

Diversity & Inclusion

At Macquarie, the diversity of our people is one of our greatest strengths. An inclusive workplace enables us to embrace diversity to deliver more innovative and sustainable solutions for our clients, shareholders, communities and our people.

Our commitment

Macquarie's growth has been driven by the entrepreneurialism of our people and the unique ideas and perspectives applied to finding opportunities. Diversity & Inclusion (D&I) is a business priority and remains fundamental to Macquarie's success. It is also a shared responsibility with everyone from our newest employees to our most senior leaders playing a role in creating an inclusive workplace where our people are safe to be themselves and reach their full potential.

While we have made progress – with more women than ever before in our workforce and at many leadership levels – we recognise there remains more to do to accelerate the pace of change. In FY2020 we refreshed our D&I strategy, building on our FY2019 objectives and setting new objectives to challenge ourselves to do better.⁽¹⁾ We have retained all prior year objectives in our FY2020 D&I strategy but have evolved and expanded them to accelerate our progress. The progress towards achieving Macquarie's FY2019 diversity objectives is disclosed in this report. This year we also created more regional D&I Lead roles to better support our leaders, and reaffirmed our commitment to building a diverse workforce through our *Workforce Diversity Policy*. Macquarie is committed to:

- building a workforce that reflects all aspects of diversity to bring a range of perspectives, ideas and insights to everything we do
- creating a workplace where our people feel respected for their uniqueness, valued for their contribution and empowered to reach their full potential
- providing and supporting commercial and development opportunities for under-represented people in our community.



Macquarie's *Workforce Diversity Policy* is available at macquarie.com/diversity

Diversity & Inclusion objectives

Holding ourselves to account is critical to demonstrating our commitment to D&I progress. The *Workforce Diversity Policy* provides that each year the Board Governance and Compliance Committee (BGCC) will set measurable objectives for increasing the diversity of Macquarie's workforce and creating a culture of respect and inclusion.

Our D&I objectives reflect the commitment to action across our organisation. Each employee is responsible for creating a respectful and inclusive culture and valuing the diverse ideas and perspectives of others. Management Committees globally, in each Operating and Central Service Group and region, are accountable for achieving Macquarie's D&I objectives. The Board, BGCC and Board Remuneration Committee receive regular updates on progress against Macquarie's D&I commitments and challenge our leaders to do better.

Macquarie's BGCC has endorsed the FY2020 D&I objectives as set out below.

Our diverse people

Macquarie is committed to building a workforce that reflects all aspects of diversity and intersectionality to bring a range of perspectives, ideas and insights to everything we do. Our focus continues to be on developing the internal and external pipeline of women and people from under-represented groups at all levels and enhancing our recruitment and talent practices to facilitate this. Macquarie's objectives are:

Workforce composition:

- increase female representation across our workforce
- maintain gender balance on Intern and Graduate programs
- increase female representation at the senior leadership levels of Executive Committee, Division Head and Senior Executive
- always have not less than 30% of our Board of Directors of different genders.

Diversity practices:

- increase the collection of demographic data to understand the diversity of our workforce
- evolve practices to attract candidates with broad inherent and acquired diversity
- require diverse representation on all recruitment shortlists and interview panels and ask "if not, why not?"
- hire experienced candidates from groups that are under-represented in Macquarie at least in proportion to the underlying candidate pool
- maintain high return-to-work and retention rates for employees following parental leave
- maximise retention of people from under-represented groups.

(1) Contained in our Diversity Report in the 2019 Annual Report on pages 28 to 31.

Progress FY2020

Our ongoing commitment to achieving gender balance at all levels of the organisation is demonstrated by the year-on-year increase in female representation across Macquarie’s total workforce. In FY2020, Macquarie’s Executive Committee, Division Heads and Senior Executive comprise a greater proportion of females than in preceding years. More than 30% of Macquarie’s Board of Directors are female.

