

Contributing to communities through COVID-19 and beyond

The early part of the 2020 calendar year has been marked by the COVID-19 pandemic and the resulting worldwide health, social and economic impacts.

As a global public health crisis with profound economic consequences, governments around the world have taken historic steps to manage the spread of COVID-19, protect their citizens and stimulate economies, providing confidence to communities, businesses and global markets. These steps have been complemented by those taken by a diverse range of public and private organisations, large and small, and often in collaboration with others.

Acute crises bring into focus the imperative for organisations to support customers and contribute to the communities in which they operate. During this period, we have worked with our clients as they quickly adapt to a changed environment so that they can continue to operate, employ staff and serve their customers. We highlight just a few examples of this support.





Helping Australian consumers and small businesses deal with sudden change

The impact of COVID-19 for many of our 1.6 million retail and SME banking clients has been sudden, driven by mandated short-term closure of businesses, loss of employment and sharp declines in consumer spending.

This has been a challenging time for some clients and Macquarie has responded by providing immediate six-month deferrals of loan repayments across our home, business, credit card, overdraft and vehicle and equipment loan products.

As part of the Australian banking industry, we have worked to ensure simple processes for our clients to access these repayment deferrals. We have also reviewed our approach to helping vulnerable customers in times of stress to ensure they are appropriate for the current environment.

As our clients have needed greater short-term telephone support, we have looked to boost the number of staff in our Australian call centres and operations teams, recruiting customer service staff from sectors that have had to stand down employees in response to the COVID-19 situation.



Supporting the move to remote working and learning

Global technology supply chains have had the dual pressures of increased demand and reduced supply. Capacity upgrades to Macquarie Infrastructure and Real Assets' (MIRA) digital infrastructure assets have left them well-placed to handle significant activity increases resulting from widespread remote working, while Poland's INEA provided free internet connection to teachers working remotely.

Pandemic response measures such as social restrictions, mass remote working and home schooling have driven increased immediate demand for technology equipment such as computers and monitors. Conversely, global manufacturing capacity has decreased as countries have restricted production activity as part of measures to curtail the spread of COVID-19.

Recognising the need for educators to quickly transition to large-scale home schooling, Macquarie's Specialised and Asset Finance (SAF) team in Canada modified its operating leasing product to enable short-term rentals of laptops. These laptops have been sourced from existing inventories held by SAF and channel partners that normally assist with the re-sale of returned off-lease equipment. Short-term leasing is helping educators support students continue their learning remotely, without unnecessary financial burden when the time comes to transition back to face-to-face teaching.

At the same time, Macquarie Capital has continued to raise capital for clients supporting the pandemic response, including in the edu-tech and affordable education sectors globally.

A number of portfolio businesses in which Macquarie Capital invests have also contributed to a smoother transition to remote learning. For example, Achieve3000 rapidly reacted to school closures giving two million students free access to their mathematics and reading platform, providing thousands of hours of live training to teachers and creating printable materials for low-income students who do not have access to technology.

- About
- Governance
- Directors' Report
- Financial Report
- Further Information

Contributing to communities through COVID-19 and beyond

Continued



Bolstering resilience in essential community services

From the early stages of COVID-19, MIRA has worked with management teams across its portfolio to review business continuity and pandemic response plans and support initiatives to safeguard the health and wellbeing of employees, contractors and customers.

Assets such as Czech telecommunications business CRA have contributed operating expertise to relief efforts. CRA has provided back-up communication lines to emergency services in case mobile or fixed networks are not available.

A number of portfolio assets, such as Austrian utility ESTAG, have donated much-needed personal protective equipment to emergency service personnel.

Denmark's TDC is also supporting emergency services efforts by encouraging all non-critical employees with an emergency background to join the Danish COVID-19 Volunteer Force to help address staff shortages in hospitals.

With an understanding that the pandemic would result in a slowdown in economic activity, MIRA also supported portfolio companies with reviewing their capital structures to ensure they had sufficient liquidity to cover their working capital and investment needs.

Similar work has been done at portfolio businesses managed by Macquarie Capital, including assets under construction. As an investor in the healthcare sector, a number of businesses supported by Macquarie Capital are meaningfully contributing to the immediate COVID-19 response.

