

# Environmental, Social and Governance Report

Macquarie's Board and Management view the commitment to environmental, social and governance (ESG) performance as part of their broader responsibility to clients, shareholders and the communities in which Macquarie operates. This report provides an overview of Macquarie's ESG approach, progress and performance.

Macquarie's ESG approach is structured around priorities considered to be material to the business. Underpinned by Macquarie's *Goals and Values* and *Code of Conduct*, these ESG priorities reflect the risks and opportunities identified by the business and the issues of interest to our stakeholders including:

- managing ESG risks in business activities
- advancing environmental management
- pursuing investments, markets and products with an ESG focus
- valuing our people and workplace.

To gain a complete view of Macquarie's ESG approach, these pages should be read in conjunction with other sections of Macquarie's 2014 Annual Financial Report including: Corporate Governance Statement, Diversity, Risk Management, Remuneration, Macquarie Group Foundation and the Financial Report.

In the year to 31 March 2014, Macquarie continued to embed ESG within its diverse activities and drive new business opportunities. Highlights include:

- formalising the Group-wide approach to environmental and social risk in decision-making

- implementing a new work health and safety management system for operating assets in which Macquarie has an interest
- top ranking for Renewable Energy Research in Europe
- \$A200 million milestone achieved by Macquarie Group Foundation since inception
- reducing total Scope 2 emissions by 11 per cent compared with FY2013 and 17 per cent compared to baseline
- maintaining carbon neutrality across premises' energy use and corporate air travel
- continuing to make investment in renewable energy, energy efficiency and clean technology
- contributing to public policy reviews
- ongoing investment in staff training and development.

## ESG governance

Overall responsibility for ESG resides with Macquarie's Board and Management who 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 management frameworks across operating businesses.

Macquarie's Sustainability and Environment Office coordinates a diverse range of sustainability and ESG activities, including developing and implementing policies with businesses, providing advice on ESG risks and opportunities and facilitating training.

