



Sustainability in direct operations

2025

Sustainability Plan

Introduction



Since 2010, we have reduced our energy use and maintained our carbon neutral commitment.

The 2025 Sustainability Plan reflects our commitment to further create a positive social and environmental impact across our global operations.”

Sustainability in direct operations

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

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

2025 Sustainability Plan

In FY2021, Macquarie committed to reaching Net Zero operational emissions by FY2025.¹ This was supported by existing targets to reduce electricity use and meet all our operational electricity needs from renewable sources. Since 2010, we have maintained our carbon neutral² commitment by working to reduce and offset emissions from our global electricity use and business travel. In 2019, we joined RE100 with a commitment to source 100% renewable electricity across our global offices and data centres by FY2025. In FY2022, Macquarie sourced the equivalent of 100% of our electricity consumption from renewable sources³ and continued to work towards full RE100 compliance.

Our FY2025 strategy builds on this progress and is structured around five key pillars, aligned to the UN Sustainable Development Goals (SDGs)⁴. We have set clear targets and initiatives under each pillar, and we will continue to look for innovations that can drive progress, using the SDGs as a framework to guide implementation.

In FY2022, the Plan was updated in line with current technical guidance, industry trends and Macquarie’s ambition to achieve Net Zero emissions. As a practical and operational strategy, this next evolution of the 2025 Sustainability Plan reflects our commitment to further create a positive social and environmental impact across our global premises, data centres and supply chain to reflect best practice.

Tracey Macdonald
Global Head of Business Services

1. Operational emissions include Scope 1 and Scope 2 emissions, and business travel.
2. Covers Scope 1 and Scope 2 emissions, and business travel.
3. The equivalent of 100% of our FY2022 electricity consumption was sourced from renewable sources through a combination of green tariffs and energy attribute certificates. Due to a lack of availability, we were unable to source renewable energy certificates within the South Korean market, which is a requirement of the RE100 market boundary criteria. All other renewable energy purchases were sourced in line with the criteria, and we were 98.4% compliant at FY2022.
4. UN SDGs are a collection of 17 global goals set by the United Nations General Assembly in 2015 for the year 2030.

2025 Strategy



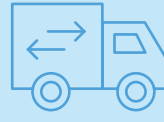
Climate change

Minimise our carbon footprint to achieve net zero operational emissions⁵



Premises and projects

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



Supply chain

Integrate sustainability considerations throughout the procurement life cycle to drive positive environmental, social and economic impacts, and promote ethical and responsible practices across our supply chain



Health, safety and wellbeing

Encourage health, safety and wellbeing to support our employees to thrive



Sustainability culture and engagement

Raise employee awareness, knowledge, and engagement in sustainability to create a positive impact in the environment and communities we operate and live in.

About the plan

This Plan will be applied across Macquarie's corporate operations.

It should be read in conjunction with the following Policies, which define Macquarie's group-wide obligations in their respective areas:

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

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

Accountability and governance

The Macquarie Group Board is responsible for approving Macquarie's ESG framework, including this Plan. In accordance with its Charter, the Board Governance and Compliance Committee (BGCC) assists the Board in adopting appropriate governance standards and reviewing the operation of environmental and social risk management policies. Regular progress against the 2025 commitments is provided to the Board.

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

5. Operational emissions include Scope 1 and Scope 2 emissions, and business travel.

Climate change

Climate change is one of the most complex and critical challenges facing the world.

Meeting the goals set out in the Paris Agreement requires the private and public sectors to work together to deliver the transition to a low-carbon future at unprecedented scale and pace, and in a socially inclusive manner. Macquarie is committed to playing a leading role in driving this global transition to Net Zero.

In 2021, Macquarie made a commitment to align its business operations and financing activities with the objective of enabling and accelerating the world's pathway to Net Zero by 2050. We will also continue to reduce the emissions of our own business operations. We have maintained carbon neutrality⁶ across our offices, data centres, and business travel since 2010 and are committed to reaching Net Zero operational emissions⁷ by 2025.

In FY2022, Macquarie sourced the equivalent of 100% of our electricity consumption from renewable sources through a combination of green tariffs and energy attribute certificates.⁸ 98.4% of our renewable energy purchases were sourced in line with the RE100 market boundary criteria. We will continue to work towards full RE100 compliance by FY2023, ahead of our FY2025 commitment.

In FY2021, climate risk analysis for Macquarie offices in countries where climate change has the potential to materially impact operations was completed. Several facilities were identified as having a heightened exposure today and in the next decade, to climate-related hazards including precipitation, flooding, and heatwaves. Business interruption risk from these hazards was considered unlikely or not material at most facilities. More details are reported in the [**2021 Task Force on Climate-related Financial Disclosures Report**](#).

