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## Letter from the **Chairman**

When we last wrote to shareholders, the world was in the early months of the COVID-19 pandemic, the profound effects of which continued to be felt throughout Macquarie’s 2021 financial year (FY2021).

Significant progress has since been made in managing the public health crisis while the speed with which vaccines have been developed is testament to the remarkable contributions made by medical science. However, we recognise that some countries are in a stronger position today than others and consequently, we anticipate the overall public health and economic effects of the pandemic will continue to be felt for some time.

Macquarie has also experienced the economic impacts of the pandemic but overall, our performance has been resilient and our operating and support groups have remained busy supporting our clients, partners and communities, as well as our own team. Shemara provides more detail about Macquarie’s performance in her letter to shareholders and we outline some of our initiatives in this Annual Report.

On behalf of the Board, I commend staff for their resilience and continued focus; at the peak of global lockdowns more than 98% of staff were working remotely. In accordance with local public health orders, many staff have now returned to the office, but have done so in the context of more widespread adoption of hybrid working. This model of working is supported by the Board and Management, with significant investment in technology to ensure that staff are able to perform their duties to high standards, meet regulatory obligations and remain connected with their colleagues and clients.

## Professional conduct

One of the core responsibilities of the Board and Management is ensuring the highest standards of professional conduct across all our operations, a commitment that has been in place since Macquarie's inception some 52 years ago.

During FY2021, and after extensive consultation with staff in all of our markets around the world, we re-articulated Macquarie's purpose as, 'empowering people to innovate and invest for a better future'. This statement of purpose articulates why Macquarie exists and what we do. It supports our longstanding operating principles of Opportunity, Accountability and Integrity, which express how we do business. Our purpose and principles are embedded in Macquarie's *Code of Conduct*, which sets out the expectations of Management and staff in managing their responsibilities and conducting themselves.

The standards expected of Board, Management and staff are high, and there are consequences for anyone at Macquarie who fails to meet those standards. We actively enhance our risk culture and Conduct Risk Management Framework in response to changes in our business operations, outcomes of our oversight activities and the expectations of regulators and communities. The Board and Management also regularly review and enhance our reporting, training, monitoring and surveillance activity, and there is an established Conduct Risk Management Framework in place.

Everyone at Macquarie is accountable for their conduct, and supervisors are accountable for outcomes in businesses they supervise with independent oversight by the Risk Management Group.

## Environmental, social and governance

Sound environmental, social and governance (ESG) practices remain an area of focus for the Board and Management. Macquarie continued business activities that support the transition to a lower-carbon economy, and we have continued to embed ESG risk management across the organisation. The ESG section of this Annual Report and the Macquarie website provide further details on our approach.

During FY2021, the Board and Management considered Macquarie's position on a net zero carbon emissions commitment. Macquarie has been carbon neutral in its operations since 2010 and during FY2021, Macquarie Asset Management made the commitment to manage its portfolio in line with global net zero emissions by 2040. After carefully reviewing the substantial activity across Macquarie's business and operations, Macquarie Group has confirmed its commitment to reaching net zero operational emissions by 2025 and aligning financing activity with the global goal of net zero emissions by 2050. We provide more information on these commitments in this Annual Report.

## Board changes

During FY2021, we welcomed Rebecca McGrath and Mike Roche to the Board. Rebecca and Mike bring considerable energy sector and corporate finance expertise respectively and they are already making a valued contribution. Shareholders will be asked to formally elect Rebecca and Mike at the 2021 Annual General Meeting.

These appointments follow the retirement of Michael Hawker and Gary Banks AO in FY2021. Gordon Cairns, who had previously advised of his intention to retire, steps down on 7 May 2021. Michael, Gary and Gordon have been outstanding colleagues over many years and on behalf of the Board, I thank them for their service to shareholders and wish them well for the future.

Ensuring that the Board is an effective shareholder steward for a business as diverse as Macquarie requires balancing experience and longevity with fresh perspectives, underpinned by diversity of expertise. I can say with absolute confidence that shareholders are well served by the Board, which is hard-working and diligent in fulfilling its responsibilities.

With the business continuing to navigate the recovery from a period of global uncertainty, and with a process of Board renewal underway, my colleagues have asked me to consider extending my tenure as Chair until Macquarie's 2022 AGM. Subject to shareholders extending my tenure by one additional year at the 2021 AGM, I have agreed to this request.

Over the course of FY2022, the Board will undertake a process of nominating a new Chair and will advise shareholders in due course. My time on the Macquarie Board has been a professional highlight. It has been a privilege to represent shareholders and to work with such an exceptional team across the Board, Management and staff. I'm proud of all that Macquarie has achieved and would be delighted to provide an extended period of continuity while more recently appointed colleagues become more familiar with Macquarie.

## Dividends

The Board resolved to pay a final ordinary dividend of \$A3.35 per share (40% franked). This results in a total ordinary dividend for the year ended 31 March 2021 of \$A4.70 per share, up from \$A4.30 in the prior year.

On behalf of the Board, we would like to thank Macquarie's staff for their efforts, and our clients and shareholders for their ongoing support.



**Peter Warne**

Independent Director and Chairman

Sydney  
7 May 2021