

# Empowering people to innovate and invest for a better future

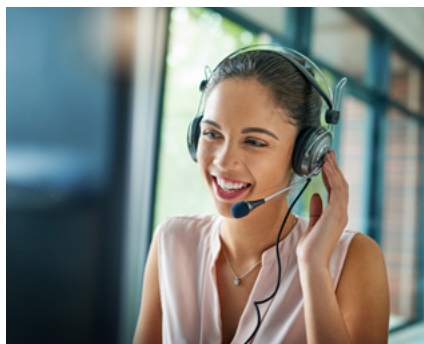
Communities around the world have shown remarkable resilience through a year in which the COVID-19 pandemic had an impact on every aspect of life. While the health and economic challenges presented by the pandemic remain profound, there have been many examples of ingenuity and adaptability as businesses pivoted, governments collaborated, and communities rallied together.







Throughout this period, Macquarie remained focused on empowering people to innovate and invest for a better future. Our teams provided essential short-term support to clients, communities and each other, while driving forward activity to address some of the longer-term challenges facing countries around the world.



### Helping clients navigate change and realise opportunity

As part of the banking industry in Australia, we quickly moved to offer lending relief and enhanced support for our personal bank customers and small business clients. At its peak, approximately 13% of customers and clients accessed support but most of our clients are now in a position where they no longer need enhanced assistance.

Across our corporate and institutional clients, we worked closely with those in the most challenged sectors on their long-term resilience and response to disruption, and by helping them raise essential finance and capital. For some, the pandemic has ultimately led to growth opportunities, either through the acceleration of disruption already taking place or the creation of new lines of business.

Our ability to respond rapidly through a period of acute disruption is reflective of our long history of partnering with our clients to address challenges and pursue growth.



### Developing new social infrastructure

Macquarie advises, sponsors and invests in social infrastructure, assisting public and private entities to deliver essential services including hospitals, schools, housing and justice facilities. Social infrastructure provides access to quality, affordable social services and offers investors long-term, impactful opportunities in regulated non-profit sectors.

Over the last financial year, Macquarie teams continued to build expertise across both debt and equity investment, advancing projects that included affordable housing, free renewable energy for social housing tenants, new community medical facilities and specialist disability accommodation. Macquarie teams also invested in digital platforms that improved access to essential services such as education and healthcare during the pandemic.



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#### **Strengthening the resilience of essential infrastructure**

As the world's largest infrastructure manager with assets serving over 100 million people daily, we recognise that each portfolio company faces specific resilience risks. As stewards of these companies, on behalf of our investors and the communities they serve, we work to ensure that they are long-lasting and resilient.

In relation to climate risks, we are adapting assets to improve their resilience to temperature extremes, changing weather patterns and to increased incidence of fires and floods. In our agriculture business, we have adopted precision farming technology to produce higher yields, cut emissions and reduce environmental damage. Where Macquarie Capital is building new infrastructure, we are designing-in climate resilience from the outset.

One trend over the past year has been the acceleration of digitalisation. The move to large-scale remote working and learning, and greater reliance on e-commerce, has exponentially increased demand for faster, more reliable and more secure digital infrastructure. Capacity upgrades to our digital infrastructure assets have left them able to handle significant and structural activity increases.

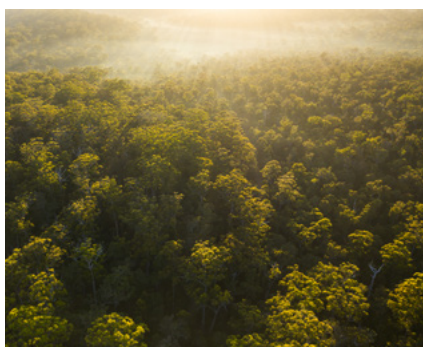


### Delivering solutions to reduce emissions

We are building on our leading position as a global developer, investor, financier, and manager of renewable energy projects. In addition to established technologies like wind and solar, we expect to increase investment in important emerging transition opportunities including zero emissions transport, hydrogen, carbon sequestration and offsetting, nature-based solutions, and climate resilient infrastructure.

As countries make the transition to net zero, we recognise that much of the world will depend on oil and gas to power economies and that until new, commercially viable technologies become available, these fuels will have a continued role in the provision of essential energy. We will continue to support clients in these sectors, and we are engaging with them to design both finance and technology solutions that will help them deliver a managed transition to decarbonise and reduce the emissions intensity of their activities.

Beyond the energy transition, Macquarie teams are investing to reduce emissions through zero emissions transport, industrial processes, buildings and agriculture.



### Extending our global commitment to address climate change

Decarbonisation and climate resilience have been placed at the centre of countries' economic recovery plans. Some have committed to net zero carbon emissions by 2050. This requires public and private sectors to work together. Macquarie supports this and is well-placed to participate in the opportunities that arise.

Grounded in our longstanding expertise in infrastructure and energy, we have carefully assessed how Macquarie might make a more meaningful contribution to achieving a decarbonised world. We are committed to reaching net zero operational emissions by 2025 and aligning our financing activity with the global goal of net zero emissions by 2050. We provide more detail on these commitments in the ESG section of this annual report.

In our asset management business, we have started work with portfolio companies to consistently measure greenhouse gas emissions and identify emission reduction opportunities. Where we have sufficient influence, we are working with these businesses to develop plans that will put them on a pathway to reduce emissions in line with a net zero economy by 2040.



Organisation: Humana People to People India

### Addressing areas of unmet need through philanthropy

Over many decades, the majority of the Macquarie Group Foundation's activities have been driven by our staff, who are best placed to identify areas of unmet need in their local communities and motivated to support the causes they feel most passionate about. In addition to financial support, staff devote their time and expertise to partnering with community organisations. The Foundation amplifies the endeavours of our staff through matched financial support and grantmaking and partnering with non-profits to build capacity and capability.

Recognising in the earliest days of the pandemic the imperative to step up philanthropic support across a range of areas of need, an additional \$A20 million was allocated to the Macquarie Group Foundation specifically to combat COVID-19. To date, \$A17.7 million in funding has been allocated to organisations around the world, balancing the need for urgent direct relief with longer-term research and investment, and supporting existing community partners that had to quickly respond to change and the increased demand on their services.

In early FY2022, \$A1 million was committed to support COVID-19 relief in India.