

Macquarie

UK Gender Pay Gap Report

2020





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Diversity & Inclusion is fundamental to Macquarie’s ability to deliver for our clients and communities.”

After what has been an unprecedented year responding to the Covid-19 pandemic, we have come to appreciate even more the resilience, flexibility and diversity of our people.

We’ve had to adapt to very different ways of working and draw on a wider set of skills and characteristics than ever before. We often see the greatest periods of transformation following times of crisis, as it drives us to respond to challenges collectively, learn and adapt together.

Throughout our five decades, Macquarie’s growth and performance has been driven by our people and the unique ideas and perspectives of each and every member of the team. This is central to our Purpose – ‘empowering people to innovate and invest for a better future.’

We rely on diverse perspectives and varied experiences that complement each other to empower all our people to deliver to their full potential. This is why Diversity & Inclusion (D&I) is fundamental to Macquarie’s ability to deliver for our clients and communities and why we consider it a responsibility shared by everyone.

We are stronger with diversity across ability/disability, age, cultural affiliation, education, ethnicity, personal beliefs, sexual orientation, gender and gender identity. From our newest employees and graduates to our most senior leaders, creating a diverse and inclusive workplace in which our people are safe to be themselves and reach their full potential is a business priority.

While we have made progress on gender diversity – with more women than ever before in our workforce and in leadership roles globally – we are committed to accelerating the pace of change. We are investing in female talent and placing even greater emphasis on development, support and retention of talent at all levels.

We recognise that the future of our business relies on the next generation of our people, who will ensure we remain innovative, sustainable, and able to meet the future needs and expectations of our clients around the world.

Shemara Wikramanayake
Managing Director and Chief Executive Officer



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We remain fully committed to the collective efforts to improve the diversity of our workforce.”

Our fourth UK Gender Pay Gap Report outlines the progress we have made and the steps that we continue to take to increase female representation across the business.

This year’s figures show a further small, but consistent fall in the pay gaps across all four reporting categories. The gap continues to be driven by a gender imbalance in our most senior roles in the UK and does not reflect unequal pay. We are however pleased to report an increased proportion of women in the Group’s upper-pay quartile.

While the figures show that we continue to make progress, albeit slowly, we are realistic about the fact that meaningful change takes time. We remain fully committed to the collective efforts to improve the diversity of our workforce, which are set out in this report.

In addition to achieving a better gender balance, over the last 12 months, we’ve accelerated our D&I agenda across a number of priority areas in the EMEA region including disability,

ethnicity, gender, intersectionality, LGBTQ+, neurodiversity and social mobility. To inform our strategy we are actively listening to our people through our new annual employee survey and shorter pulse checks throughout the year, which provide real-time feedback on our culture.

By equipping ourselves with better education and understanding, we believe we can unlock further momentum in building a better and more inclusive business.

You’ll find more detail on our diversity strategy, activities, and achievements later in the report, as well as how we’ve endeavoured to better support individual requirements and increased flexibility during the prolonged period of remote working throughout the Covid-19 pandemic.

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

Paul Plewman
CEO, EMEA

Our D&I strategy

Macquarie’s ongoing commitment to workforce D&I ensures that our business remains innovative, sustainable and continues to meet the evolving needs of our clients, communities, shareholders and our people.

We are making positive progress to increase diverse representation at all levels of Macquarie and sustain an inclusive workplace for all our people, but we still have work to do.

Our D&I strategy focuses on three key pillars to accelerate our progress:



Our diverse people

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



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.

