [macquarie.com/australian-complaints-handling](https://macquarie.com/australian-complaints-handling)



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



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

## Cybersecurity, Data security and Privacy

### Our approach and policies

#### Cybersecurity

Macquarie acknowledges that cybersecurity risk arises when threat actors target the people, processes, or technology that support our business activities, and that advanced persistent threats may introduce risks beyond our reasonable control. Macquarie has established minimum requirements to reduce the risk of cyber and information security threats whilst concurrently protecting our customers and maintaining compliance with regulatory requirements to ensure the continued trust of our clients and partners.

The Board Risk Committee receives regular technology and cyber reporting updates.

Throughout FY2025, Macquarie observed the evolving threat landscape including:

- the potential for cyber attacks due to geopolitical tensions
- increasing regulation to protect individual, organisational and national security
- an increase in data breaches and high-profile ransomware attacks against supply chains, companies and individuals
- the use of new technologies, such as artificial intelligence, to perpetrate cyber attacks.

The cyber threat landscape includes financially motivated entities, nation states and hackers who aim to obtain unauthorised access to systems and data or disrupt Macquarie services from anywhere in the world. We continuously monitor for changes in the cyber threat landscape, assess the potential impact of identified threats on Macquarie, implement controls to mitigate these threats and manage residual risks in accordance with our risk appetite.

<sup>41</sup> Total complaints for the financial year against the number of BFS accounts as at the end of the reporting period.



## Data security

Macquarie acknowledges the threats related to data security, such as data breaches, unauthorised access, and lack of availability, which could impact clients, staff, and operations. To manage these threats, Macquarie employs appropriate cybersecurity measures and data management practices.

Macquarie's data frameworks help manage threats against our data by ensuring the security, availability, and quality of data and supports Macquarie's data risk management objectives, which include:

- enabling effective data risk management while meeting regulatory obligations
- establishing the principles and requirements that underpin the effective governance, architecture, quality, usability, persistence and control of data across the data lifecycle
- managing data risk in alignment with the *Risk Appetite Statement*.

These objectives apply to all data handled by staff and extend to suppliers. Data risk governance includes oversight from senior management, tracking of data risk metrics, key risk and performance indicators, and proactive addressing of significant data-related issues, especially during business transformations.

## Privacy

The Macquarie *Privacy Policy* sets out why we need to collect personal information, how we collect it, what we do with it, how it is stored and who we might share it with. It also describes how individuals can access or correct information about themselves and how to ask further questions or make a complaint. The policy is available on Macquarie's website. It is administered by a dedicated privacy and data function and is supported by privacy and data training and awareness activities.

Macquarie has processes in place to investigate data breaches involving personal information and will notify clients, customers, regulators, and other appropriate stakeholders of a data breach where we are required to do so under local legislation or as is otherwise appropriate in the circumstances.

## Metric

In FY2025, there were no data protection incidents that were required to be reported under a data protection regime in which Macquarie operates.<sup>42</sup>

### Data protection incidents

	FY2025	FY2024
Reported data protection incidents	0	0

<sup>42</sup> For example, as per section 26WE of the Australian *Privacy Act 1988* (Cth) and reportable under Part IIIC of the Act.

# Sustainability Report

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## Macquarie Group Foundation

The Macquarie Group Foundation (the Foundation) drives social impact work for Macquarie, supporting its people, businesses, and communities to build a better future. In 2025, the Foundation celebrates its 40-year anniversary.

### Our people

The Foundation's impact reflects Macquarie's biggest asset: its people. Macquarie encourages employees to support the causes that matter to them by providing a range of benefits including donation matching, paid volunteer leave and charitable donations in recognition of time spent volunteering or serving on a non-profit board.

In FY2025, 37% of eligible employees globally were engaged in the community by giving their time, financial support or skills. Employees donated or fundraised over \$A17.8 million for over 3,000 non-profit organisations, took over 2,000 days of paid volunteer leave and contributed \$A5.8 million in value through skilled volunteering.<sup>43</sup>

In October 2024, \$A5 million was raised during Macquarie's 11th annual Foundation Week, during which additional matching incentives are available. Macquarie employees organised or participated in over 290 initiatives, spanning 43 offices and supporting more than 250 non-profits globally.