The table below outlines the proportion of women employed globally at Macquarie over the last five years. Figures have been restated to reflect all permanent employees regardless of their leave status.⁽²⁾

As at 31 March	2016 %	2017 %	2018 %	2019 %	2020 %
Board of Directors	30.0	33.3	30.0	36.4	36.4
Executive Committee	23.1	25.0	25.0	25.0	27.3
Division Head ⁽³⁾	18.5	21.6	23.5	23.9	24.6
Senior Executive ⁽⁴⁾	14.7	15.6	17.2	19.1	19.9
Macquarie Workforce	38.9	39.2	39.8	40.1	41.0

The majority of all roles filled globally during FY2020 had at least one female candidate on the shortlist and one or more female Macquarie staff on the interview panel. Women continue to be hired in greater proportion than the underlying female application rate. Macquarie maintained gender balanced Intern and Graduate programs in FY2020.

Macquarie’s Returner Programs continue to support candidates in key global locations to reintegrate into the workforce following extended professional career breaks.

Female and male turnover have remained comparable.

Macquarie continues to provide support to working parents and those with carer’s responsibilities through initiatives such as childcare centres, backup child/adult/eldercare, nursing mothers’ facilities and return-to-work coaching for parents. The vast majority of part-time and full-time employees are able to access some form of company paid parental leave provisions.

Macquarie’s global return-to-work rate was 95% in FY2020 and high retention rates continue to be achieved for staff who have taken parental leave.

Macquarie encourages staff to share their cultural background so we may better understand the diversity of our workforce. We continue to focus on attracting candidates with broad inherent and acquired diversity. As examples, in Australia Macquarie continued its participation in the CareerTrackers and CareerSeekers internship programs, placing 26 students during FY2020. In the US, Macquarie partnered with Out4Undergrad to host LGBTQ student events; Columbia University’s Double Discovery Centre to expand our reach to first generation college students; and Edge4Vets to deliver career transition workshops for Veterans. In the UK, Macquarie participated in the Junior Associates Program, providing employment for university students from less socially mobile backgrounds.

In India, Macquarie partnered with Asha to provide internship opportunities to university students from economically disadvantaged backgrounds.



This year Macquarie staff have taken part in programs that celebrate diversity, support inclusion and provide development opportunities to under-represented people in our communities.

(2) Previous Annual Reports included only active permanent employees and excluded those on leave.
 (3) Division Head refers to critical roles across Macquarie. It typically includes executives two layers down from the CEO.
 (4) Senior Executive refers to Macquarie’s combined Division Director and Executive Director population.

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Diversity & Inclusion

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Our inclusive culture

Creating a workplace where our people feel respected for their uniqueness, valued for their contribution and empowered to reach their full potential is essential for diversity of thought to flourish. We are embedding inclusion and psychological safety in our culture through day-to-day practices (behavioural inclusion) and programs and policies (structural inclusion). Macquarie's objectives are:

Behavioural inclusion:

- develop inclusive leadership capabilities of our managers and leaders
- promote psychological safety, and respectful and inclusive behaviour through awareness and education activities
- encourage flexible working in all its forms
- foster a culture of natural sponsorship of people from under-represented groups to create pathways to senior management.

Structural inclusion:

- equip senior managers with data to understand the diversity of their teams and assess the inclusiveness of their practices
- monitor the equity of people decisions, holding senior managers accountable for inclusive practices
- embed the principles of D&I in all people-related policies, processes and programs to ensure the highest and fairest standards:
 - maintain pay equity for like roles and performance
 - provide equal access to opportunities and future skilling
 - maintain equality for women and men in promotion decisions
 - provide staff with access to flexible working.

Progress FY2020

Macquarie expanded delivery of development programs during the year to provide staff and people managers with experiences to increase awareness of non-inclusive language and behaviours and build confidence to call them out, create empathy, and reinforce Macquarie's expectations for inclusive leadership. The importance of creating psychological safety has been embedded in core Leadership programs, and was a central topic of Macquarie's 2019 Global Executive Director Conference.

There continues to be a strong focus on flexible working. Manager capability training was delivered during FY2020 to equip people managers with the knowledge and skills to lead a flexible workforce. Flexible working campaigns shared practical tips and information on how managers and teams can support the varied arrangements of their colleagues.

Across our regions and groups, we have programs and initiatives to develop a culture of sponsorship to support our female and diverse talent into leadership roles.