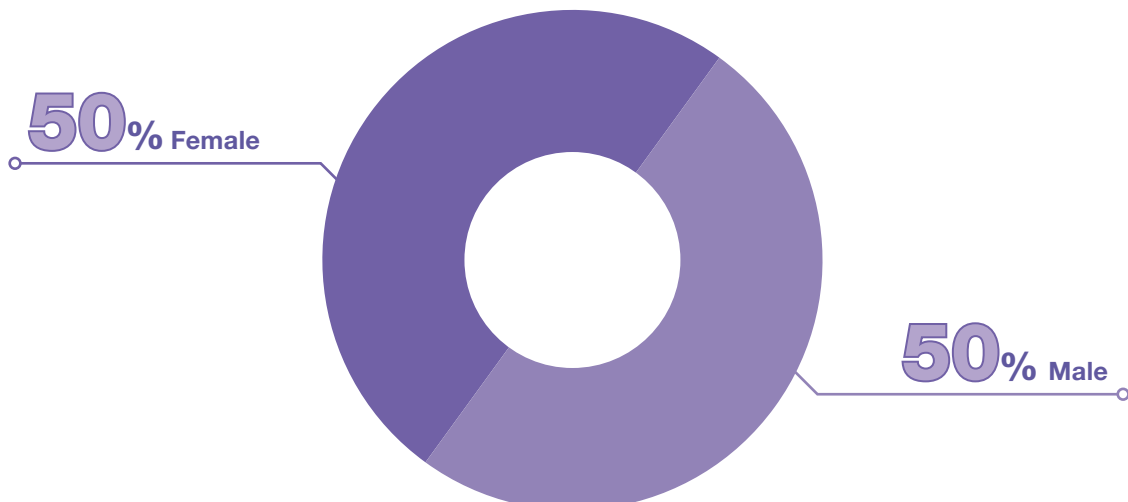


Our clients and community

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

Macquarie Board members

Macquarie Group’s Board of Directors is gender balanced. The Board not only promotes the long-term profitability of the company, but also ensures sound corporate governance across all of Macquarie Group’s operations globally.



Our diverse people

An inclusive workplace enables us to embrace diversity to deliver more innovative and sustainable solutions for our clients, shareholders, communities and our people.

Our EMEA Management committee leads, and is accountable for, our regional D&I strategy and results. The committee members are the leaders of our businesses in the region and are supported by our new regional D&I team, and by our underlying philosophy that everyone in our business has an important role to play in achieving our D&I objectives.

The committee meets monthly and has now introduced an additional quarterly session focused solely on improving D&I across the group.

Our immediate regional D&I priority is to fully embed inclusion across our employee lifecycle to ensure equity of opportunity for all. A key focus has been our attraction strategy.

Following a thorough review of our recruitment process we are implementing enhancements to create a more inclusive process for our candidates and to eliminate bias.

Key elements include inclusion-focused interview training for all interviewers, analytical D&I reporting at key stages during the recruitment journey, and greater involvement by senior

leaders in all hiring processes to provide better oversight. More enhancements will launch during 2021. We are focused on ensuring that all roles are advertised with gender-neutral language to eliminate unconscious bias at the outset, and on providing gender-balanced shortlists and interview panels for all recruitment processes.

A firmwide internal job board supports our strategy of encouraging internal mobility to assist employees' career development, and we have a strong track record of international and cross-divisional moves. We are continuously looking for new ways to attract candidates from under-represented groups and to ensure that D&I is front of mind at every stage of the hiring process.

Our Graduate and Internship Programmes are a key channel for entry-level hires. We are committed to ensuring diversity in these annual cohorts and to providing equitable opportunities and support as they progress within the organisation.

To increase the diversity of our early careers talent, we launched three new programmes:



The Female Business Series, which is a 12-month development programme for 40 females in their first year of university interested in exploring a career in finance at Macquarie. All participants have been offered a place on our Insight Programme, which allows students to explore our business, with work shadowing and networking opportunities, and to be considered for our Internship Programme.



A BAME (Black, Asian and Minority Ethnic) Coaching Programme in partnership with The Bright Network, to support 50 BAME students in securing internships. Several of the students have subsequently been offered places on our Internship Programme.



