

Modern Slavery Act Transparency Statement 2016



Introduction

Macquarie Group (“*Macquarie*”) aims to identify and mitigate the risk of modern slavery and human trafficking occurring within its supply chain or business operations. Macquarie has an established set of policies and procedures that govern the way it operates including:

- *Code of Conduct;*
- *Environmental and Social Risk Policy;*
- *Employment Screening Policy;*
- *Equal Employment Opportunity;*
- *Principles for suppliers;*
- *Anti-bribery and Corruption, and Anti-money Laundering Policies; and*
- *Whistleblower Policy and Staff Hotline.*

Macquarie is a global financial services provider. Macquarie comprises six operating groups with expertise covering advisory and capital markets, trading and hedging, funds management, asset finance, financing, research and retail financial services. Macquarie Group Limited is an Australian listed company headquartered in Sydney.

As a matter of good practice Macquarie is choosing to make this statement at the group level even though this approach is not required by the UK Modern Slavery Act (the “*Act*”). This statement covers Macquarie Group entities that are within the scope of the Act.

Employees

Macquarie supports fundamental human rights as set out in the Universal Declaration of Human Rights and core International Labour Organisation Conventions. Macquarie is committed to a safe workplace that values equal opportunity, is free from discrimination, harassment and victimisation. Macquarie operates in a highly regulated environment and has robust policies and procedures concerning employment screening (including work eligibility checks), employment conditions and appropriate workplace behaviour. All staff are expected to abide by the spirit, as well as the strict requirements, of those policies and procedures outlined in the Macquarie Group Code of Conduct.

Suppliers

Macquarie’s business is primarily office-based with the main supply chain categories comprising technology, premises, professional services, financial services and business travel. Based on sector and supply chain profile the risk of modern slavery is considered to be relatively limited.

Suppliers are expected to address their compliance with human rights; safe, fair and ethical working conditions; environmental performance; and supplier diversity. The supplier management programme involves regular supplier reviews and tracking contract performance indicators.

In the year to 31 March 2016 Macquarie:

- Updated clauses in tender precedents to specify compliance requirements regarding forced or involuntary labour within the broader human rights requirements;
- Developed a set of standalone principles for suppliers, including the expectation that suppliers will not under any circumstance use any form of forced or involuntary labour; and

- Initiated a review of supplier human rights performance

Training and capacity

Environmental and social risk training is provided to staff in key risk functions and business groups. Training covers use of the Environmental and Social Risk Tool to support identification of labour and human rights issues including risk of forced labour or unfair working conditions. Environmental and social risk, and anti-money laundering requirements are also integrated into online compliance and Code of Conduct training. In the year to 31 March 2016:

- In-person training was delivered to more than 360 risk managers across the organisation and to specific business groups with greatest potential exposure to environmental and social risks; and
- All new employees received face to face and online training in relation to the Code of Conduct.

Continuous improvement

Macquarie will review and enhance its approach to addressing modern slavery risks within its supply chain and parts of its business operations by:

- Rolling out principles for suppliers, starting with key suppliers;
- Completing the review of supplier human rights performance;
- Delivering tailored supplier management training on human rights and modern slavery risk in relevant supply chains; and
- Engaging with relevant suppliers regarding the Modern Slavery Act requirements.

Governance

This *Modern Slavery Act Transparency Statement* was approved by the Macquarie Group Limited Board and will be updated annually.



Peter Warne
Chairman