

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.



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

Diversity and Inclusion

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 and 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.

In FY2021, we reaffirmed our commitment to building a diverse workforce that reflects the communities in which we operate. Our leadership teams in each Operating and Central Service Group and region have developed D&I strategies to realise tangible results aligned to our *Workforce Diversity Policy*. Progress towards achieving Macquarie's FY2021 D&I objectives is disclosed in this report.

Macquarie is committed to:

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



Macquarie's *Workforce Diversity Policy* is available at [macquarie.com/diversity-and-inclusion](https://www.macquarie.com/diversity-and-inclusion)

Diversity and Inclusion objectives

Holding ourselves to account is critical to demonstrating our commitment to D&I progress. During FY2021 responsibility for reviewing and approving the Diversity and Inclusion Report was re-allocated from the Board Governance and Compliance Committee to the Board Remuneration Committee (BRC) to align with the BRC's oversight of our key people-related strategies. The *Workforce Diversity Policy* provides that each year the BRC will set measurable objectives for increasing the diversity of Macquarie's workforce and maintaining 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 and BRC receive regular updates on progress against Macquarie's D&I commitments and challenge our leaders to do better.

Macquarie's BRC has endorsed the FY2021 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 representation of under-represented groups across our workforce
- maintain gender balance on Intern and Graduate programs
- increase representation of under-represented groups at the senior leadership levels of Executive Committee, Division Head and Senior Executive
- increase diversity of our Board of Directors, including always having at least 30% gender diversity.

Diversity practices:

- expand the collection of demographic data to build additional metrics and better 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
- maintain high return-to-work and retention rates for employees following parental leave
- maximise retention of people from under-represented groups.

Progress FY2021

Our ongoing commitment to achieving gender balance is demonstrated by the year-on-year increase in female representation across Macquarie's total workforce. In FY2021, Macquarie's Senior Executives comprise a greater proportion of females than in preceding years. 46% of Macquarie's Board of Directors are female. A reduction in female representation at Division Head level in FY2021 was due to changes in organisational structure with a slightly greater proportion of senior women than men changing reporting lines which had an impact on the categorisation of their role. Whilst Division Head representation is dependent on reporting line structure, the year-on-year increase in female Senior Executives, which includes Division Directors and Executive Directors, demonstrates the growing pipeline of senior women in Macquarie.

Diversity and Inclusion

Continued

The table below outlines the proportion of women employed globally at Macquarie over the last five years.

As at 31 March	2017 %	2018 %	2019 %	2020 %	2021 %
Board of Directors	33.3	30.0	36.4	36.4	45.5
Executive Committee	25.0	25.0	25.0	27.3	27.3
Division Head ⁽¹⁾	21.6	23.5	23.9	24.6	23.0
Senior Executive ⁽²⁾	15.6	17.2	19.1	19.9	20.5
Macquarie Workforce	39.2	39.8	40.1	41.0	42.0

The majority of all roles filled globally during FY2021 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 FY2021.

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 97% in FY2021 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, and we continue to invest in new recruitment channels to expand our reach beyond traditional financial services sectors. As examples, to better connect and engage with talent from under-represented ethnic groups, Macquarie partnered with Jopwell, Seizing Every Opportunity, and BLK Capital Management in the US, and continued participation in the CareerTrackers and CareerSeekers internship programs in Australia, placing 39 students during FY2021. In the UK and Australia, Macquarie's Graduate recruitment team ran a Female Business Series with a goal of encouraging female university students to explore a career in finance. In India, Macquarie continued its partnership with Asha to provide internship opportunities to university students from economically disadvantaged backgrounds.

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:

- continue developing inclusive leadership capabilities of our managers and leaders
- further 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.



(1) Division Head refers to critical roles across Macquarie. It typically includes executives two layers down from the CEO.

(2) Senior Executive refers to Macquarie's combined Division Director and Executive Director population.

Structural inclusion:

- continue to 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
- further 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 equity for people of all gender and cultural backgrounds in promotion opportunities
 - provide staff with access to flexible working.

Progress FY2021

With the majority of staff working remotely in FY2021, Macquarie moved quickly to transition our development programs to a virtual setting. Macquarie expanded on its inclusive leadership training with an additional focus on equipping managers with knowledge and skills to maintain inclusive environments whilst leading teams remotely. The shift to virtual training has allowed us to connect more regularly with employees in all of our offices around the globe. In our 2020 staff survey, 92% of employees stated that they felt just as or more included in their teams than they did before working remotely as a result of COVID-19.

Whilst hybrid working has long been part of Macquarie's working practice, the COVID-19 environment has enhanced the diverse ways in which we connect with each other. Resources and workshops were provided to staff throughout FY2021 to facilitate best practices for remote working, particularly for those working from home whilst managing caring responsibilities. In our 2020 staff survey, 92% of employees stated that they felt just as or more productive at work than they did before COVID-19.

Macquarie has adopted hybrid working as part of the evolving culture of work, and subject to local regulations, the majority of Macquarie's employees seek to work more flexibly than they did before COVID-19. Macquarie recognises that working flexibly means different things to different people and exists in many forms. Macquarie empowers staff to manage their work and time to suit their own roles, the needs of their teams, and achieve their career and personal goals.

