

# 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.

Underpinned by Macquarie's *Goals and Values* and *Code of Conduct*, Macquarie's ESG priorities are shaped by their materiality to business performance and stakeholder interest. Macquarie has built its commitment to ESG by focusing on the following priorities:

- ESG governance and management
- direct operations
- investments, markets and products
- people and workplace
- engaging stakeholders.

To gain a complete view of Macquarie's ESG approach, these pages should be read in conjunction with other sections of Macquarie's 2013 Annual Financial Report including: Corporate Governance Statement, Diversity, Risk Management, Remuneration and the Financial Report.

In the year to 31 March 2013, Macquarie continued to embed ESG within its diverse activities and drive new business opportunities. Highlights include:

- maintaining carbon neutrality across premises energy use and corporate air travel
- reducing total Scope 2 and Scope 3 emissions by 12 per cent compared with FY2012.

- integrating ESG through business-specific ESG policies and training
- publishing more than 360 pieces of renewable energy research for clients, investors and staff
- rating 1st and 3rd for Renewable Energy Research Analysts, 2nd for Australian ESG research and 2nd for Leading Brokerage Firm for Renewable Energy Research
- becoming the largest deregulated traditional and smart meter provider in the UK
- ranking globally as a Top 3 carbon trader by volume
- continuing to build business in renewable energy, global carbon markets, energy efficiency and clean technology
- contributing to public policy reviews
- investing in ongoing staff training and development.

## ESG governance and 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 (WHS) across operating businesses.

Macquarie's Sustainability Advisory Committee is comprised of senior Macquarie executives whose business roles or compliance functions intersect with ESG issues. Macquarie's Sustainability and Environment Office coordinates a diverse range of sustainability and ESG activities, including developing and implementing ESG policies, providing advice on ESG risks and opportunities and facilitating ESG training.

