

BARINGS

U.K. GENDER PAY GAP REPORT

2023



INTRODUCTION

At Barings, we know that the diversity of our people and the independence of thought they bring to our culture is fundamental to the success of our business as investors and our future as a leading global asset manager. It drives our commitment to furthering diversity, equity and inclusion (DEI) in all ways through talent processes that are equitable.

We present our 2023 U.K. Gender Pay Gap Report to provide a progress update on our gender pay gap as well as to continue to increase transparency across the firm. We also acknowledge that, after evaluating these metrics, there is still work to be done regarding the development, promotion and retention of women if we are to achieve gender representation throughout our senior ranks at Barings.

Throughout the financial industry, senior-ranked women continue to be underrepresented:

- For every 100 men who are promoted from entry-level roles to manager positions, only 87 women are promoted. (McKinsey, *2023 Women in the Workplace report*)
- The peak number of women working in U.K. finance occurred in 1997, at which point there were approximately 589,000 women working in the finance sector. In 2022, this number had declined by more than 30% to just over 400,000. (The Centre for Economics and Business Research for the London Stock Exchange, *2023 Charting 50 Years of Change for Women in the UK's Finance Sector*)
- The appointment rate for women in the FTSE 250 reached an all-time high of 40%, albeit there is more to do with six out of every 10 available roles still going to men. (Financial Times Stock Exchange (FTSE), *2023 Women Leaders Review: Achieving Gender Balance*)

As such, we understand the importance of these challenges and are addressing them by continuing to enhance our global DEI efforts and to expand the scope of our Talent Management Center of Excellence, a Barings team that manages succession and talent management planning processes:

- Over the past three years, our DEI efforts have focused on improving the experience for all of our teammates. We developed a global DEI strategy and strengthened our community partnerships. We also ensured our teammates completed inclusive culture training and have held annual Day of Understanding events. For more information, [please see our DEI report](#).
- In addition to our internship, analyst, and Advanced Development programs consisted of 50% women. And this past year, we held the Barings Executive Development program for our executives, with 33% women in attendance. We also have incorporated "blind hiring" into our hiring strategy, maintained flexible work options and offer generous teammate benefits, including maternity, paternity, caregiver leaves and time off.

As we look forward, our efforts to close the gap will continue, with a focus on building a broad talent pipeline fit for the future. We are proud of what we've accomplished in 2023 and recognize we have more work to do, together.



CAROLINE MANDEVILLE

Chief Human Resources Officer



UNDERSTANDING OUR METHODOLOGY

In this report, we provide gender pay gap information for the 543 U.K.-based teammates employed by Barings at the report snapshot date of Wednesday, April 5, 2023.

The gender pay gap demonstrates the difference in the mean and median hourly pay of men and women across the organization, regardless of the role or area of the business. It does not compare the pay of men and women who are carrying out similar or equivalent work, known as equal pay.

As we see throughout the asset management industry and wider financial services sector, female representation declines with seniority. As such, the gender pay gap is complicated by the structural challenge of having more men in more senior, highly paid positions.

At Barings, our process for determining compensation is gender neutral, subject to multiple rounds of review throughout the year, and involves collaboration between managers, Human Resources (HR) personnel, the total rewards team and the DEI team. We are confident that men and women carrying out equivalent work in equivalent roles, accounting for experience level, tenure and performance, are rewarded in the same way.



BARINGS' 2023 U.K. GENDER PAY GAP STATISTICS

The comparison below shows a year-over-year improvement in mean pay gap statistics by a few percentage points. The proportion of women receiving a bonus has also increased.

	April 2023	April 2022	April 2021
Gender Pay Gap			
Mean	16%	18%	18%
Median	21%	19%	19%
Gender Bonus Gap			
Mean	54%	49%	56%
Median	47%	43%	42%
Portion of Men & Women Receiving Bonus			
Men	96%	94%	95%
Women	92%	89%	93%

Portion of Women in Pay	April 2023	April 2022	April 2021
Quartiles			
Lower	47%	52%	54%
Lower Middle	47%	38%	39%
Upper Middle	27%	32%	29%
Upper	27%	27%	27%

ACTIONS WE TOOK TO CLOSE THE GAP IN 2023



ATTRACT

- Continued to partner with organizations that aim to educate and inspire young women to get into financial services careers, including Girls Are Investors (GAIN), Smart Women Securities and Seize Every Opportunity (SEO).
- Continued to host early career internship program and incoming analyst class, which are seen as key entry points to develop careers at Barings.
- Encouraged our Talent Acquisition team and recruitment partners to provide a gender-balanced list of candidates when making strategic hires.
- Promoted open roles to diverse audiences and used blind resumes to help reduce bias in our hiring process.
- Continued inclusive hiring training for all hiring team members.



ENGAGE

- Implemented a global DEI strategy with measurement and representation and equitable talent processes as two of our strategic pillars.
- Continued to participate in CEO Action for Diversity and Inclusion, the largest CEO-driven business commitment to advance diversity and inclusion in the workplace.
- Supported the growth of our four Employee Resource Groups (ERGs), including the expansion of Barings Women's Network into APAC. Our ERGs help create community and amplify culture initiatives through global programming.
- Supported new programming for the APAC DEI Council, which, in its second year of existence, hosted a highly successful event entitled *Women in the Workplace—Embracing Equity*.
- Held our third annual *Day of Understanding* across the firm, with a focus on generational differences.
- Hosted an event with our partner Black Women in Asset Management with a spotlight on Black woman fund managers navigating an industry dominated by men.



DEVELOP

- Enhanced teammate learning and development with the support of our dedicated HR Business Partners (HRBPs), who provide tactical and strategic consulting to our business units on our people strategies, and leverage our custom DEI Toolkit.
- Offered teammate training focused on inclusive culture and leadership (with examples focused on gender differences and continuous learning) via micro-learning videos and self-paced offerings.
- Continued to identify and develop future leaders in our Advanced Development and Executive Development programs, providing them with in-depth instruction into Barings' business and into ways they can better lead themselves, others and the business.
- Facilitated global "Power of 10" mentoring circles to keep female teammates across levels and business units connected and in community.



RETAIN

- Reviewed external market intelligence—assessing internal equity among teams, similar roles and functions—to ensure compensation practices are competitive with industry peers.
- Supported annual firm-wide talent review and performance management process.
- Held safe-space conversations to encourage discussion regarding topics considered important to diverse communities, including women.
- Continue to support hybrid work environment to encourage teammates to find an in-office and work-from-home schedule that maximizes their productivity and work-life balance.
- Offered 10 days of emergency back-up care for our teammates needing help caring for a loved one, helping make navigating work and home life easier.
- Conducted annual pay analysis to proactively identify and address any compensation discrepancies.

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