

BARINGS

# U.K. GENDER PAY GAP REPORT

2020



# 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, referred to as equal pay.

As we see throughout the asset management industry and wider financial services sector, the gender pay gap is largely a structural issue due to a lower female representation at senior levels within the organization. At Barings, our process for determining compensation is gender neutral, and we are confident that men and women carrying out equivalent work in equivalent roles are rewarded in the same way.

## INTRODUCTION

At Barings, we see diversity as fundamental to our success and we strive for improvement across the asset management industry as a whole. To that end, we have taken steps towards strengthening our diversity, equity and inclusion (DEI) platform and we are pleased to note some progress.

Our hiring of a new Chief Diversity Equity and Inclusion Officer in 2020 is part of a structured approach to diversity at Barings that will see greater diversity training, measurement and programs – led in part by our two regional Barings Women's Networks. Within our Employee Resource Groups (ERGs) we will address specific issues, including practical and cultural barriers that can prevent women from realising their career potential.

Our Gender Pay Gap report this year shows improvements across nearly all metrics. However, we know that progress may not be linear and we will need to stay focused on our goals in order to achieve greater equity.

We understand the importance of retaining more men and women at mid and senior levels. To support this, we are developing further our Talent Management centre of excellence, looking at the disciplines we need to implement to ensure we have robust and objective processes in place for succession and talent management planning. While we have 31% female employees at Barings, 33% of promotions in our 2020/21 cycle were to women.

Increasingly, higher paying jobs in the asset management industry tend to be those that require education in STEM subjects (science, technology, engineering and mathematics). We recognize that underrepresentation of females studying these subjects is an additional challenge for our industry. Accordingly, we have a number of initiatives to address this deficit, working with schools, colleges, social mobility organisations and our own internship and analyst programs.

To date, 50% of those hired out of the Barings Analyst Program into full time roles have been female. Additionally, 50% of those hired from internships into full time employment have been female. At Barings, 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. Thank you for your interest in our firm.



**MIKE FRENO**  
*Chairman, CEO & President*



**CAROLINE MANDEVILLE**  
*Chief Human Resources Officer*



## BARINGS' 2020 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.

	2020	2019	2018	Year Over Year Change
<b>Gender Pay Gap</b>				
Mean	20%	23%	25%	▼ -3%
Median	18%	24%	25%	▼ -6%
<b>Gender Bonus Gap</b>				
Mean	59%	55%	60%	▲ +4%
Median	53%	57%	60%	▼ -4%
<b>Portion of Males &amp; Females Receiving a Bonus</b>				
Male	94%	94%	94%	▶ 0%
Female	90%	90%	88%	▶ 0%

<b>Portion of Pay</b>		
<b>Quartile</b>	<b>Males</b>	<b>Females</b>
Lower	43%	57%
Lower Middle	62%	38%
Upper Middle	70%	30%
Upper	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 5 April 2020.
- Gender bonus gap reflects bonuses received in the 12 months leading up to 5 April 2020.
- There has been no year over year change in % of men and women receiving a bonus – the lower figure for females reflects a higher number of female temporary employees.
- We are pleased to note an improvement in year on year scores in all cases, except the mean bonus gap. This rise can be attributed to fluctuation in performance fees in different areas of the business.

# ACTIONS WE'RE TAKING TO CLOSE THE GAP



## ATTRACT

We partner with organisations that aim to educate girls on financial services careers before they choose their career path, including Inspiring Tomorrow's Leaders, which works with school-age girls of African Caribbean heritage. The Amos Bursary supports talented young people of African Caribbean heritage and now is expanding to include young women. We are continuing our partnership with the programme by sponsoring female students in 2021.

Barings has been running the award-winning See the Possibilities programme for 15 years. Previously hosting college students from the U.K. and Europe, in 2020 the programme was hosted virtually and extended its reach to the U.S., China and Jamaica –125 different universities in total. In 2020, 46% of the 331 students who participated virtually were female.

We partner with the Lord Mayor Appeal's She Can Be programme, inviting school children from underserved communities to learn more about the industry from our female employees.

We have extended our partnership with the Investment Management Association's Investment 20/20 programme, keeping on our one-year apprentices for a further year. The programme seeks to bring in young diverse talent from different backgrounds.

We have partnered with GAIN (Girls Are Investors) to attract more young women of A-Level and university age to the asset management industry.

Our global internship programme is a key source for identifying, attracting and developing diverse future talent for the firm. Barings has a team dedicated to recruiting for internships. The diversity of the group in 2020 was 36.4% non-white and 40% women.

When making strategic hires, we challenge our recruitment partners to provide a gender-balanced list of candidates.



## ENGAGE

Our new Chief Diversity Equity and Inclusion Officer came on board in 2020 and is building a team focused on a diversity strategy with three components: learning, measurement and programmes. These encompass a growing number of active Employee Resource Groups (ERGs)

Barings now has two regional ERGs of the Barings Women's Network, aimed at providing peer support, as well as personal and professional development. Since its inception two years ago the BWN Europe has held nine events, including high profile speakers, internal leaders and social networking opportunities, attracting hundreds of participants to each.

Barings' CEO Mike Freno has signed up to CEO Action for Diversity and Inclusion, the largest CEO-driven business commitment to advance diversity and inclusion in the workplace.





## DEVELOP

Our Human Resources Business Partner model is deepening engagement with business groups across Barings and encouraging a focused approach to employee learning and development to ensure that employees have the tools to make steps in their careers.

We have run a significant programme of training on unconscious bias as a foundation to ongoing development on how we make people decisions. The new DEI team is continuing this training to all employees and developing further leadership training.

In spite of the challenges of Covid, we have continued our relationship with the Simmons Leadership Conference, a world class career-development and networking conference for women. In 2021 this will be run remotely.

At Barings there are 31% female employees, and during the 2020/21 promotions cycle, 33% of our promotions were female employees.



## RETAIN

Barings partners with a leading global compensation consulting firm, participating annually in surveys focused on ensuring our compensation practices are competitive with our industry peers. The Human Resources team regularly reviews this external market intelligence, comparing every individual to the appropriate roles/positions for parity in terms of internal equity among teams, similar roles and functions to ensure that all individuals are fairly paid in comparison to other individuals for the same position.

We recognise that retention is closely linked to development, and through our Human Resources Business Partner and HR Centres of Excellence we aspire to help all employees reach their full potential.

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