

Macquarie UK Gender Pay Gap Report 2018



At Macquarie we believe that the diversity of our people is vital to our success.”

During my 30-year career at Macquarie, I've witnessed first-hand the ways in which we, and the clients and communities we support, have benefited from the collective contribution of diverse teams.

For us, this means creating an inclusive environment where people feel comfortable to be themselves at work and know they can add value no matter what their gender, age, ethnicity, cultural affiliation, sexual orientation, beliefs or educational background.

Macquarie is built and driven by the success of our people, who are rewarded equally for the same level of experience and performance in equivalent roles. However, like many other financial services firms our workforce is still not as diverse as the communities in which we live and work.

We are committed to addressing this and are actively working to increase our female representation and that of other under-represented groups. We recognise that our future success will be driven by realising the true potential of all of our people through inclusive work practices.

Shemara Wikramanayake
Managing Director and Chief Executive Officer



In every one of our offices across 27 countries around the world, you'll find individuals from varied backgrounds with different ways of thinking, skills and experiences.

With more than 15,000 people working for Macquarie around the world, the diversity of our people is critical to the range of specialist services we deliver across international markets, enabling us to truly understand the cultures and communities in which we operate and the needs of the clients we serve.

At Macquarie we believe that a diverse workforce and a respectful and inclusive environment is key to unlocking innovation and creativity. Our recent Global Diversity and Inclusion Survey highlighted the level of commitment to this across the organisation, with 87% of staff noting they feel personally responsible for promoting diversity and inclusion, and 95% of staff believing a diverse workforce improves business performance.

Nicole Sorbara
Chief Operating Officer
Head of Corporate Operations Group



87% of staff
noted they feel personally responsible
for promoting diversity and inclusion



Last year we published our first Gender Pay Gap report, which highlighted the difference in average pay between men and women working for our entities in the United Kingdom (UK).

“Our average pay gap has decreased by 2 percentage points, and as much as 5 percentage points in some entities.”

Since then, we are pleased that in the majority of areas our pay and bonus gaps have decreased, alongside an increase in the female representation in our workforce. Our average pay gap has decreased by 2 percentage points, and as much as 5 percentage points in some entities. We know we have more to do though, and we will continue to work towards greater gender balance, whilst maintaining our impartial and equal approach to pay.

Like many global financial institutions, we have a Gender Pay Gap due to a disproportionately high number of men occupying our most senior roles. We are realistic about the fact that meaningful change takes time and commitment. We believe that everyone in our organisation should be given the time, support and opportunity to own their career their way.

We are pleased that our UK business has led the way for many of our global diversity and inclusion (D&I) initiatives, with our Returner programme, Balance and Pride employee networks starting in our London office and taken up in other offices around the world. We'll detail these activities and those we've put in place more recently in this report, all of which have the shared objective of recognising similarities, embracing differences and striving for the success of our people.

From a personal perspective, David is the outgoing Executive Sponsor of Balance, our gender diversity network. From 1 April, Paul will assume this role. We both believe that it is important for senior executives to be accountable for all areas of their business and see our role in partnering with our employees through our gender network as a core part of that.

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

David Fass and Paul Plewman
CEO and CEO Designate for Europe, the Middle East and Africa (EMEA)

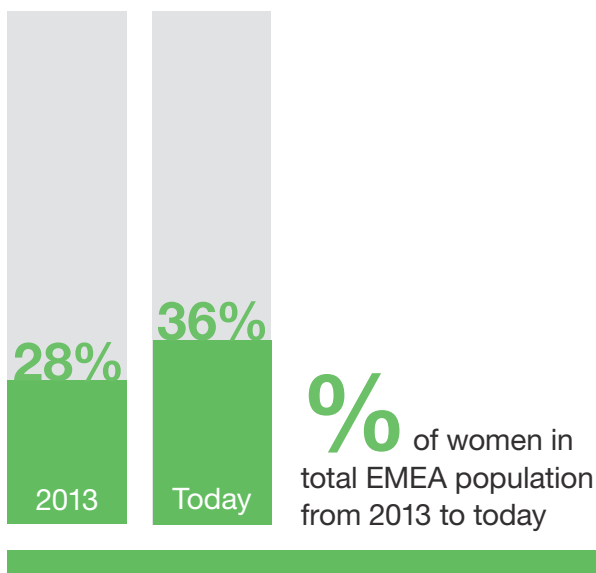
Macquarie's commitment to diversity and inclusion