### Our businesses

The Foundation collaborates with Macquarie businesses to integrate shared value into existing models, identifying projects that boost both social value and commercial benefits.

In its second year, the Macquarie Shared Value Award recognised Macquarie teams and assets driving significant social outcomes. Macquarie Asset Management with TDC NET's Technology Employment Program were awarded a \$A150,000 grant to Specialisterne for an employment program for individuals living with autism. Macquarie Capital, together with Voneus Broadband, were awarded a \$A150,000 grant to the Digital Poverty Alliance to provide digital devices and digital literacy programs to low-income households in the North of England.

### Our communities

Acknowledging global employment barriers, the Foundation deploys grants and social impact investments to create effective employment pathways. The Foundation's grantmaking and social impact investments are complemented by employee support through pro bono support, mentoring, training, knowledge sharing and employability programs.

In FY2025, the Foundation provided \$A12.2 million in philanthropic and impact investment funding to 57 employment focused partners. The Foundation's existing employment focused partners reported supporting 7,400 people into employment, with over 30,000 people supported through training, upskilling and employment programs.<sup>44</sup>

In early FY2025, the Foundation made an investment in Redemption Roasters (UK), a social enterprise whose mission is to reduce reoffending by offering professional coffee industry training and employment pathways for prison leavers. Later in FY2025, Macquarie welcomed Redemption Roasters to our London office as our new in-house coffee provider, further bringing the social impact work of the Foundation to life and showcasing the meaningful work Redemption does for those who face significant barriers to employment.

### Our broader community

#### Macquarie Sports

Macquarie Sports aims to engage young Australians by improving access to sporting opportunities. In FY2025, it supported 22 sporting clinics nationwide, reaching over 2,300 participants.

To celebrate 25 years of Macquarie Sports, the Athletes in Schools program was launched, with the aim of inspiring primary school students around Australia. Throughout November 2024, Macquarie Sports took some of the country's best sportspeople to underserved schools in every state and territory, where over 3,500 children had the opportunity to meet an athlete, ask a question and hold an Olympic or Paralympic medal.

#### Macquarie Group Collection

The Macquarie Group Collection is a unique corporate philanthropy model featuring over 950 works themed "The Land and Its Psyche". It showcases artists by displaying their art in more than 40 Macquarie offices globally.



Further information about the Macquarie Group Foundation is available at [macquarie.com/community](https://macquarie.com/community)

### Metrics

#### Macquarie Group Foundation contributions

	FY2025	FY2024
Total Contribution	<b>\$A57m</b>	\$A67m
Contributed since inception in 1985 <sup>45</sup>	<b>\$A698m</b>	\$A641m

<sup>43</sup> In the 12 months to 31 March 2025. Figure calculated using Taproot Foundation's average hourly value of pro bono service (\$US220 per hour converted to \$A336.38 as per average exchange rate in the 12 months to 31 March 2025) multiplied by Macquarie employees' skilled volunteering hours (17,307 hours).

<sup>44</sup> Data was supplied and not independently verified between 1 April 2024 – 31 March 2025 for activities undertaken by Macquarie's employment focused partners with philanthropic and impact investment support from Macquarie Group. 'Into employment' is defined by our partners using one or more of these categories: type of work, hours of work, living wage work, meaningful work, secure work, career progression, income progression, jobs created, jobs maintained. It is possible for a person to be counted as employed more than once (for example: if they move to another employment position within the reporting period). 'Support' is defined by our partners using one or more of these categories: direct help, indirect help, giving information. 'Into employment' is a subset of the total number of people supported.

<sup>45</sup> Contribution figures comprise Macquarie employees' donations and fundraising; Foundation matching support for employees' donations and fundraising; Foundation donations to commemorate employees attaining 10-year and 25-year anniversaries at Macquarie; Foundation grants to non-profit organisations to recognise 12 months of board service by a Macquarie employee; and Macquarie and Foundation grants and social impact investments to community organisations since inception in 1985 to 31 March 2025.



## Governance (Business Conduct)

### Business conduct and ethics

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.

### Business conduct policies and corporate culture

#### Our approach and policies

Macquarie sets, promotes, monitors and reflects on risk culture. All staff have a role in managing risk, and fostering an appropriate and effective risk culture. Macquarie's Risk Culture teams are responsible for developing and maintaining the risk culture framework, including monitoring, reporting and overseeing risk culture. As part of their role, risk culture specialists enable and embed effective risk culture through uplift initiatives, advisory, review and challenge.

