

Macquarie UK Gender Pay Gap Report 2019





Macquarie is built and driven by the success of our people.”

In every one of our offices around the world, you'll find talented professionals from a range of backgrounds, with very different ways of thinking, experiences and skillsets. We truly value the innovation and creativity that individual differences bring.

We believe that creating an inclusive environment means that people feel safe to be themselves at work and add value irrespective of their ability/disability, age, cultural affiliation, education, ethnicity, personal beliefs, sexual orientation, - or as this report focuses on - gender.

It's our responsibility to ensure that everyone at Macquarie has access to the same rewards, resources and opportunities. That's why we uphold an ongoing commitment to continually improve all areas of workforce diversity, understanding that it not only underlines who we are, but everything we do as a business - and ensures we remain innovative, sustainable and fit for the future needs of our clients.

Shemara Wikramanayake
Managing Director and Chief Executive Officer



There is more for us to do and we must continue to accelerate our actions.”

Now in its third year of publication, our UK Gender Pay Gap Report sets out the activities we are undertaking to increase our female representation and, in doing so, reduce our overall gender pay gap. It also highlights that our workforce is still not as diverse as we want it to be. We are encouraged to see the progress – including a 13 per cent increase in our female director headcount in the last 12 months, a reduction in our average pay gap of 3.7 percentage points and a reduction in our average bonus gap of 4.4 percentage points.

However, it is clear that there is more for us to do and we must continue to accelerate our actions to address it.

In 2019, we became a signatory of the UK Government's Women in Finance Charter (WIFC), and will now set and publish measurable targets to directly improve gender diversity across our business in the UK. This new commitment complements our existing Diversity and Inclusion (D&I) strategy and action plan, globally and in the region. While I am the lead executive for this, all of our leaders are accountable for, and committed to, the programme of action set out in this report.

Despite our ambition and detailed plans we know that it will take time to drive the level of meaningful change we all wish to see, and everyone at Macquarie is fully committed to that collective effort.

I confirm that the information contained in this report is accurate.

Paul Plewman
CEO, Europe, the Middle East and Africa

Macquarie's commitment to diversity and inclusion

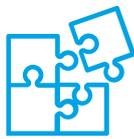
We believe that diversity and inclusion is fundamental to our success at Macquarie.

It ensures our business remains innovative and sustainable, and continues to meet the evolving needs of our people and clients. As a business priority, progress is scrutinised by our Board and senior leaders and we are investing heavily in accelerating action, including our commitment to increase our gender balance (and the broader diversity of our people) at all levels. In December 2019 we launched a new global D&I strategy, which has three focus areas:



Our diverse people

Build a workforce that reflects all aspects of diversity to bring a range of perspectives, ideas and insights to everything we do



Our inclusive culture

Create a workplace where our people feel respected for their uniqueness, valued for their contribution and empowered to reach their full potential

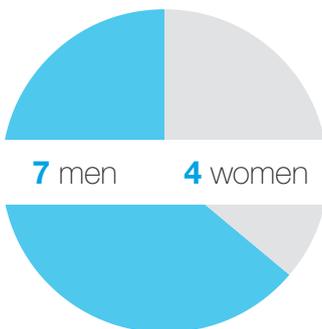


Our clients and community

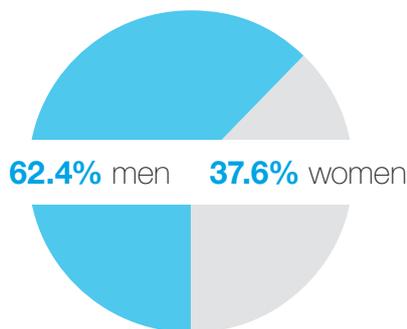
Provide and support commercial and development opportunities for under-represented people in our community

Women in Macquarie

Macquarie Board



Macquarie in EMEA overall



13%
increase in
female directors
in the past 12 months

The **representation of women** in our workforce has improved significantly over the last few years (from 28 per cent in EMEA in 2013 to 37.6 per cent today). Our new strategy centres around further accelerating this progress. Our gender representation at the entry level is well balanced but this does not yet continue to the more senior career levels. We are focused on the attraction, development, retention and promotion of our junior talent, which will drive balance at senior levels over time, as well as directly hiring more senior women.

However, this current imbalance in the most senior roles – particularly the more highly remunerated revenue generating roles – is what drives our gender pay gap. Consequently, our gender pay gap and D&I strategies focus on three areas to improve representation; our diverse people, our inclusive culture, and our clients and community.



Our diverse people

The unique ideas and perspectives of our people are the driving force of our success. Macquarie's growth has been driven by the entrepreneurialism of our people finding opportunities for our clients and communities, and there's no doubt that our diversity of thought has been one of our greatest assets.