A scholarship programme, 'Rise To It with Macquarie', launched by our Commodities and Global Markets business, to cover the tuition and living costs of three students from under-represented or socio-economically diverse backgrounds throughout their degree.

Our future leaders

2021 Graduate Programme:

46%
of the intake
are female

48%
are Black, Asian,
or Minority Ethnic

13%
come from a low socio-
-mobility background*

2021 Internship Programme:

52%
of the intake
are female

55%
are Black, Asian,
or Minority Ethnic

12%
come from a low socio-
-mobility background

* We define "low socio-mobility" as individuals who are either from the first generation in their family to attend university, or who were eligible for free school meals

Our inclusive culture

We are focused on creating a workplace where our people feel respected for their uniqueness, valued for their contribution, and empowered to reach their full potential.

Our recent activities to build a more diverse and inclusive workplace include:

- Introducing new measures to monitor progress regularly, including towards our commitment to the Women in Finance Charter
- Delivering inclusive leadership training across the region to support our people managers in creating an inclusive environment for all employees
- Senior leaders acting as change agents, with responsibility for supporting the Executive Management Committee to drive real change in their respective business area
- Delivering training and hosting interactive speaker events to educate staff on neurodiversity, with the goal of increasing inclusion and raising awareness of support available to all employees
- Our new gender-equal parental leave policy which offers both parents up to 26 weeks of paid leave
- Placing 33rd in the 2020 Stonewall UK Workplace Equality Index (second in the Financial Services sector, and up from 86th in 2018)
- Placing 60th in the UK Social Mobility Index this year.

Our Employee Network Groups (ENGs) play an integral role in supporting our D&I mission. They empower and support all employees by providing training, development, networking and mentoring opportunities as well as ally training to help all employees create a more inclusive and supportive working environment. Each ENG is sponsored by members of the Executive Management Committee. Our ENGs collaborate to generate intersectional discussion and programming.

The ENGs are:

Balance whose mission is to ensure that women at Macquarie are engaged, empowered and encouraged to succeed.

Fusion seeks to connect and empower our colleagues of different race, ethnicity, culture and faith as well as providing support for people to become active allies.

Parents and Carers at Macquarie seek to provide support and education to parents and carers.

Pride supports lesbian, gay, bisexual, trans (men, women and non-binary), queer and intersex (LGBTQ+) staff and their allies.

Our intersectional approach to creating a more diverse business means that we focus on addressing the needs of our employees across their multiple identities.

Focus on ethnicity

The deaths of George Floyd, Ahmaud Arbery, Belly Mujinga and many more reinforced the need for companies to be race fluent and actively working to ensure that people from every ethnic background can not only join a company, but thrive within it.

In response to the heightened global focus on racial injustice and inequity, we accelerated the roll-out of several ethnicity-focused initiatives and launched our Ethnicity Vision, focusing on educating our employees and equipping them to have conversations on race, and on increasing our ethnic diversity both through hiring additional talent and actively developing our existing employees. Following a data analysis of our existing employees, we are focused on increasing Black talent at all levels and Asian senior talent.

Some of the recent activity on ethnic diversity at Macquarie:

- We conducted a series of interviews with our Black employees as well as those from other ethnic backgrounds, to understand their experiences and needs and inform the D&I strategy
- Our EMEA Management Committee and their leadership teams undertook a race fluency training series, to increase awareness, commitment, skills and action
- We hold regular calls for our Black employees to provide the opportunity for them to connect as a community and to understand their differing experiences and perspectives on ethnicity
- In partnership with our ENGs, we have hosted high-profile external speakers including Reni Eddo-Lodge, Munroe Bergdorf, Lady Phyll and a Black History Month event with David Olusoga
- We held an internal panel event for all staff in which Black employees shared their experiences in the workplace
- We offered Race and LGBTQ+ allyship training to all of our employees in the region, to equip people to take actions to be allies and ensuring that we understand and include people's multiple identities
- To support team conversations about ethnicity and race we produced a Frank Conversations Toolkit
- Our Fusion ENG launched a new charity partnership with The Black Training and Enterprise Group (BTEG).



