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Empowering people to innovate and invest for a better future

At Macquarie, we are committed to delivering sustainable long-term outcomes for our clients, shareholders, communities and each other.

This means managing our assets, deploying our capital and resources, and applying our deep expertise to develop solutions that have a direct, positive impact and contribute to a better future.

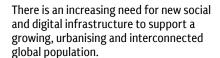
As custodians of businesses that provide essential services and manage the infrastructure underpinning economic activity around the world, we recognise our responsibility to invest to create strong, sustainable organisations that provide lasting benefits and allow communities to prosper.

We are also helping to address immediate and long-term societal challenges by investing in the development of new high-quality education, housing and healthcare facilities, building and upgrading digital technology and communications infrastructure, and developing emissions reduction technologies for the energy, agriculture, transportation, industry, real estate and waste management sectors.

Through the Macquarie Group Foundation, we give back to the communities in which we live and work by contributing financial support, time and expertise to non-profit organisations globally.



Supporting new social infrastructure



Macquarie is leveraging deep-rooted experience in infrastructure and innovative financing solutions to support communities in meeting this need.

In launching new ways for regulated non-profit sectors to secure investment, we are helping to deliver high-quality affordable and social housing.

We have supported the launch of new investment platforms to build sustainable, community-based build-to-rent housing at an attainable price in Australia, and specialist disability accommodation dwellings for tenants eligible under the National Disability Insurance Scheme. In the UK, we have invested over £800 million on behalf of clients over the past five years in the affordable housing sector.

To support increased demand for digital infrastructure, especially in rural and more remote regions, we are investing in new networks and technology. This includes the creation of Spain's first independent fibre network operator to connect people and businesses outside larger urban areas, and the accelerated rollout of UK fibre to provide broadband to poorly connected communities. Taking advantage of this improved connectivity, we continue to invest directly in innovative businesses taking many aspects of education online.



Our role in the global energy transition

Macquarie's role in driving the global energy transition is three-fold: scaling-up the development and deployment of technologies critical to delivering deep decarbonisation; supporting the adaption and transition of our clients, industries and assets; and assisting in the mobilisation of private capital for climate solutions in developing countries.

Since our first project almost 20 years ago, we have evolved our approach from a focus on investing and developing individual assets to creating, acquiring, and partnering with specialist development businesses. By deploying our balance sheet in partnership with the specialist capabilities of our partners, we have been able to accelerate the rollout of mature technologies and establish and commercialise new ones.

This has seen us become a leader in the fast-growing wind and solar industries that form the basis of a decarbonised global energy system – developing, constructing, operating and financing over 50 GW of projects around the world – and expand our involvement in emerging technologies, with early-stage investments in utility scale storage, zero emission transport and hydrogen.

While driving this important transition, we also recognise the need to replace jobs and reskill communities through a planned process. Macquarie businesses are also active in helping to address heightened levels of scarcity and volatility in global energy markets.



Helping clients and portfolio companies decarbonise

The global transition to net zero will be driven by consumers and companies taking action to reduce their carbon emissions.

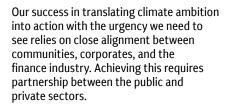
For two decades we've used our deep capabilities in agriculture, energy, infrastructure, transportation, technology and commodities to work with clients and our portfolio businesses to create practical solutions to their decarbonisation challenges.

Around the world, this means providing clients with ESG investment products, corporate advisory services, green power purchase agreements, risk and capital solutions for clean and renewable fuels, carbon offsetting products that are directing capital to vital under-funded climate projects, and asset finance in areas like transport fleet electrification, smart meters, and the circular economy.

In our asset management business, where we have sufficient influence we are working with our portfolio companies to develop business plans that set them on emissions reduction trajectories in line with a net zero economy by 2040 or sooner. In Australia, our retail banking and financial services business is supporting the rapid growth of electric vehicles with a specialist buying service.



Driving the transition to net zero



This year, we led important new initiatives on mobilising capital for the transition in emerging markets and developing economies through GFANZ and CFLI. We also joined the Net Zero Banking Alliance (NZBA) in FY2022 and are working with banks worldwide to standardise the industry approach to setting targets for 2030 and align lending and investment portfolios with net zero emissions by 2050.

Our own net zero plan is on track to be released by the end of 2022, and this will confirm our commitments to exit coal lending and equity by 2024 and reduce the carbon intensity of our limited oil and gas equity and lending positions. We were pleased to join the discussions with other leaders at the 26th United Nations Climate Change Conference (COP26) in Glasgow in November 2021 on working together to accelerate climate action.



Catalysing meaningful social impact in our communities

The Macquarie Group Foundation plays a vital role in how Macquarie lives out its purpose, building on our strong staff-led approach to giving.

The Foundation is increasing the scale and impact of our grantmaking, which continues to support social and economic mobility and finding opportunities to partner with Macquarie's businesses to further social impact.

Focusing on the communities where our people live and work enables a better understanding of local needs, and helps to leverage our staff time, expertise and networks for greater impact.

In support of communities and families across Ukraine, Macquarie staff and business groups donated a total of \$A3.5 million, including Foundation matching, to organisations working to provide vital humanitarian support.

A one-time \$A20 million additional allocation was also made to the Macquarie Group Foundation to expand our Social Impact Investing program, which invests to generate positive, measurable social impact alongside a financial return. Macquarie also announced a first-of-its-kind initiative for unemployed people in the UK, the Green Jobs program, with catalytic funding provided by the Foundation.



Embedding ESG considerations across business decisions

We recognise that a robust approach to ESG considerations is beneficial to all our stakeholders, and is integral to our commitment to investing for a better future. ESG considerations are embedded in both our operational and investment decision-making, along with the asset management frameworks that inform how our portfolio companies assess and improve their performance.

The delivery of sustainable long-term value requires the allocation of capital and resources in a way that identifies and addresses unmet community need. Financial institutions play an essential role in taking risks to support communities and economic growth. For Macquarie, the appetite for such risk sits within a clear risk management framework which has enabled us to invest successfully across broad areas of sustainable development over many decades.

Meanwhile, well-considered corporate governance is essential in promoting transparency and accountability and creating an environment of trust. Evolving governance expectations required of boards and companies are lifting the standards to which business must perform, and we strongly support this trajectory. Nonetheless, such obligations must also balance the ability to take necessary risks to achieve sound community outcomes and financial returns for investors. Macquarie's Board and Management continue to devote significant time to ensuring we achieve this balance across our business activities.



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