Macquarie's Conduct Risk team is responsible for managing Conduct Risk 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.



Further details on Macquarie's risk culture and approach to conduct risk is provided on pages 56-57 in the [Risk management](#) section of this Annual Report.

Consistent with our purpose and principles, Macquarie is committed to providing an environment in which people are comfortable raising concerns about improper conduct, ensuring that those who do so do not experience negative consequences for doing so.

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 global *Whistleblower Policy* and managing the investigation of disclosures raised under this policy. The policy outlines the principles that govern how Macquarie protects those who raise concerns about improper conduct under the policy. Improper conduct includes matters such as breach of law, serious breaches of Macquarie's policies and the *Code of Conduct*, financial malpractice, concerns about human rights, or unethical behaviour.

The policy explains how concerns should be raised, including to the Integrity Office and the Integrity Hotline (an externally managed service enabling concerns to be raised anonymously), and Macquarie's process for managing the investigation of concerns raised under the policy.

All Macquarie employees have access to the *Whistleblower Policy* on Macquarie's intranet and are provided with training about the policy, their rights and obligations under it, and the channels available to raise concerns. Macquarie employees with particular obligations under the policy receive regular training, including how to respond to concerns covered by the policy. External parties have access to the policy on Macquarie's website.

The Integrity Office acts on information from disclosures, investigating concerns and making recommendations. In addition to consequences for employees, disclosures may lead to actions including improvements to policy and process, training and additional communications.



Further details are provided on page 46 in the [Corporate Governance Statement](#) of this Annual Report.

### Metric

#### Disclosures received by the Integrity Office<sup>46</sup>

In FY2025, the Integrity Office received disclosures covering behaviour inconsistent with the *Code of Conduct*, policy breaches, unfair employment practices, business culture, and inappropriate staff behaviour.

	FY2025	FY2024
Disclosures received by the Integrity Office	83	74

### Financial crime, anti-bribery and corruption

Macquarie's financial crime risk governance framework outlines our approach for identifying, mitigating and managing financial crime risks including money laundering and counter-terrorist financing, bribery and corruption and sanctions. This includes maintaining appropriate policies, standards and procedures, endorsed by Senior Management and working closely with AUSTRAC, international regulators, law enforcement and the Fintel Alliance to detect and deter financial crime. Macquarie employees receive annual training on preventing financial crime risk with additional training and communications provided as required based on risk, including for board directors.

Macquarie maintains a group wide *Anti-Money Laundering and Counter Terrorism Financing (AML/CTF) Framework and Policy* that manages the risk that Macquarie's products and services might be involved in, or used to facilitate, money laundering or terrorism financing (ML/TF). The policy is a key component of Macquarie's AML/CTF framework, outlining the key obligations and responsibilities of staff to identify, mitigate and manage ML/TF risks that Macquarie faces with its customers and their use of Macquarie products and services.

<sup>46</sup> Covers all disclosures received by the Integrity Office and the Integrity Hotline, including whistleblower disclosures.

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Macquarie's *Anti-Bribery and Corruption Policy* outlines the expectations and elements of Macquarie's anti-bribery and corruption framework and program of activities to prevent, detect and deter bribery or corruption (B&C). The anti-bribery and corruption framework sets out the company-wide approach to managing the risk of B&C. Anti-bribery and corruption training and awareness forms part of the control framework.

Macquarie employees must report suspected or actual instances of bribery or other corrupt practices in accordance with our *Anti-Bribery and Corruption Policy*, *Whistleblower Policy* and *Incidents and Issues Policy* and have multiple avenues of reporting available to them, including the Integrity Hotline, if they wish to remain anonymous. Macquarie employees are protected from any form of retaliation when raising concerns.

The *Economic and Trade Sanctions Policy* forms part of Macquarie's financial crime governance framework, setting out Macquarie's approach to compliance with global sanctions obligations, ensuring compliance with applicable sanctions and safeguarding Macquarie against dealings that may expose it to an unacceptable level of sanctions risk.



