

BARINGS

# U.K. GENDER PAY GAP REPORT

2021



# UNDERSTANDING OUR METHODOLOGY

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 males in more senior, and higher 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, HR personnel 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.

## 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.

As McKinsey's 2021 Women in the Workplace report notes, across industries, for every 100 men who get to managerial levels at the start of their careers, only 86 women do. This early imbalance causes women's career progression to slow down at the start of their careers, creating further imbalance in the pipeline at more senior levels.

At Barings, we're committed to furthering diversity, equity and inclusion in all ways through talent processes that are equitable. We are pleased to share this year's gender pay gap statistics in this report, and to note improvements across nearly all metrics. As we focus on evaluating our internal metrics, we recognize the opportunity to work towards the development and promotion of women—our goal remains to achieve gender balance at all levels.

Over the past year we built out our Diversity, Equity and Inclusion (DEI) team, developed our DEI strategy, and furthered strong community partnerships. Our Chief DEI Officer sits on our Senior Leadership Team and works with senior leaders to implement inclusive habits across the firm. We have seen all employees at Barings complete inclusive culture training, expanded flexible work options, and launched the Barings Development Program for developing leaders, which is 50% female. To date, our internship and incoming analysts classes have been gender-balanced, an outcome we are intentional about maintaining with future classes.

We understand the importance of retaining women at mid- and senior levels. To support this, we are developing further our Talent Management center of excellence, implementing the disciplines needed to ensure we have robust and objective processes in place for succession and talent management planning.

At Barings, we see diversity as fundamental to our success and our focus remains on building a broad talent pipeline fit for the future, and advocating for the importance of addressing gender imbalance wherever we see it. Our intentional efforts have resulted in modest improvements in our gender pay gap. We will continue to work at this.



**MIKE FRENO**

*Chairman & CEO, Barings LLC*



**CHASITY BOYCE**

*Chief Diversity, Equity & Inclusion Officer*



## BARINGS' 2021 GENDER PAY GAP STATISTICS

The comparison for BISL shows a year on year improvement in pay and bonus gap statistics, both mean and median, by a few percentage points. The proportion of females receiving a bonus has also increased.

	2021	2020	2019	Year Over Year Change
<b>Gender Pay Gap</b>				
Mean	18%	20%	23%	▼ -2%
Median	19%	18%	24%	▲ +1%
<b>Gender Bonus Gap</b>				
Mean	56%	59%	55%	▼ -3%
Median	42%	53%	57%	▼ -11%
<b>Portion of Males &amp; Females Receiving a Bonus</b>				
Male	95%	94%	94%	+1%
Female	93%	90%	90%	+3%

Portion of Pay	2021		2020	
	Males	Females	Males	Females
Lower	46%	54%	43%	57%
Lower Middle	61%	39%	62%	38%
Upper Middle	71%	29%	70%	30%
Upper	73%	27%	71%	29%

Note:

- Mean is the difference between mean pay received by men and women, expressed as a percentage of the mean men's pay.
- Median is the difference between median pay received by men and women, expressed as a percentage of the median men's pay.
- Gender pay gap is based on hourly rates of pay as of April 5, 2021.
- Gender bonus gap reflects bonuses received in the 12 months leading up to April 5, 2021.
- We are pleased to note an improvement in year on year scores in all cases, except the median gender pay gap, where the gap marginally increased (by one percentage point, after last year's improvement of six percentage points).

# ACTIONS WE'RE TAKING TO CLOSE THE GAP



## ATTRACT

- Continued partnership and mentorship with organizations that aim to educate girls on financial services careers, such as GAIN, Girls Are Investors (A-Level and university age), 'Inspiring Tomorrow's Leaders' (African Caribbean heritage), The Amos Bursary (girls and boys of African Caribbean heritage) and Girl's Network.
- Extended partnership with the Investment Management Association's Investment 20/20 program, welcoming a 2022 apprentice class of young diverse talent from varying socioeconomic backgrounds.
- Gender-balanced internship program and incoming analyst class as key entry point to develop careers at Barings. In summary, we saw 50% female interns in 2021, while to date, 55% of analysts converted to full-time are women, and 50% of interns converted to full time analysts are women.
- When making strategic hires, we challenge our talent acquisition team and recruitment partners to provide a gender-balanced list of candidates.



## ENGAGE

- Chief Diversity Equity and Inclusion Officer and DEI team strategy focused on learning, measurement and programs
- Growing number of active Employee Resource Groups (ERGs) that help create community at Barings.
- Barings Women's Networks focused on peer support, as well as personal and professional development. Each has an executive sponsor within the Senior Leadership Team, which underscores the priority we place on leaders being torch carriers for advancing DEI.
- Continued participation in CEO Action for Diversity and Inclusion, the largest CEO-driven business commitment to advance diversity and inclusion in the workplace.
- UNGC Target Global Equity Accelerator participant (focused on supporting female talent across our respective organizations and providing best practices).
- Active member of the Diversity Project, utilized to continue to bring inclusive practices and programs to enhance Barings' community and team member experiences.



## DEVELOP

- HRBPs deepen engagement with business units and encourage focused approach to employee learning and development.
- Mandatory employee training on inclusive culture and leadership with examples focused on gender differences and continuous learning through micro-learning videos and LinkedIn Learning.
- Launched development programs geared toward mid- and senior-level professionals to help accelerate leadership skills and business acumen, with 50% female inaugural class.



## RETAIN

- Regular review of external market intelligence, assessing internal equity among teams, similar roles and functions, to ensure compensation practices are competitive with industry peers.
- HRBPs and HR Centers of Excellence aspire to help every team member reach their full potential.
- Set representation and retention targets to increase females at the Director level, a key pipeline to the most senior levels of the firm.
- New hybrid work environment to encourage employees and their managers to find an in-office and work from home schedule that maximizes productivity and work-life balance.
- Ten (10) days of emergency backup care, to help make navigating work and home life easier.
- Extensive annual pay equity analysis to proactively identify and address any compensation discrepancies.

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*\*As of December 31, 2021*

22-2103654