Macquarie is committed to four global objectives for achieving broader diversity. The outcomes we seek are:

- **increased representation** of women and other traditionally under-represented groups at all levels in the Macquarie workforce
- an **inclusive workplace** in which individuals can reach their full potential
- **equity and transparency** embedded in remuneration, promotion and development practices, and
- **workforce diversity and inclusion** is an integral part of the way Macquarie does business

We're proud of these objectives and the work that we're doing to deliver them.

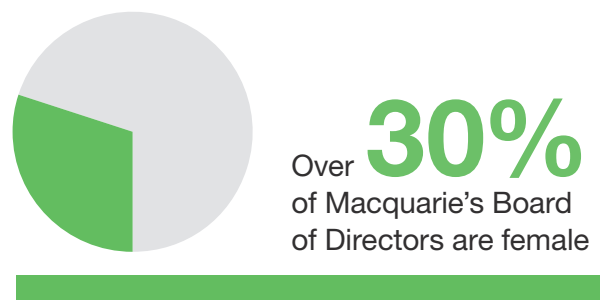
We've made significant strides in our **representation of women** in the workforce over the last few years (from 28% in EMEA in 2013 to 36% today). This year on year increase in female representation is seen across Macquarie's total workforce. In FY2019, Macquarie's Board and Senior Executive comprise a greater proportion of females than in preceding years, with one-quarter of the Executive Committee and over 30% of Macquarie's Board of Directors being female.



However, this isn't where we want it to be, particularly at director level (our three most senior levels). We've increased our female director population in EMEA by over 35% in the last four years, but we know the imbalance at senior levels is the main driver of our gender pay gap results.

The majority of roles filled regionally and globally last year had at least one female candidate on the shortlist and one or more female Macquarie employees on the interview panel. Women continue to be hired in greater proportion than the underlying female application rate.

We aspire towards gender balance in our graduate hiring and we have achieved gender balance in our UK graduate cohorts in recent years. We value diversity in all its forms and seek to attract a diverse talent pool for our opportunities at Macquarie in various ways. Our graduate campaign this year included a Women in Finance event to attract females interested in client-facing roles, as well as a PRIDE event to attract candidates who may identify as LGBTI.



“We've increased our female director population in EMEA by over 35% in the last four years”

Our recent focus has been in five areas, building on our existing programmes and initiatives:



Attraction and hiring

- We've cemented our partnership with existing diversity focused recruitment partners and have added more, teaming up with Working Mums, Work 180, the Return Hub, the Bright Network and myGwork
- We brief all our recruitment agency partners on the importance to us of a diverse workforce and our expectation of a diverse candidate slate
- We continued to run our Returner Programme, seeing over 85% of the participants in this year's programme going on to secure permanent roles
- We ensure our job descriptions are inclusive and free from unconscious bias



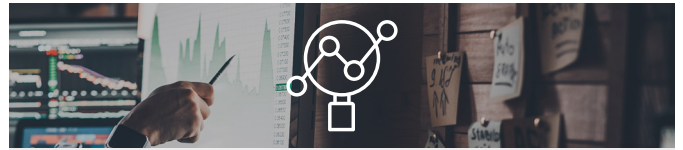
Creating opportunities and visibility

- We've created new internal channels to share details of internal opportunities as well as commitments to ensure these opportunities are visible to all our people
- We've piloted a cross-group rotation programme for emerging talent, (where females outnumbered males)
- We've refreshed our parental leave process, to put greater focus on supporting new parents, increasing their connections and nurturing their progression



Flexibility

- We've prompted internal discussions on flexibility as a key enabler of diversity, inclusion and productivity and why it is important for the future of work through our inaugural FlexWeek
- We've increased the visibility of role models (regardless of gender or seniority) who work flexibly
- We've provided training to managers on how to manage a flexible workforce and the benefits that it brings
- We continue to roll-out first-class technology options that enable a seamless flexible work experience



Monitoring and analysis

- We've bolstered the reporting to senior leaders and interested staff of internal diversity statistics
- We increased the frequency with which we review the pipeline of promotion candidates
- We've added an additional level of regional review of pay data



Leadership and accountability

- Our regional Management Committee has assumed direct responsibility for driving diversity and building an inclusive culture, with D&I on every meeting agenda
- We were delighted to sponsor the Women in Infrastructure Forum in 2018
- Our leaders are driving the use of diversity and inclusion objectives throughout performance appraisals



We are committed to embedding **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.