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

- [**Environmental and Social Risk Policy**](#)
- [**Climate Change Approach**](#)
- [**Group's Net Zero by 2050 commitment**](#)

Our 2025 commitments include:

- Achieving Net Zero in Direct Operations.⁷
- Maintaining 100% carbon neutrality.⁹
- Sourcing 100% renewable energy for global electricity needs in line with our RE100 commitment.
- A 20% reduction in electricity use by FY2023 (from FY2014 baseline).
- Reviewing additional Scope 3 categories of emissions resulting from upstream operational activities.¹⁰ This includes assessing the materiality of the emissions from each activity and establishing data strategies and calculation methodologies to support baselining and prioritisation of reduction efforts.
- Where appropriate, identify and deploy emission reduction strategies, evolve science-based emission reduction targets, and track progress for additional material upstream operational emission categories.
- Deploying business travel Scope 3 emission reduction strategies against a FY2020 baseline.

6. By working to reduce and offset emissions for Scope 1 and Scope 2 emissions, and business travel.

7. Operational emissions include Scope 1 and Scope 2 emissions, and business travel.

8. The equivalent of 100% of our FY2022 electricity consumption was sourced from renewable sources through a combination of green tariffs (43%) and energy attribute certificates (57%). Due to a lack of availability, we were unable to source renewable energy certificates within the South Korean market, which is a requirement of the RE100 market boundary criteria. All other renewable energy purchases were sourced in line with the criteria, and we were 98.4% compliant at FY2022.

9. Macquarie has been carbon neutral since 2010 by working to reduce and offset emissions from our global electricity use and business travel.

10. As defined in the Greenhouse Gas Protocol.

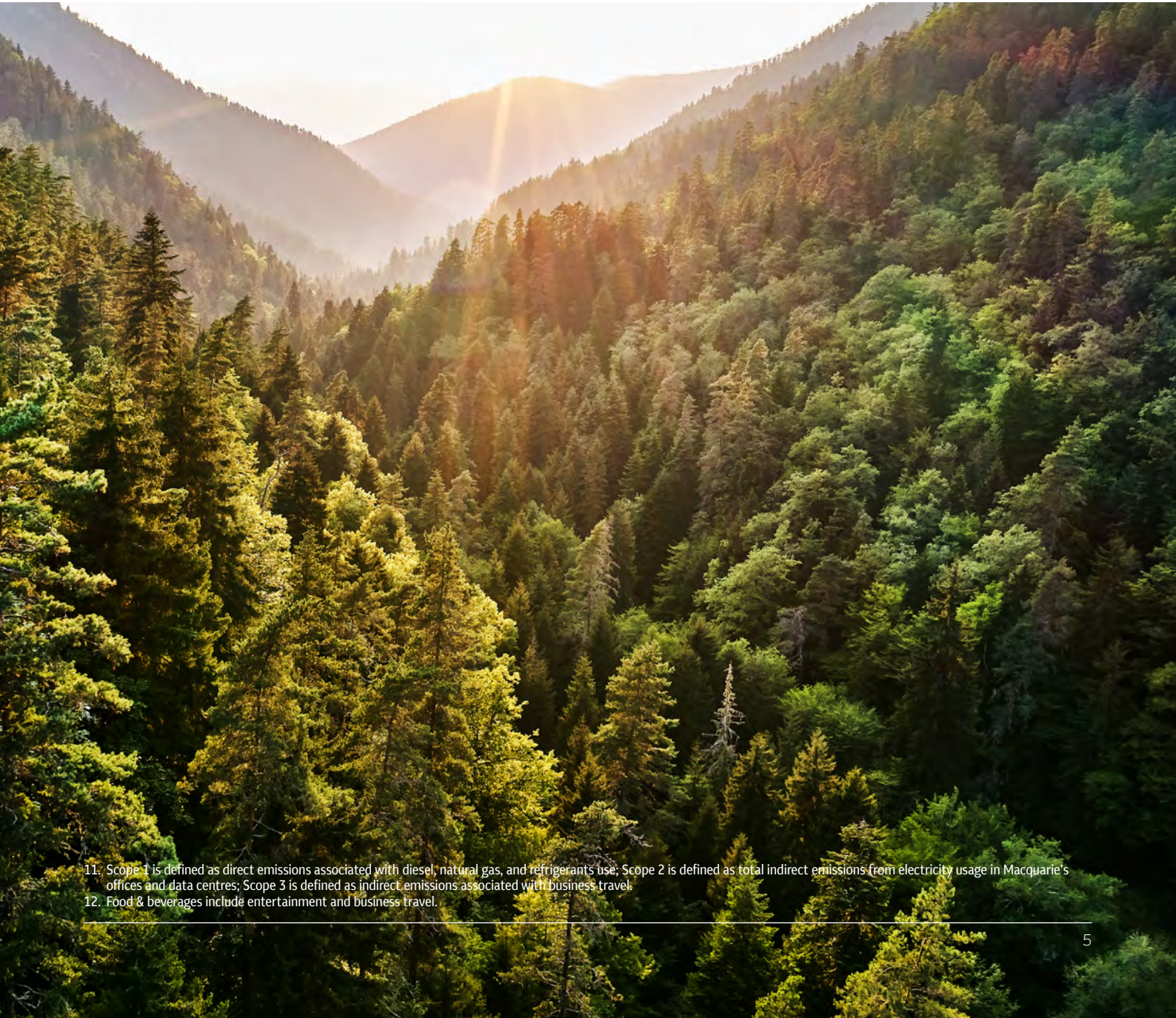
Our climate-related disclosures in direct operations