A summary of the financial crime, anti-bribery and corruption policies are available at [macquarie.com/sustainability](https://macquarie.com/sustainability)

## Political engagement and public policy

Macquarie considers it important 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, funders, clients, employees and communities 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 them with advice and services.

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, either by Macquarie directly or as part of a broader industry group
- participating in government and other policy advisory panels when invited and where we can make a differentiated contribution based on our expertise
- engaging with parliamentarians and policy-makers through formal meetings, attending events, public forums and parliamentary inquiries where appropriate
- contributing to the advocacy work done by industry groups in key markets around the world, representing sectors such as financial services and markets, infrastructure, energy as well as general business peak bodies.

In many jurisdictions, political parties are typically funded by a mix of public and private monies. Macquarie has a full disclosure policy and declares all monies paid to political parties. As part of its engagement with political processes in Australia and the United Kingdom, Macquarie provides financial support to the major political parties, primarily through attendance at events.

In Australia, we disclose all monies paid to the Australian Electoral Commission (AEC) by Macquarie regardless of any thresholds or other provisions that may otherwise limit the need to disclose. This disclosure is made by way of an annual AEC return on a 1 July to 30 June basis and is published by the AEC in the February following the end of the disclosure year. In the year ended 30 June 2024, Macquarie's political contributions in Australia totalled \$A196,958 comprising of \$A101,000 to the Australian Labor Party, \$A86,058 to the Liberal Party of Australia and \$A9,900 to the National Party of Australia. Contributions were to meet the costs of memberships of political party business forums, attendance at events and party conference corporate days, and sponsorship and hosting of events.

In the year end 30 June 2024, Macquarie's political contributions in the United Kingdom totalled £23,621, comprising of £19,772 to the Labour Party and £3,849 to the Conservative Party. Contributions were to meet the costs of memberships of political party business forums and attendance at events.

Except for the donations disclosed above, Macquarie did not make any other donations to any political party in the year ended June 2024. We do not report the contributions made by staff members in a personal capacity.

## Management of relationships with suppliers

Macquarie's *Service Provider Risk Management Policy* and sustainable procurement framework guide how Macquarie manages environmental, social, and economic impacts across the corporate supply chain, integrating sustainability throughout the procurement life cycle. We also require those suppliers who we consider as presenting heightened ESG risk to acknowledge Macquarie's *Principles for Suppliers* which outlines expectations in regards to how they manage and consider these impacts and other corporate governance considerations.

Macquarie remains committed to ensuring we pay small suppliers in a timely manner, in line with global regulatory obligations. Macquarie continues to improve small supplier payment times, with over 99% of small suppliers in Australia paid in less than 30 days from date of receipt of invoice.

Macquarie has committed to spending 1% of annual global spend (in our tier one and tier two supply chains) with diverse suppliers and 10% of annual global spend with small businesses by FY2025.<sup>47</sup> In FY2025, Macquarie spent over \$A37.7 million (or 1.1% of global spend) with diverse suppliers and over \$A259.9 million (or 7.6% of global spend) with small businesses.

Macquarie has recently refreshed the supplier diversity commitment to spend a cumulative \$A150 million with diverse suppliers from FY2026 to FY2030. Our supplier diversity commitment is available on our website to support conversations with external stakeholders and Macquarie's commitment to the diverse supplier community.

Since the launch of our Reconciliation Action Plan 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 FY2025, we continued to achieve full compliance with Macquarie's *Service Provider Risk Management Policy's* environmental and social risk requirements, meaning that 100% of suppliers identified as having heightened ESR risk have completed the supplier ESR questionnaire and acknowledged the *Principles for Suppliers*.

We have also continued to engage an independent auditor to complete ESR audits. These 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. These audits are part of the actions undertaken by Macquarie to identify and mitigate the risk of modern slavery and human trafficking occurring in our value chain. Further information can be found in Macquarie's Modern Slavery Statement.



Macquarie's Modern Slavery Statement can be downloaded from [macquarie.com/human-rights-at-macquarie](https://macquarie.com/human-rights-at-macquarie)

## 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/FY25-tax-transparency](https://macquarie.com/FY25-tax-transparency)



FY2025 **Consolidated Entity Disclosure Statement** (CEDS) is provided on pages 285-312 of this Annual Report

<sup>47</sup> Diverse suppliers means 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, or First Nations peoples.