Macquarie continues to embed equity and transparency in all people-related practices and processes. As in previous years:

- Remuneration outcomes were reviewed to ensure pay equity for like roles and performance across all groups and regions
- Promotion decisions and outcomes were reviewed and analysed to identify any gender discrepancies

In FY2019:

- The female participation rate in the Macquarie Director Programme, Macquarie's core leadership and development programme, was higher than the underlying female population at director-level
- There was no discrepancy between female and male turnover

Critical to increased workforce diversity is **an inclusive workplace in which individuals can reach their full potential and where workforce diversity and inclusion is an integral part of doing business.**

At Macquarie we believe that diversity is fundamental to our success in offering the best service and ideas to our clients. Our people recognise this, with 95% of respondents in our 2018 Global D&I survey believing that a diverse workforce improves business performance. Inclusion and an inclusive environment of fairness, respect and belonging enables that diversity to thrive. This is achieved through a strong focus on inclusive leadership at all levels.

Our Diversity & Inclusion opinion surveys allow us to obtain perceptions of flexibility, inclusion, advocacy and leadership behaviours, to measure progress and to identify new opportunities. We have seen positive progress between surveys, with increases to feedback scores on flexibility, personal advocacy and the tone from the top. There is strong support for flexible working, our people feel more responsible for promoting D&I, and senior leaders are perceived to be strongly committed to creating a diverse and inclusive workplace.

“95% of respondents in our 2018 Global D&I survey believe that a diverse workforce improves business performance.”

In the UK, our parental leave policies include potential for full pay during leave for up to 26 weeks and a ‘phased return’ policy where returning parents can work three days a week for the first four weeks on full time pay to enable them to phase back into the workplace.

We aspire to maintain high return to work and retention rates for our people on parental leave and have a strong track record. We offer all new parents classroom or coaching support (depending on the duration of leave), and we offer support to working parents and those with carer’s responsibilities through initiatives such as free backup child/adult/eldercare and nursing mothers’ facilities. We recently introduced a buddy scheme, which matches pregnant employees with parents who have recently returned from leave so that they can share experiences and advice about taking a period of parental leave and returning to work.

Our belief in the importance of diversity and inclusion is about much more than gender. Macquarie has achieved notable recognition as an employer that provides a supportive and inclusive workplace for LGBTI identifying employees. In the

UK specifically, Macquarie ranked as a top 100 employer for three consecutive years in the Stonewall Workplace Equality Index and this year won the Business Equality Award at the Pink News Awards. Part of our recognition comes from the culture of inclusion we create through events such as our Inspiring Leaders Programme (where we profile different types of leaders through a speaker series), our celebration of events such as International Women’s Day, Pride week, Mental Health Awareness Week and our association with Women in Banking and Finance.

A focus on wellbeing runs through the heart of Macquarie, with an innovative ‘Macquarie Plus’ offering. Alongside formal and informal wellbeing initiatives, we also offer a classroom-based Wellbeing & Inclusion curriculum and Wellbeing Ambassadors – peer supporters available to employees who are themselves, or have family members, in a similar position.

Our Employee Network Groups

Macquarie’s employee network groups in the UK span gender, race and ethnicity, families and care-providers, wellness and LGBTI. They provide our people with opportunities to exchange ideas, build relationships and support Macquarie’s diversity and inclusion strategy with the backing of dedicated executive sponsors.



A note about our Foundation...

The Macquarie Group Foundation supports non-profit organisations around the world, predominantly in the locations in which Macquarie operates. Macquarie Group Foundation’s work is significantly influenced by the activities of Macquarie staff. In recent years the Foundation has chosen to focus its grant giving into specific areas. A global focus on supporting social and economic opportunities for young people in the communities where we live and operate, and in EMEA the focus is supporting social mobility for young people through education and employment opportunities, something Macquarie has worked to support for multiple years. We were proud to participate in the Social Mobility Index last year, building on our support of a Junior Associate programme and our work with partners such as the East London Business Alliance and Leadership through Sport and Business in recent times.

