

## Macro 4 plc Corporate and Social Responsibility

As an international business, Macro 4 has a broad range of stakeholders based in a variety of countries. Our stakeholders include shareholders, customers, employees, sales partners, suppliers, local communities and governments, wherever and whoever they may be.

We understand that the Group's corporate behaviour, and that of its people, directly or indirectly affects its stakeholders. It also influences the general perceptions of Macro 4 and factors associated with it. Recognising this, we have policies to define the way in which the Group interacts with its stakeholders.

### Community and Environment

As a software company, Macro 4 produces few products that have a direct environmental impact. However, the Group has a long history of activity aimed at both reducing its environmental impact and improving fiscal performance. Some examples of this are:

#### Employees and their community

Mindful of the need to keep shareholder and other stakeholder interests in balance, Macro 4 encourages its employees to engage beneficially with their local community. One such strand is to encourage and assist staff wishing to raise funds and awareness of charities. To help support this, we have this year adopted a formal Charity Policy specifically designed to back employees, financially and materially, in their charitable works. Examples of this include supporting the staff team that completed the 'Three Peaks Challenge', a team who took part in the London to Brighton bicycle ride, others who ran in the 'Race for Life' and many other causes. During the year, the Company's charitable donations in the United Kingdom amounted to £4,990 (2006 £1,143). Beneficiaries ranged from organisations focused on cancer research, through bereavement support, to a local community sports team.

#### People and Buildings

Macro 4's headquarters is based in a Listed Historic Building (UK standard Grade II) which we restored from a ruin during the 1980s. The continuing development and maintenance of this historic site and its surrounding buildings continues to enhance the local environment. Recently we implemented a new generation of waste water treatment for this building which has reduced further its impact on the environment.

This summer we initiated a programme for employees to help them change from travelling to work by car to making use of bicycles. We worked with a supplier to make heavily subsidised bicycles available to help any employees who wished to make the change.

#### Products and Equipment

We are always looking for ways to combine improving our operational effectiveness and work environment, while reducing our environmental impact. A recent example of this was the wholesale replacement of computer screens used by staff with new low-emission flat screens. This has not only provided a better working environment but also reduced our CO<sub>2</sub> output by some 50 tonnes annually.

We have also recently implemented a new generation of global managed network. This has improved the effectiveness and efficiency of operations (e.g. better performance, better security) and has facilitated the consolidation of systems from several regional offices to the organisation's main data centres. By reducing the number of systems we have reduced the amount of energy consumed and waste produced.

Macro 4 has implemented its third generation of web-based conference technology. This is now used extensively for both internal and customer-focused training and sales events, significantly reducing our travel-related environmental impact.

As a software organisation, Macro 4 produces very little in the way of recyclable products. However, over the past two years we have completed a transition to a completely electronic production and delivery system. This allows for the safer and faster delivery of our products with their accompanying manuals and documentation. Physical delivery involving the creation of tapes or disks, along with large printed manuals and their postage is now only available on an exceptional basis. This same principle applies to sales collateral, brochures etc.

## Shareholders and other providers of capital

One of Macro 4's key mission statements is to deliver and maintain a superior investment return to shareholders.

Our investor relations policy includes maintaining regular and open dialogue with the Group's shareholders and the analysts who follow the Group's progress. It also includes a significant commitment of time and effort in cultivating new analysts, so that investors can obtain as broad a range of opinion on the Group as possible. As well as publishing the half yearly financial results, the Group Chief Executive Officer, Chief Operating Officer and Group Finance Director regularly host conference calls, presentations and meetings with investors and analysts to enhance understanding of the Group's strategy and key business dynamics. Each presentation is available for download from the Investor Relations section of our website. Similarly, the Group maintains regular dialogue with potential shareholders.

## Customers

For most businesses, customers are the lifeblood of their operations. Macro 4 recognises that the better it manages its customer relationships, the more successful it will become. Our stated aim is to offer our customers sustainable, clearly differentiated and innovative solutions which deliver significant and clear returns on their investment. We achieve this in many ways, including:

- Strong account management to provide a partnership with customers that will help them maximise their return on the investment made in their software infrastructure;
- Major investment in research and development to ensure that the solutions available to customers remain leading-edge;
- Determinedly maintaining the excellent quality of post-sales technical service provided to customers. During the year we further improved our customer support by providing internet portals enabling clients to access product knowledge bases directly;
- Regular customer advisory boards are held with key users of each product, enabling us to better understand their requirements for future product development.

Many of our solutions are explicitly aimed at helping user organisations make more effective use of their environmental resources:

- Based on Macro 4's Columbus technology, Nationwide now offers its credit card customers the option to receive their account information online, saving a potential of 40 million sheets of paper a year. This equates to an estimated 4,400 trees if the average tree produces 9,000 sheets of paper.
- The same technology has enabled a key department of the Italian government to issue their monthly pay slips to approximately 600,000 government employees electronically. Some 20,000 employees have web access to their pay slips and the ultimate aim is to send all 1.5 million employees their monthly pay slip via this method.
- Ministerio de Medio Ambiente in Spain saved toner and paper by reducing its printing of typical office documents, helping them to become an example for other Spanish public and private organisations in terms of reduced environmental impact. The project is part of a bigger initiative in Spain focused on 'Green Management' with cost savings in gas, electricity and water.