Supporting our employees through Covid-19

We are extremely proud of how we delivered for our clients, communities, and each other despite the challenges we faced throughout the pandemic.

Our priority continues to be the safety and wellbeing of our employees, and our ability to adapt to different working environments has positioned us well for the future. In locations where we have safely returned some of our people to the office, some teams have adopted a hybrid way of working, spending some days in the office and others working from home. While this is something we've supported for a number of years, we see this increased focus on flexibility as another positive step in creating an even more flexible and equitable working environment for all current and prospective employees.

The Covid-19 pandemic also presented a range of additional wellbeing challenges for employees and leaders, and we moved swiftly to introduce further practical support for our people, including:

- Deploying an additional programme of training and resources including drop-in clinics for managers providing guidance on how best to support and manage their teams when working remotely
- Drop-in clinics for employees providing support for individuals on topics including physical renewal strategies, emotional capacity, and mental capacity, recognising that everyone's circumstances differ - such as balancing carer responsibilities, separation from families, home working space
- Guidance on working from home effectively and safely in accordance with our Workplace Health and Safety Policy.
- Offering individual support for employees and people leaders from our **Occupational Health Manager**
- Introducing new technology that allowed the majority of our employees to swiftly move to remote working for a prolonged period, including the provision of IT equipment and office chairs to ease the transition to home working, as well as technology 1:1 sessions to support employees with their home working set-up
- Expanding our **Employee Assistance Programme** to employees' immediate family members
- Our **Parents and Carers** ENG hosting a series of events and providing resources to support employees and their families facing challenges arising from Covid-19, including an Online School Holiday Programme and a webinar series to support children of different age groups
- Our **Wellbeing Ambassadors** have also continued to play an important role— these are peer supporters available to employees who are themselves, or have family members, in a similar position
- Feedback from our leaders, individual employees and in staff surveys has shown that we can continue to deliver for our clients with increased hybrid-working options for our staff.

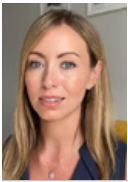
These new initiatives complement our **wellbeing programme, Macquarie Plus**, which provides a comprehensive range of initiatives and benefits to support our employees and their families. We also offer a Wellbeing & Inclusion curriculum on topics such as communication and relationships, creating space between work and home, and mindful parenting.

Actions we have taken to support our employees in the last 12 months include:

- Issuing guidance for all employees on navigating the practical and emotional challenges they may be facing in the new working environment



Our stories



Nicola Eichorn

Senior Manager,
Commodities and Global Markets

Co-Chair, Balance

I work in Macquarie's Specialised and Asset Finance business, where I am responsible for originating largescale telecommunications finance deals across EMEA. We partner with our clients to create something together that is meaningful, sustainable and has purpose. From CEOs and CFOs, to procurement and operations teams, I meet with clients to really understand their goals and objectives and the financial solutions they need to achieve them.

When I first started with Macquarie five years ago, my opportunities to network with the wider business were restricted, due to the client-facing nature of my role resulting in lots of time out of the office travelling. I was conscious of creating an internal network and started to get involved in some of the D&I initiatives that Macquarie offers. I really enjoyed doing something on top of my day job that was making a positive contribution through educating and encouraging people to embrace diversity.

In March last year, I became the Co-Chair of the Balance ENG and I am pleased to report that one year on, our membership has increased, engagement levels are at an all-time high and we have more male members than ever before. The Balance committee has worked hard to develop new resources that ensure women at Macquarie are engaged, empowered and encouraged to succeed – especially in the current working from home environment.

As a mother-to-be and returning parent next year, being able to have a hybrid-working arrangement will be hugely beneficial for my wellbeing and mental health. Not only will our approach to flexible working help take the pressure off when I need to be with my child, but it already helps me in carving out time each day to take a break, to exercise – or simply take the dog for a walk.