The urgent need to train US frontline health workers led Penn Foster to rapidly deliver a fully functional, clinically affirmed course in safely and accurately administering COVID-19 tests to people with symptoms.

Also in the US, Dovel Technologies, in partnership with government agencies, is facilitating reviews of clinical trials to evaluate the safety and efficacy of therapeutic agents in patients. Dovel is expediting vital geographic mapping data to prepare technology infrastructure for increased remote access of networks, and supporting travel agencies to ensure the essential delivery of medical supplies.

Our global capability, in partnership with the deep expertise of the local management teams at each asset, is ensuring communities can continue to access essential services throughout the COVID-19 pandemic.

Facilitating access to global capital

COVID-19 has impacted every sector of the global economy and, for many corporates, necessitated access to capital. This capital underpins investment in immediate responses, planning for economic recovery and positioning for long-term opportunities.

While considerable pools of global capital remain available to fundamentally sound issuers, securing investment is dependent on many variables. These include depth and breadth of market access, sound judgment on timing and structuring, resilience to current pressures and market confidence.

Macquarie has a long tradition of connecting businesses and capital, and throughout challenging market conditions has continued to deliver the funding that enables clients to serve their own customers and communities. Teams across Macquarie Capital, BFS and CGM have ensured clients retain access to short and long-term capital to meet dynamic requirements through the crisis.



Protecting the health and welfare of our people

We have demonstrated our own ability to respond quickly, with over 98% of our staff working remotely from an early stage of the COVID-19 outbreak (by February in Asia and mid-March globally) with minimal interruption to their ability to remain productive.

The health and welfare of our people is a key priority and our business-as-usual work practices have provided a strong basis to adapt quickly and with minimal disruption. Flexible working is an embedded practice at Macquarie, with more than 85% of our people working flexibly on a regular or periodic basis prior to COVID-19. Our business resilience planning has also ensured there is a robust, well-tested and well-governed framework for identifying and addressing any operating issues promptly and our technology has proven resilient to the large numbers of remote users.

These strong foundations have been supplemented by initiatives to ensure that staff remain connected with their colleagues and have the support of management where there is a need to balance work with additional family responsibilities. These initiatives include flexible leave solutions, an enhanced staff wellbeing program and comprehensive communications.



Addressing community need through philanthropy

In addition to the usual support that the Macquarie Group Foundation (Foundation) and our staff provide to non-profits each year, we made an additional \$A20 million allocation to the Foundation in April to make donations to a number of organisations that are working to combat COVID-19 and provide relief for its impacts (COVID-19 Fund).

The COVID-19 Fund will focus on recipients addressing areas of immediate and medium-term need in regions in which Macquarie operates. Already, \$A2 million has been contributed to The Global Foodbanking Network to address critical food security needs across its network of more than 900 foodbanks in 40 countries, including meals for children as many schools around the world remain closed.

The Burnett Institute will receive \$A1 million for its large-scale study into social isolation and distancing as interventions that restrict the spread of COVID-19. A further \$A3.75 million has been allocated across nine non-profits internationally that are focused on direct relief efforts. Other initiatives for the COVID-19 Fund may include support for frontline medical staff, prevention, diagnosis and treatment for patients, sanitation and hygiene initiatives to prevent further disease spread and initiatives to support workers and businesses in restarting economic activity.

Portfolio companies have also made their own contributions to COVID-19 relief efforts. In addition to donations and the provision of personal protective equipment, companies have found innovative ways to support relief efforts. These include repurposing car parks at AGS Airports as drive-in testing facilities; the provision of free parking to Spanish healthcare workers at Empark; and waiving network charges to reduce energy bills for consumers at Australia's Endeavour Energy and ElectraNet.

Maintaining our focus on the longer term

While we are focused on addressing immediate needs, we are equally committed to our ongoing responsibilities to stakeholders. Long-term focus and a commitment to delivering sustainable outcomes have been among Macquarie's defining features over many years, in keeping with our core values of Opportunity, Accountability and Integrity.

- About
- Governance
- Directors' Report
- Financial Report
- Further Information