Stories from our people

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



After many years in the City (of London), I decided to take a career break in late 2013, to spend more time with my two children as my eldest was transitioning to senior school.

By the summer of 2016, I felt more than ready to come back to work but I was unsure of where to start. I went online, saw that Macquarie were embarking on their inaugural Returner programme and decided to submit an application. From the first experience at the Macquarie welcome presentation with David Fass, CEO EMEA, and other members of the Executive team, I felt that something special was happening. Seeing the programme supported by so many senior leaders on the first day was testament to how much support there was for the programme.

Since then, I haven't looked back. I love my role, work with a great group of people and am enjoying being at work more than ever. There is something very special about Macquarie. Its flat structure encourages each and every employee to seek opportunities for themselves and for the business.

The Returner Programme is designed to genuinely help talented men and women find a role where they can thrive after taking a bit of time out and I would recommend it to anyone who believes they have value to add to the workplace but are unsure about how to take that first step.

Carolyn Dykes
Associate Director,
Corporate and Asset Finance



I joined Macquarie Capital (MacCap) in 2017 as a member in the Infrastructure & Energy Group Advisory team after graduating from the IE Madrid Master in Advanced Finance Programme. Over the last year I've played an active role in a number of advisory mandates including, advising Dalmore Capital and Pension Infrastructure Platform (PIP) on the £701m acquisition of a 49% stake in EDF's 24 asset UK wind portfolio.

In shaping my career at Macquarie I decided to join the EMEA MacCap Analyst and Associate Board which provides a forum for the Analyst and Associate population to work with leadership. From day one you get exposure to people at all levels of the business, but I wanted to take an additional role in positively shaping the performance and working lives of Macquarie Capital's junior staff, in order to facilitate tangible change across the group.

I was recently involved in Macquarie's external sponsorship of Women in Infrastructure Forum, demonstrating the value and importance of the people that will help build the next generation of global infrastructure investment. Diversity of thought and equal participation in that sector is critical to the communities we work in and I was proud to help represent a part of Macquarie's contribution to that dialogue.

In addition to my role in infrastructure finance, I've been able to also balance the priority of giving back to the community. I've mentored students preparing for university via a partnership between the Macquarie Group Foundation and the BIG Alliance, an external partner, and recently spent three weeks in Tanzania in a community-building project in partnership with my church. Being able to do all these things is important to me, so I value having the freedom to get involved.

Mawuse Doe
Analyst,
Macquarie Capital



I joined Macquarie in 2009 to start the Debt Markets team within EMEA. I have overall responsibility for the lending, sales, trading and arranging of structured debt capital market products within Europe. Our mission was to build a new business from scratch in a challenging market environment during the financial crisis.

We succeed by choosing to be different to our investment banking peers - we encourage independent thinking and focus on long-term client, business, technological and demographic trends. A key part of our pursuit of independent thinking is down to the people we chose to bring into the team. We are active supporters of gender balance and have made a conscious decision to promote from within, moving talented hires of both genders through the team to senior positions and providing flexible working opportunities for all. When we need to look externally, we have championed alternative talent pipelines such as our Returner programme.

This approach has brought a refreshing distinctiveness to our team identity which has the ability to challenge orthodox thinking and the status quo. A diverse and inclusive work environment breaks the mould and promotes innovative ideas for clients and business initiatives alike.

Gianfranco Simionato
Senior Managing Director,
Commodities and Global Markets



I joined Macquarie as an Associate in March 2018, within the Market Operations Division, supporting all of our EMEA businesses. My role is focused on Client Due Diligence, providing know your client (KYC), anti-money laundering, and sanction screening on all new potential clients. My day to day involves researching, analysing, and escalating any potential risk exposures for the business.

My career began after taking part in the Prince's Trust "Team" Programme, followed by a customer service role in the retail industry, and moving into CBRE with a front of house concierge role within Macquarie before taking on my current role. The Macquarie environment has enabled me to really own my career, and I've been able to progress through a combination of exposure to continued learning, my desire to seek out mentoring opportunities and taking part in shadowing business teams.