Our focus continues to be on developing the internal and external female talent pipeline at both junior and senior levels and enhancing recruitment processes to facilitate this. Actions being taken to increase the diversity of our pipeline include a full review of our regional recruitment processes to ensure that we both attract more applications from women and hire more at all levels. Other actions include:

- A new data-driven approach to understand our pipeline, focus areas and to guide our priorities
- Partnerships with D&I specialist recruitment partners (including gender, parents, LGBT+)
- Requiring a diverse slate of candidates for each open role
- Created a new EMEA Head of D&I role to provide additional specialist capacity and capability for the business in this area of focus.
- Becoming a signatory of the Women in Finance Charter, including committing to representation targets for the first time

Our inclusive culture

Our programmes to build a more diverse and inclusive workplace include:

Inclusion enablers

- A focus on **inclusive behaviour** and actions to create diversity in all appraisals and promotion discussions
- **Flexible working** programme to support our people to work in the best way for them, with training to enable managers to support their teams to work flexibly and home working equipment provided to employees
- **Full parental leave pay** for up to 26 weeks
- **Phased return** from parental leave where returning parents can work three days a week for the first four weeks on full pay
- **Parental leave transition coaching** for parents returning from parental leave lasting for more than three months
- **Free emergency and backup dependant care:** ten sessions of childcare or adult/elder care each year
- An **Employee Assistance Programme (EAP)** providing an external, confidential counselling service.

Culture change

- Build leadership and management capability through training and development, including **inclusive leadership training** to equip our people managers to create a psychologically safe team for all employees
- Senior leaders in each group act as **change agents:** they are responsible for supporting the Executive Management Committee to drive real change in their business group
- A bi-annual **D&I survey** to hear from our people on what is working and how we can improve
- Across our businesses we have responded to individual needs by putting in place programmes including:
 - **Sponsorship programme** for talented employees from under-represented groups
 - **Career advisory panels**
 - **Unconscious bias workshops**
 - **Neurodiversity awareness training**

87% of our people agreed that members of their team value and respect each other's contributions (2019 Employee Survey)

Intersectionality

At Macquarie we recognise that people often have multiple identities and so our strategy focuses on more than just gender to **ensure that everyone feels that they can bring their full selves to work.**

In addition, our Employee Network Groups (ENGs) support employees by providing training, development, networking and mentoring opportunities as well as ally training to help all employees create a more inclusive working environment. Each ENG is sponsored by members of the Executive Management Committee. The ENGs are:

- **Balance:** gender balance
- **Fusion:** race, ethnicity, culture and faith

- **Parents and Carers at Macquarie:** providing support and education to parents and carers
- **Pride:** a group focused on LGBT+ people and their allies
- **Women @ COG Tech:** promoting gender equity in technology.

Finally, a focus on wellbeing runs through the heart of Macquarie, with an innovative 'Macquarie Plus' offering.

Alongside formal and informal wellbeing initiatives such as mindfulness sessions, we also offer a classroom-based Wellbeing & Inclusion curriculum and Wellbeing Ambassadors – peer supporters who have lived experience or expertise in areas such as anxiety, cancer, stillbirth & miscarriage - who are available to all employees.



Our clients and community

In EMEA we support organisations that promote social mobility for young people through education and employment opportunities. We currently have long-term funding partnerships with seven non-profit organisations and our staff participate in a variety of activities to help build confidence, raise aspirations and give young people a chance to experience the world of work.

Employee engagement includes mentoring, employability training (CV workshops, mock interviews, work experience), literacy and apprenticeships. These partnerships also provide opportunities for development and leadership for Macquarie employees. We are helping young people from low-income backgrounds enter education and employment on a level playing field with their peers from wealthier backgrounds.

Two initiatives that have increased our diversity are our Returner and Junior Associate programmes. See page eight for a case study on Martina, one of our Returners. Our Junior Associate programme provides employment for university students from lower socio-economic backgrounds, for example who are the first generation to attend university or were eligible for free school meals. This two days per week employment provides a competitive salary and develops students through engagement in meaningful work. 80 per cent of the students who graduated from the programme were offered full-time roles at Macquarie.

Our recent awards include:



Stonewall Top 100 Employer 2020



Stonewall Highly Commended Network Group Award

Our partners include:



30% club



Business Disability Forum



Dallaglio RugbyWorks



Investing in Ethnicity



Islington Giving



Leadership Through Sport and Business



The Prince's Trust International



ReachOut



The Social Mobility Foundation



University Education



Women in Banking and Finance

Our stories

At Macquarie, we encourage our people to own their careers in a way that matters to them. Here are a few examples of how our people in EMEA are shaping their future as they contribute to ours.