Throughout my Macquarie journey, my industry knowledge and skillset has developed significantly, and it has been nice to grow with my team. I have also grown as an individual through embracing D&I. I have loved being part of a cultural shift, learning more about the issues that truly underline D&I, the problems our industry faces and importantly, playing a meaningful role in creating a more gender-balanced organisation.



Charlene McIntosh

Associate Director,
Corporate Operations Group

Co-Chair, Fusion

I am the Global Operations Change Lead for our Commodity Markets Finance business, as well as the lead for business management and change for Macquarie's Market Operations business across the EMEA region. I manage the change portfolio and strategic projects that drive our strategy and vision.

I joined Macquarie six years ago and after a few years working in London, an opportunity became available in the Sydney office for a more senior role. My manager at the time was very supportive, and it was an amazing mobility opportunity for me. I took on the new role in Australia, and early last year, I returned to London just before the outbreak of the Covid-19 pandemic.

A key part of my role this year was supporting staff within EMEA Market Operations with the transition to working from home. We leveraged our business resilience planning and principles and were able to pivot quickly through embracing technology and driving change to deliver the best possible outcome for our staff and their wellbeing.

In June last year, the opportunity became available to be the Co-Chair of the Fusion ENG. In light of the recent events surrounding George Floyd in the US, I knew this opportunity would enable me to take action and play my part in helping to promote a diverse and inclusive workforce. The role has enabled me to connect with HR, Fusion's Executive Sponsors, the other ENGs and deliver on a variety of key initiatives that have had the impact we want to see in driving the ethnicity agenda forward in our D&I strategy. The Fusion steering committee has done an incredible job in delivering allyship training, celebrating Black History Month and raising awareness on how overt and institutional racism impacts staff and the communities we operate in.

I have had a lot of support in my career and I want to be able to give this back to others at Macquarie in the same way that all my global mentors have invested their time in me. Not only from an ethnicity perspective, but also a gender perspective as well.

Our clients and community

The Macquarie Group Foundation is the philanthropic arm of Macquarie Group. We provide support to hundreds of community organisations globally each year through financial support, volunteering and skills sharing, predominantly in the locations in which Macquarie operates.

Our work is significantly influenced by the activities of our people, with a focus on capacity building within the community sector and increasing social and economic mobility.

The importance of social mobility

Macquarie is currently one of the few financial services firms to feature in the UK's Social Mobility Index (Top 75 employer), an important bench-marking initiative that ranks Britain's employers for the actions they are taking to ensure they are open to accessing and progressing talent from all backgrounds and showcases progress towards improving social mobility.

We are taking a two-pronged approach through the Macquarie Group Foundation's local grant partners and our own talent and recruitment strategies. Social mobility has a practical imperative for us as a firm, as it ensures access to the full talent market and not just a subset of it. Whether we help job seekers to find roles with us or elsewhere, the Macquarie Group Foundation grant-making strategy 'supporting organisations that promote social mobility for young people, through education and employment opportunities' is an important part of our purpose as a company.

Investing in D&I

In 2020, our Macquarie Infrastructure and Real Assets (MIRA) business announced that it was enhancing its focus on D&I throughout the investment lifecycle of its portfolio companies.

MIRA will seek to ensure that:

- D&I is considered during pre-deal due diligence and transition planning as appropriate; and
- D&I strategy is embedded throughout MIRA portfolio company ownership, with a requirement that:
 - company D&I strategies are reviewed annually; and
 - progress against the strategy is tracked on a regular basis.

MIRA-employed Nominee Directors who sit on the Board of its portfolio companies have been trained to deliver Board-level oversight of portfolio company D&I strategy, and resources provided to senior management to support them in the execution of these strategies.