Macquarie's employee network groups span culture and heritage, families, First Australians, gender, LGBTQ, race and ethnicity, veterans and wellness, and provide staff with opportunities to exchange ideas, build relationships and support Macquarie's D&I strategy.

The principles of equity and inclusion are embedded in Macquarie's people-related practices and processes, including core talent programs, recruitment processes, remuneration and promotion criteria. We continue to focus on creating opportunities for all staff to demonstrate merit and their promotion readiness; and ensuring we retain staff from under-represented groups through the critical mid-career levels and into senior roles.

Workforce data is regularly monitored and provided to senior managers so they may assess the equity of people decisions and inclusiveness of practices in their teams. Senior managers are also held accountable for achieving inclusion objectives. In FY2020:

- remuneration outcomes were reviewed to ensure pay equity for like roles and performance across all Operating and Central Service Groups and regions. No significant differences in remuneration outcomes were found to exist between males and females for like roles and performance
- a higher proportion of women completed the *Macquarie Director Program*, Macquarie's core leadership and development program, compared to the proportion of women at director-level
- promotion decisions and outcomes were reviewed and analysed to identify any gender discrepancies. Promotion rates of males and females to Director levels have remained comparable
- Macquarie recognises that working flexibly means different things to different people and exists in many forms across Macquarie, such as different hours, locations and patterns of work. It may be utilised by staff to balance their family or carer responsibilities, further studies, sporting commitments, community work, or phased retirement. Staff may also have access to leave without pay, study and exam leave, and our purchased leave policy was enhanced in key locations in FY2020. Macquarie empowers staff to manage their work and time to suit their own personal situation and achieve their career and personal goals.

Our clients and community

Macquarie is committed to providing and supporting commercial and development opportunities for under-represented people in our community. We have long-term funding partnerships with non-profit organisations around the globe and our staff participate in a variety of activities including literacy and employability coaching, and mentoring. We are proud of the awards we have received this year and are committed to doing more to provide opportunities to under-represented people in our communities. Macquarie's objectives are to:

- tailor the delivery of our services to meet the needs of our diverse client base
- increase opportunities in our supply chain for businesses that have been historically under-represented in our communities or those driven by a social purpose
- support the progress of under-represented groups through partnerships and sponsorships with organisations in the diversity sector
- promote finance careers to secondary school and university students from under-represented groups to increase the diversity of the finance industry
- participate in D&I benchmarking indexes to identify opportunities for improvement.

Progress FY2020

Human-centred design has been widely adopted across Macquarie, placing the client at the centre of design decisions. Employees in our Banking and Financial Services (BFS) business have completed training to enhance their understanding of potential client vulnerability and respond with sensitivity, respect and compassion. Staff across the globe have also delivered pro bono services for non-profit organisations.

As part of our procurement strategy, Macquarie includes sustainability and supplier diversity requirements within tender documents. In FY2020, Macquarie spent over \$A8 million with diverse suppliers.

Macquarie is proud to be a partner and sponsor of organisations across the diversity sector, including those that support students from under-represented groups. Through our First Australians employee network group, Macquarie supports the Girls Academy at the Clontarf Aboriginal College, Melbourne Indigenous Transition School and Gawura School in Sydney. In Asia, Macquarie has partnered with The Women's Foundation

and Girls Go Tech Program to encourage girls to pursue STEM (Science, Technology, Engineering and Mathematics) subjects. In the US, Macquarie has continued its partnership with Girls Who Invest, a non-profit organisation dedicated to increasing the number of women in portfolio management and executive leadership in the asset management industry.

In FY2020 Macquarie was recognised as an employer that provides a supportive and inclusive workplace for LGBTQ staff. BFS attained Gold Employer status in the 2019 Australian Workplace Equality Index, a national benchmark on LGBTQ workplace inclusion. Macquarie received a score of 100% on the US-based Human Rights Campaign Foundation 2019 *Corporate Equality Index* for LGBTQ inclusion and ranked 33rd in the UK Stonewall *Workplace Equality Index* up from 86th in 2018. Macquarie ranked in the top 100 Best Companies for Women in India (BCWI).



Further information on D&I is available at macquarie.com/diversity

Diversity & Inclusion awards and partnerships