Catherine Bolton
Division Director, Macquarie's
Risk Management Group

After university, I spent eight years working in retail and investment banks, before deciding in 2001 to make a career change and moved to the Financial Conduct Authority. I had no risk or compliance experience at all, but the Regulator was a great place to learn on the job. I spent seven years dealing with executives in banks and eventually became Macquarie's regulator.

After taking maternity leave to have my first child in 2007, I found Macquarie happened to be looking for a compliance manager and I was attracted to the organisation because I liked its culture and could see there was a great opportunity in the fact that Macquarie isn't a traditional investment bank. I said I wanted to work part-time, and they agreed, and while flexible working is now commonplace - it was groundbreaking to have that 12 years ago.

Since then I've progressed from a Senior Manager, to an Associate Director, to my current role as Division Director leading the Regulatory Risk team in EMEA, all while working flexibly.

Having benefitted from mentoring before, I now mentor people myself and volunteer as a Wellbeing Ambassador too, which is an HR initiative where I'm available to talk to other employees about experiencing IVF and miscarriage. Caring for people's wellbeing and mental health means that we are all better employees together, and personally, I find being able to help others at work is very rewarding.



Martina Flanagan
Senior Manager, Macquarie's
Green Investment Group

I'm a civil engineer by training and I work in Macquarie's Green Investment Group, having joined via the Returner Programme.

At GIG, project development is a relatively new venture which means I get the opportunity to be part of building and shaping a new business inside Macquarie. On a daily basis, I'm working with our partners from Spain to Sweden as they lease land, complete environmental surveys, apply for permits and prepare to build wind and solar projects.

I enjoy having the opportunity to work with a diverse group of people across many disciplines in different countries and cultures. My role gives me the opportunity to bring my hands-on experience as an engineer and project manager to the projects I work on while adding new skills and expanding my knowledge. Getting to see projects move from contracts and legal documents, to a real asset with a positive climate impact is immensely satisfying.

To meet the Paris Climate Agreement targets we need to deliver a six-fold increase in green investment globally, so there's a lot of work to do. I feel very fortunate to be working in a sector that I'm genuinely passionate about which gives me the opportunity to build my career while positively contributing to our biggest global challenge.



Cynthia Oey
Senior Manager, Macquarie
Asset Management

After graduating from university, having completed several internships, and studied in Germany, France, Austria and South Korea, I went looking for a career in banking. When I found out that Macquarie's London office was looking for applicants who spoke European languages as part of its Graduate Programme, I jumped at the opportunity.

I was offered a position in Macquarie Infrastructure and Real Assets (MIRA), which is part of our Macquarie Asset Management business, and although I didn't know much about it, the business and team felt different, so I thought I'd give it a try. That was 2012.

Now, eight years later I'm still here and I'm very proud to work for one of the world's leading alternative asset managers, that works across diverse investments including infrastructure, real estate, and agriculture as well as insurance.

Our scale gives us more opportunities to work on large and unique deals and assets and I love that my role is diverse. Every day I get to work with a variety of people, and I'm motivated by not only the changing investment landscape, but the visible and tangible impact our investments make. The perception that infrastructure is boring is so far from the truth.

UK gender pay gap reporting

What the gender pay gap illustrates

The gender pay gap reporting requirements are the disclosure of prescribed statistics (mean and median gender pay gap, mean and median bonus gap, proportion of males and females receiving a bonus and proportion of males and females by quartile pay band). The snapshot date to determine in-scope employees for the pay calculations is 5 April 2019 (and the 12 months preceding it for bonus pay).

At Macquarie we are committed to **equity and transparency in remuneration, promotion and development practices.**

We are confident in our approach to pay. We review both our processes and our pay outcomes on an ongoing basis to ensure that there is no bias in how we pay our people and to ensure pay equity in like-for-like roles. In addition, we conduct annual pay reviews referencing market pay ranges to ensure market competitive pay based on performance, level, function, business and location. As a result, we know that the disparity in senior women compared to men is what is driving our gender pay gap, not unequal pay.