Partnerships and awards

Our recent awards include:



Stonewall Top 100 Employer 2020



Stonewall Highly Commended Network Group Award



Ranked 60th in the UK Social Mobility Index

Our partners include:



Women in Banking and Finance



Business Disability Forum



Bright Network



City Parents Network



Dallaglio RugbyWorks



Investing in Ethnicity and Race



Islington Giving



Leadership Through Sport and Business



Stonewall



The Prince's Trust International



The Social Mobility Foundation



ReachOut



Uptimize



University Education



Data tables and explanations

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 2020 (and the 12 months preceding it for bonus pay).

Macquarie is committed to allocating pay and advancement opportunities in a fair and equitable way. To support this, Macquarie is embedding the principles of D&I in all people-related policies, processes and programmes to ensure the highest and fairest standards in order to maintain pay equity for like roles and performance.

We are confident in our longstanding and consistent approach to pay. We continue to 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 the driver of our gender pay gap, not unequal pay.

Pay and bonus gaps

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 and over-represented in lower-paid positions. Macquarie's commitment to achieving gender balance at all levels of the organisation, has seen an increase in female representation at director levels, however while we have made progress, we recognise there remains more to do to accelerate the pace of change. As such, the average male salary remains 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.

The employer entity can occasionally change for parts of our business, which is reflected in the year-on-year comparison data in the table below.

UK entities	Average pay* gap ⁱ	Median pay* gap ⁱⁱ	Average bonus [^] gap ⁱ	Median bonus [^] gap ⁱⁱ
Macquarie in the UK (combined) - 2020	41.7%	30.3%	74.4%	61.2%
2019	43.5%	34.9%	75.4%	70.9%
2018	47.2%	38.3%	79.8%	71.1%
MBL LB - 2020	53.7%	49.2%	72.0%	68.5%
2019	49.4%	45.2%	67.2%	73.2%
2018	59.0%	46.5%	76.9%	56.1%
MCHPL (UK) - 2020	51.7%	43.3%	80.7%	69.2%
2019	56.8%	57.7%	81.0%	83.6%
2018	54.2%	59.2%	84.2%	84.6%
MGSA (UK) - 2020	11.8%	5.9%	25.8%	11.8%
2019	11.7%	6.7%	35.9%	26.8%
2018	10.3%	6.7%	43.4%	27.9%

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 2020 snapshot date reflects the bonus payments made in May 2019. Employees who commenced employment at Macquarie in March 2019 or subsequent months were ineligible for a bonus in May 2019 and this reduces the proportion of staff who received a bonus. Excluding new employees who were employed after March 2019 and those ineligible for the May 2019 bonus, the proportion of women (and men) 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 ineligible	
	Female	Male
Macquarie in the UK (combined)	73.6% / 96.5%	75.1% / 96.3%
MBL LB	79.6% / 97.5%	82.5% / 95.3%
MCHPL (UK)	76.6% / 97.4%	79.7% / 99.3%
MGSA (UK)	67.5% / 95.0%	64.6% / 93.8%

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. We are pleased to report an increase in the number of women in the upper quartile of our combined UK business, up 3.6 percentage points from last year.

UK entities	Q1		Q2		Q3		Q4	
	Female	Male	Female	Male	Female	Male	Female	Male
Macquarie in the UK (combined)	54.7%	45.3%	44.1%	55.9%	33.9%	66.1%	20.4%	79.6%
MBL LB	54.7%	45.3%	30.6%	69.4%	16.5%	83.5%	9.4%	90.6%
MCHPL (UK)	65.3%	34.7%	45.8%	54.2%	36.1%	63.9%	16.8%	83.2%
MGSA (UK)	46.9%	53.1%	43.8%	56.2%	42.0%	58.0%	34.6%	65.4%

Notes

- 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: $\text{Gap (\%)} = (\text{Average male} - \text{Average female}) / \text{Average male} \times 100$
- 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: $\text{Gap (\%)} = (\text{Median male} - \text{Median female}) / \text{Median male} \times 100$
- 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.