Cultural diversity has been a priority for our leaders and Employee Network Groups (ENGs) around the world for several years. Following the heightened attention on racial injustices across the world that commenced in the US, before leading to similar movements around the globe, Macquarie accelerated initiatives to ensure we are building an organisation that takes real steps towards racial equity and full inclusion for all colleagues. New initiatives were put in place to enhance our focus on equitable career progression and development opportunities for all staff. In many markets, small group forums on racial equity and social justice were held to facilitate conversations on current and historical issues impacting Black communities and the corporate work environment. Staff were encouraged to share personal stories or observed experiences in these forums, as well as through open dialogue with leaders. Resources were provided to enable leaders to facilitate conversations about race. Managers at all levels are also being provided with greater access to training to help our leaders to be better advocates and foster a culture of belonging. Our multicultural ENGs, made up of members and allies, played an active role in supporting and advocating for our colleagues from under-represented groups. In the Americas, the very nuanced impacts affecting our Black employees and the community led to the launch of the Black Employees at Macquarie (BE@M) ENG, in addition to the existing multicultural ENG (Unity).



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Diversity and Inclusion

Continued

Across our regions and groups, we have programs and initiatives to develop a culture of sponsorship to support our talent from under-represented groups into leadership roles.

Macquarie's ENGs span culture and heritage, families, First Nations, 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 ENGs led staff in their regions in recognising days of significance throughout the year.

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 skills and capability and their promotion readiness; and ensuring we support staff from under-represented groups through the critical midcareer levels and into senior roles.

Workforce data is regularly analysed and provided to senior managers so they may assess the equity of people decisions, the inclusiveness of practices in their teams and to identify where additional action is needed. Senior managers are also held accountable for achieving inclusion objectives. In FY2021:

- 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 Masterclasses*, Macquarie's new leadership development series, compared to the proportion of women at Executive 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.

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:

- continue 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
- further support the progress of under-represented groups through partnerships and sponsorships with organisations in the diversity sector
- increase promotion of finance careers to secondary school and university students from under-represented groups to increase the diversity of the finance industry
- participate in additional D&I benchmarking indexes to identify opportunities for improvement.

Progress FY2021

Macquarie is committed to fostering a diverse and inclusive workplace for its own staff and seeks to instil this commitment within its assets under management when possible. For example, in the MAM business, MIRA is focused on progressing D&I initiatives at the asset level and equipping its portfolio board directors and portfolio company leaders with resources and training to foster an inclusive environment and set measurable diversity objectives.

As part of our procurement strategy, Macquarie includes sustainability and supplier diversity requirements within tender documents. In FY2021, Macquarie spent over \$A12 million with minority-owned businesses in our tier one and tier two supply chain.⁽³⁾

(3) Includes qualified businesses from traditionally under-represented groups such as companies owned and operated by minorities, women, Indigenous Australians and small businesses. Tier one is defined as spend incurred via diverse suppliers directly contracted by Macquarie. Tier two is defined as spend incurred via fourth parties meeting the diverse supplier definition, indirectly supporting goods and services delivered to Macquarie.

Macquarie is proud to be a partner and sponsor of organisations across the diversity sector, including those that support students from under-represented groups. In Australia, staff completed secondments with Indigenous organisations through our partnership with Jawun. Through our First Nations ENG, Macquarie supports the Girls Academy at the Clontarf Aboriginal College, Melbourne Indigenous Transition School and Gawura School in Sydney. In Asia, Macquarie has continued its partnership 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 established a Racial Equity Fund which, over a three-year period, will donate \$US1 million to support community groups working to promote racial equity in the US. In the UK, Macquarie's Graduate team partnered with the Bright Network to develop a coaching program for Black, Asian and Minority ethnic students, aimed at increasing the number of students applying to internships.

In FY2021 Macquarie was recognised for its commitment and progress in creating an inclusive workplace for its diverse staff across the globe. In the UK, Macquarie is currently one of the few financial services firms to feature as a Top 75 employer in the Social Mobility Foundation's *Social Mobility Index*, a national benchmark on diversity and inclusion, and Macquarie maintained its ranking of 33rd in the UK Stonewall *Workplace Equality Index*, a national benchmark on LGBTQ workplace inclusion. In the US, Macquarie received a score of 100% on the Human Rights Campaign Foundation *2021 Corporate Equality Index* for LGBTQ inclusion. In Asia, Macquarie was named a Silver Employer in India's Workplace Equality Index and in Japan's PRIDE Index for its efforts in creating an inclusive environment for LGBTQ staff. Macquarie ranked in the top 100 Best Companies for Women in India (BCWI). Macquarie joined The Valuable 500, a global collective focused on disability inclusion. In Australia, Macquarie was accredited as a Carer Friendly Organisation with Carers + Employers, and we continued our partnership with Heads Over Heels to help provide female entrepreneurs with access to strategic networks.

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

Diversity and Inclusion awards and partnerships

