

Sustainability Report

Macquarie’s Board and management view the commitment to sustainability and Environmental, Social and Governance (ESG) performance as part of its broader responsibility to clients, shareholders and the communities in which it operates.

To gain a complete view of Macquarie’s approach to ESG issues, these pages should be read in conjunction with other sections of Macquarie’s 2012 Annual Report including: Corporate Governance Statement, Diversity, Risk Management, Remuneration, Macquarie Group Foundation and the Financial Report.

Macquarie drives new business opportunities and works to embed ESG into its diverse activities with a focus on the following: ESG governance and risk management; direct operations; investments markets and products; and workplace.

In the year to 31 March 2012, Macquarie made progress in these areas:

- maintained carbon neutrality across premises energy use and corporate air travel
- reduced total carbon emissions by 4.2 per cent compared with FY2011
- relocated staff to more sustainable premises in Mumbai and announced that new Sydney offices at 48 Martin Place will be targeting the highest sustainability ratings
- published 21 specialist ESG research reports and more than 260 pieces of renewable energy research for clients, investors and staff

- received the Ethical Investor Award for Sustainability Research and the ESG Research Australia Award for Best Piece of ESG Research
- continued to build business in global carbon markets, clean technology and renewable energy and launched new business initiatives in energy efficiency and waste remediation
- made an ongoing contribution to public policy reviews
- continued investment in training and development of staff.

ESG governance and risk management

Overall responsibility for ESG resides with Macquarie’s Board and management which set the direction for the organisation. The Board Governance and Compliance Committee is responsible for monitoring aspects of ESG performance including environmental compliance and work health and safety across operating businesses.

Macquarie’s Sustainability Advisory Committee comprises senior Macquarie executives whose business roles or compliance functions intersect with ESG issues. The Sustainability Advisory Committee operates as a Macquarie-wide review board for ESG policy development and plays an important role in guiding Macquarie’s ESG approach. Macquarie’s Sustainability and Environment Office coordinates a diverse range of sustainability and ESG activities undertaken across Macquarie.