I am a keen supporter of the Macquarie Group Foundation and member of several employee network groups including Balance, Pride, and Fusion. During 2017/2018 I represented the Prince's Trust as a "Young Ambassador" reaching out to inspire other young people and the public, as well as politicians and other decision makers by taking part in public speaking and charity events.

Arbey-Felipe Erazo Trujillo
Associate,
Corporate Operations Group



UK Gender Pay Gap Reporting

The Gender Pay Gap reporting requirements came into effect on 6 April 2017 and apply to UK employing entities with 250 or more employees. They require 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 2018 (and the 12 months preceding it for bonus pay).

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 business groups. Macquarie Group Services Australia (UK Branch) (MGSA (UK)) employs people who provide support to our businesses.

We have also included a Macquarie in the UK combined figure, which provides a more complete picture.

We are pleased that in the vast majority of areas our gaps have decreased since our 2017 disclosure.

Our reported gender pay and bonus gap in our UK business

The **pay and bonus gaps** show the differences in average or median values between men and women, irrespective of differing roles, levels of experience and seniority of roles.

As per last year, the primary driver for the pay and bonus gaps is the difference in representation of women and men in the organisation. In particular, women are under-represented in the UK in senior and client-facing roles (especially in MBL (LB) and MCHPL (UK)). 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.

UK entities	Average ⁱ pay* gap 2018 (2017)	Median ⁱⁱ pay* gap 2018 (2017)	Average ⁱ bonus [^] gap 2018 (2017)	Median ⁱⁱ bonus [^] gap 2018 (2017)
Macquarie in the UK (combined)	47% (49%)	38% (41%)	80% (82%)	71% (71%)
MBL (LB)	59% (59%)	47% (53%)	77% (81%)	56% (70%)
MCHPL (UK)	54% (56%)	59% (60%)	84% (83%)	85% (82%)
MGSA (UK)	10% (15%)	7% (10%)	43% (52%)	28% (33%)

* 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.

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

The proportion of employees who received a bonus

The proportion of women 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.

Our reported proportion of people who received a bonus is unusually low due to the timing of our annual bonus payment in May and the “snapshot date” (that is, 5 April 2018) for determining who’s in scope for the reportingⁱⁱⁱ. Excluding new employees (men and women) who were employed after May 2017 and those ineligible for the May 2017 bonus, the proportion of men and women who received bonus was 98% for both men and women.

UK entities	Proportion of staff who received a bonus	
	Male 2018 (2017)	Female 2018 (2017)
Macquarie in the UK (combined and eligible for bonus)	98% (98%)	98% (97%)
Macquarie in the UK (combined)	77% (79%)	68% (72%)
MBL (LB)	79% (82%)	63% (69%)
MCHPL (UK)	76% (78%)	68% (69%)
MGSA (UK)	71% (75%)	68% (78%)

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 4 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 2018 (2017)		Q2 2018 (2017)		Q3 2018 (2017)		Q4 2018 (2017)	
	Male	Female	Male	Female	Male	Female	Male	Female
Combined	42% (42%)	58% (58%)	59% (61%)	41% (39%)	69% (77%)	31% (28%)	86% (89%)	14% (11%)
MBL (LB)	41% (38%)	59% (62%)	73% (78%)	27% (22%)	74% (77%)	26% (23%)	90% (90%)	10% (10%)
MCHPL (UK)	32% (33%)	68% (67%)	60% (61%)	40% (39%)	78% (85%)	22% (15%)	92% (94%)	8% (6%)
MGSA (UK)	58% (56%)	42% (44%)	53% (53%)	47% (47%)	60% (64%)	40% (36%)	59% (63%)	41% (37%)

Notes to report

- 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 reported proportion includes all new UK employees who joined prior to the snapshot date but after our May 2017 bonus payment or joined towards the latter part of our 2017 financial year and were ineligible for the May 2017 bonus. For both our client -facing employer entities, women comprised a higher proportion of the new joiners which resulted in lower reported figures compared to men. Conversely, a higher proportion of new joiners in our support entity were men.
- iv. The proportion of women 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.