Pay and bonus gaps

UK entities	Average pay* gap ⁱ	Median pay* gap ⁱⁱ	Average bonus [^] gap ⁱ	Median bonus [^] gap ⁱⁱ
Macquarie in the UK (combined) - 2019	43.5%	34.9%	75.4%	70.9%
2018	47.2%	38.3%	79.8%	71.1%
2017	48.9%	40.6%	82.2%	70.7%
MBL LB 2019	49.4%	45.2%	67.2%	73.2%
2018	59.0%	46.5%	76.9%	56.1%
2017	59.0%	53.1%	81.0%	70.1%
MCHPL (UK) 2019	56.8%	57.7%	81.0%	83.6%
2018	54.2%	59.2%	84.2%	84.6%
2017	56.3%	60.1%	83.4%	81.8%
MGSA (UK) 2019	11.7%	6.7%	35.9%	26.8%
2018	10.3%	6.7%	43.4%	27.9%
2017	15.4%	9.9%	51.8%	33.3%

What the **pay and bonus gaps** do show are the differences in average or median values between men and women. Women are currently under-represented in the UK in our senior roles. This is changing over time in line with the efforts we are making to build an inclusive culture and increase female representation through the workforce but means that presently, the average male salary is higher than the average female salary.

Similarly, senior women are more likely to be in support (or non-revenue generating) roles and so people in senior roles, whose bonuses reflect revenue generated, are more likely to be men – which drives our bonus gap.

Our reported gender pay and bonus gap in our UK business

For reporting purposes, we are required to present the data for our three individual employer entities in the UK. Macquarie Bank Ltd (London Branch) (MBL LB) and Macquarie Corporate Holdings Pty Ltd (UK Branch) (MCHPL (UK)) are our employer entities for our client facing, revenue generating business groups. Macquarie Group Services Australia (UK Branch) (MGSA (UK)) employs people who provide support to our businesses in areas such as technology, finance and HR.

Full details of how this data is calculated is provided on page 11 in the notes to this report.

The proportion of employees who received a bonus

Our financial year runs from 1 April to 31 March and our annual bonus payments are made in May. This means that the required April 2019 snapshot date reflects the bonus payments made in May 2018. Employees who commenced employment at Macquarie after March 2018 were ineligible for a bonus in May 2018 and this reduces the proportion of staff who received a bonus. Excluding new employees (men and women) who were employed after March 2018 and those ineligible for the May 2018 bonus, the proportion of men and women who received a bonus was above 90 per cent in all employer entities.

UK entities	Proportion of staff who received a bonus / excl. new hires and ineligibles ⁱⁱⁱ	
	Male	Female
Macquarie in the UK (combined)	71.2% / 94.5%	66.5% / 95.8%
MBL LB	74.1% / 93.9%	65.9% / 95.4%
MCHPL (UK)	78.1% / 97.4%	66.7% / 98.0%
MGSA (UK)	59.3% / 90.8%	65.8% / 93.9%

Pay quartiles

The information shows the proportion of men and women in each pay quartile i.e. lower (Q1), lower middle (Q2), upper middle (Q3) and upper quartile (Q4). All employees (both men and women) are ranked in increasing order of hourly rate of pay and then divided into four equal parts (i.e. quartiles). Within each quartile, the proportion of men and women is calculated as a percentage of the total number of employees in the quartile.

UK entities	Q1		Q2		Q3		Q4	
	Male	Female	Male	Female	Male	Female	Male	Female
Macquarie UK (Combined)	40.5%	59.5%	57.1%	42.9%	66.8%	33.2%	83.2%	16.8%
MBL LB	41.8%	58.2%	67.3%	32.7%	76.5%	23.5%	89.7%	10.3%
MCHPL (UK)	29.5%	70.5%	54.3%	45.7%	72.7%	27.3%	89.9%	10.1%
MGSA (UK)	52.7%	47.3%	55.9%	44.1%	58.6%	41.4%	61.4%	38.6%

Notes

- i. Average pay (or bonus) is calculated by adding together the pay (or bonus) for all women in scope and dividing by the number of women. The same is done for men. To calculate the average gap, the difference between the male and female figures is divided by the male average pay (or bonus) and multiplied by 100: $\text{Gap (\%)} = (\text{Average male} - \text{Average female}) / \text{Average male} \times 100$
 - ii. Median pay (or bonus) is determined by ranking the pay (or bonus) of all women in scope, and the value that falls in the middle is the median female pay (or bonus). The same is done for men. To calculate the median gap, the difference between the male and female figures is divided by the male median pay (or bonus) and multiplied by 100%. $\text{Gap (\%)} = (\text{Median male} - \text{Median female}) / \text{Median male} \times 100\%$
 - iii. The proportion of women who received a bonus is calculated by adding all the women who received a bonus in the reporting period and dividing by the number of women, expressed as a percentage. The same is done for men.
- * Based on hourly rate of pay
- ^ Based on bonus received and taxable in the reporting period. Employees who work part-time receive a bonus based on their contribution. The calculation for the gender bonus gap does not allow any adjustment to bring these bonuses back to their 'full time equivalent' level.