Within Macquarie’s ESG Report we report against our operational metrics including the Scope 1, Scope 2 and Scope 3¹¹ emissions of our global direct operations, our energy use, and progress against our renewable electricity target. In FY2022, Macquarie expanded its definition of Scope 3 emissions relating to business travel to include air travel, ground transportation, hotels, and food and beverages.¹² Additionally, the air travel emission calculation methodology has matured to be more comprehensive and now reflects the class of ticket flown (for example economy, business class). A detailed Macquarie Net Zero Plan will be published by the end of 2022, followed by annual progress reports thereafter.

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

Where required, we report emissions to our regulators on our Australian operations to the Clean Energy Regulator in accordance with the National Greenhouse and Energy Reporting Act and respond to the requirements of the European Union Energy Efficiency Directive.

Related UN Sustainable Development Goals:



11. Scope 1 is defined as direct emissions associated with diesel, natural gas, and refrigerants use; Scope 2 is defined as total indirect emissions from electricity usage in Macquarie’s offices and data centres; Scope 3 is defined as indirect emissions associated with business travel.
 12. Food & beverages include entertainment and business travel.

Premises and projects

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

We seek to:

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

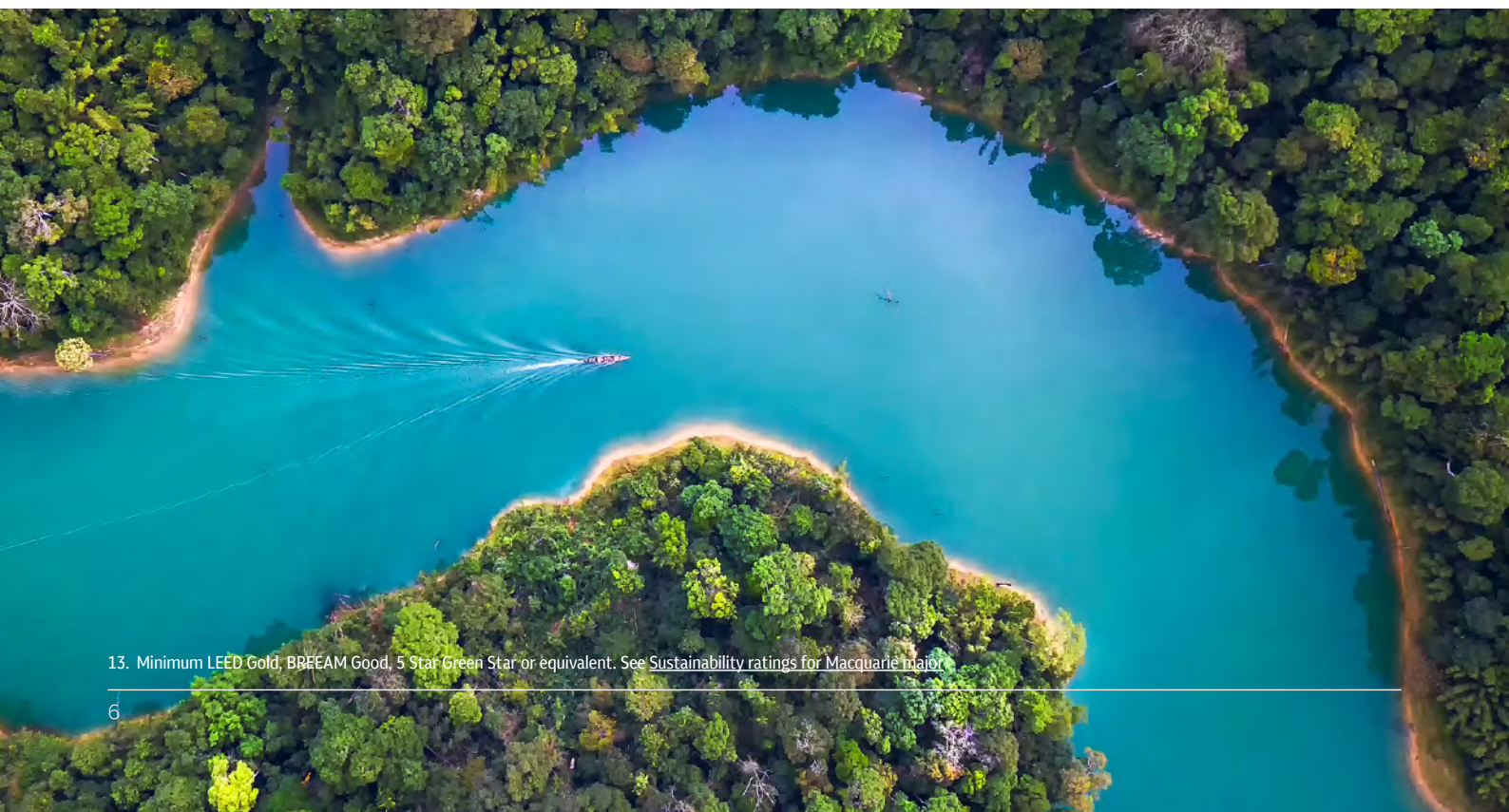
Our approach to sustainable design and operations of our premises is guided by the following:

- Internationally recognised sustainable building standards and our Ecological Sustainable Design guidelines.

Our FY2025 commitments include:

- 80% of employees in sustainably-rated premises.¹³
- Diversion of 50% of waste from landfill across our global headquarters.
- Diversion of at least 65% of premise projects' construction and demolition waste from landfill in FY2023, increasing by 5% each financial year until 75% in FY2025.
- 100% of e-waste managed through certified sustainable suppliers.
- 100% elimination of single use plastic in premises operations.
- 60% reduction in paper use (from FY2019 baseline).
- Procure 100% of office paper from certified sustainable sources.

Related UN Sustainable Development Goals:



13. Minimum LEED Gold, BREEAM Good, 5 Star Green Star or equivalent. See [Sustainability ratings for Macquarie major](#)

Supply chain

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

We seek to:

- Minimise supply chain risks in direct operations and realise opportunities that can be generated from our supplier relationships.
- Integrate sustainability throughout the procurement life cycle.

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

- Supplier Governance Policy
- [Environmental and Social Risk Policy](#)
- [Principles for Suppliers](#)

Our 2025 commitments include:

- Maintaining 100% compliance to Macquarie's Supplier Governance Policy environmental and social risk requirements.
- Deploying an ongoing assurance program for human rights and environmental risk in our supply chain.
- Deploying an end-to-end sustainable procurement framework to maximise positive environmental, social, and economic impacts across the supply chain. The framework will integrate sustainability throughout the procurement life cycle and bring our approach in closer alignment to global best practice as outlined in the ISO 20400:2017.¹⁴
- Increasing our spend on environmentally and socially sustainable products to 80% of our global purchasing needs for prioritised goods by FY2025, and 100% by FY2030.
- Sourcing 1% of our global spend from diverse suppliers and 10% from small suppliers by FY2025, with a view to achieving tailored and proportional regional increases.¹⁵

Our Annual Modern Slavery Transparency Statement

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

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

Our [annual Modern Slavery Transparency Statement](#) outlines activities we undertake and continuous improvement initiatives to mitigate these risks which can be found on the [Macquarie Group website](#).

Related UN Sustainable Development Goals:



14. The International Standard for Sustainable Procurement that provides guidance to organisations, independent of their activity or size, on integrating sustainability within procurement.

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

Health, safety and wellbeing

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

We seek to:

- Operate harm-free environments and provide wellbeing programs to support our employees. We are committed to building and promoting safe workplaces which enable and empower people to do their best work. To achieve this, we build and maintain a safe workplace culture and manage our WHS risks effectively.

Our approach to health, safety and wellbeing is guided by the following:

- **Global Work, Health and Safety Policy**
- **Macquarie Plus, our holistic wellbeing program**
- The Corporate Real Estate WHS Framework, a fit for purpose framework that addresses the WHS risks and obligations for our corporate premises design, fit-out and operation.

Our 2025 commitments include:

- Increase in employee participation in wellbeing programs to 80% of all staff.
- A twice annual review of the Corporate Real Estate WHS Framework to ensure continued fit for purpose and relevance in evolving operating and regulatory environment.

Related UN Sustainable Development Goals:



Sustainability culture and engagement

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

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

Our approach to sustainability culture and engagement is guided by the following:

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

Our 2025 commitments include:

- Raising employee awareness of our commitment to sustainability.
- Raising employee participation and engagement in sustainability initiatives.
- Raising employee knowledge through the delivery of tools and education to support the implementation of this Plan.

Related UN Sustainable Development Goals:



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