Macro 4 continues to take its environmental responsibilities seriously and we are currently working with The Carbon Trust to help us identify further energy saving and waste reduction measures.

## Employees

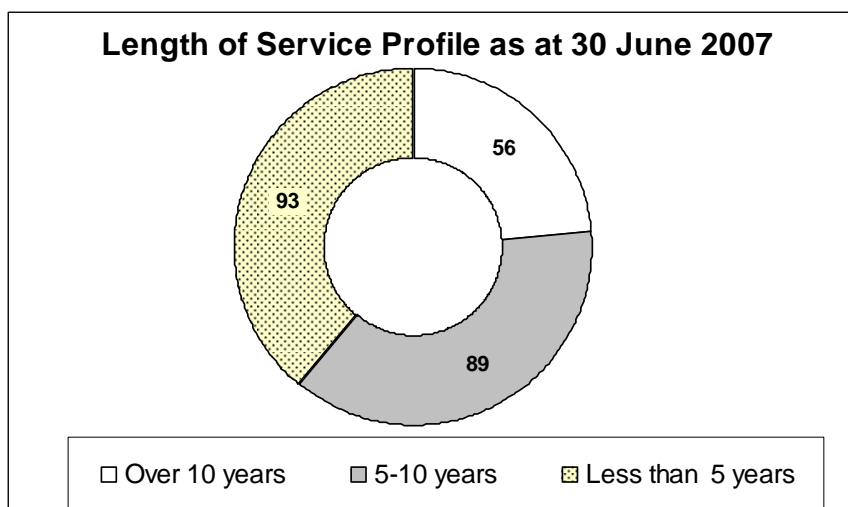
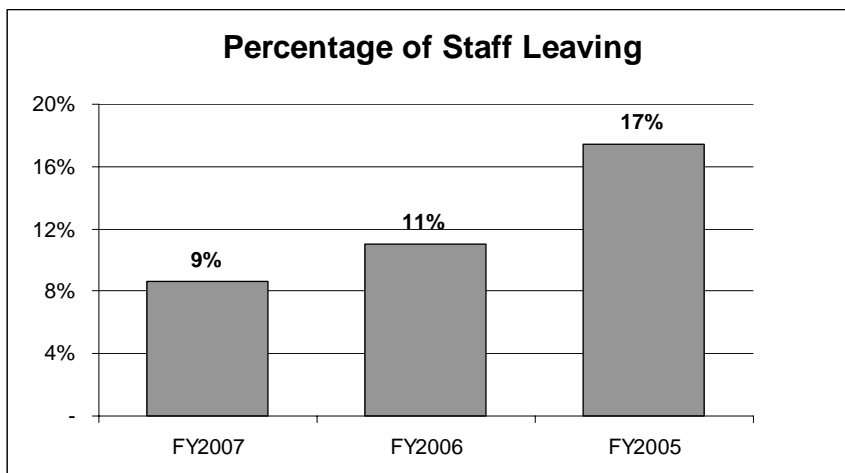
Macro 4's success is highly dependent on its skilled and motivated staff. With staff costs accounting for 50% of annual Group revenue, we are also aware of the need to reward our people appropriately.

The Group's management actively monitors the recruitment, retention and management of staff to ensure compliance with statutory regulations and best practice. It is the express intent of the Group to employ the best person for the job regardless of gender, race, age, disability, marital status, sexual orientation or any such discriminatory factor, whether protected by law or not, and to ensure that the individual has no unnecessary impediment to his or her work. This includes, but is not limited to, disabled access and flexible working where practical. Wherever possible the employment of anyone who becomes disabled whilst in service, is continued with appropriate training and continuing career development.

The excellent team spirit and positive attitude across all Macro 4's businesses is supported by a stable management team. Opportunities for personal growth and career progression are good, with staff at all levels in the organisation provided with support and training. During the latter part of last year and the early part of this year a significant investment was made in a management development programme to enhance the skills of all our middle managers. An Employee Support Programme has also been introduced, providing a 24 hour life management and personal support service, delivered by telephone. Advice is provided on a range of issues such as financial, legal, relationships, stress, family care, housing, work and medical issues.

The health and safety of all those visiting or working for the Group is paramount. The Group is committed to maintaining a safe and healthy working environment. We do this primarily, but not exclusively, by managing our activities so as to avoid unnecessary or unacceptable risks. Health and Safety audits and risk assessments are conducted regularly and workstation assessments for staff have been carried out throughout the year.

Macro 4 has an open and positive environment for its staff, making it a safe, friendly and rewarding place to work. This in turn leads to high levels of staff retention and long service referred to below.



#### Sales partners

In some of our markets we partner with major system integrators, resellers and MSPs (Managed Service Providers) to deliver complete solutions to customers. Over the years, Macro 4 has had much success in its sales partnering activities. We aim to continue offering significant, clearly differentiated and sustainable value-added solutions to products and services strategies, building on this sound route to market.

#### Suppliers

The Group's key suppliers provide equipment and services principally for its extensive infrastructure. Macro 4 seeks to ensure that it enters into valid contracts with its suppliers that are fair to both parties. The Group seeks to act in accordance with the terms of those agreements for the duration of the contract, including prompt payment, regardless of the size of the supplier. Where practical, we prefer to source equipment and services from local, ethical suppliers.