



2019-2020 UK Gender Pay Report

We believe that a diverse workforce and an inclusive workplace is vital for the development and success of First Sentier Investors

A diverse and inclusive workforce provides greater diversity of thought and fosters an environment of informed decision-making. By attracting, retaining and developing individuals who bring a wide range of perspectives, we can encourage new and different ways of thinking and continually challenge ourselves.

Diversity goes beyond gender, with factors such as social background, disability, age, religion, sexual orientation, cognitive and ethnicity being of equal importance.

Achieving greater gender diversity remains a focus and is as much a strategic business objective as an ethical one.

In April 2017, the UK Government introduced legislation that requires UK organisations with more than 250 employees to publish gender pay analysis. This report discloses the gender pay figures for the First Sentier Investors business based in the UK. It also provides some additional diversity data for our UK employee base.

This is the fourth year of publishing our data, and we are encouraged by the incremental progress we have made over this period.

Nonetheless, whilst there have been some improvements over the four years, there remains considerable work to be done. We know that meaningful change will take time to be embedded, and we will continue to focus on initiatives and actions, alongside the commitments of our industry, to deliver sustainable change.

Gender pay data for First Sentier Investors

Mean pay gap

The difference between average male pay and average female pay

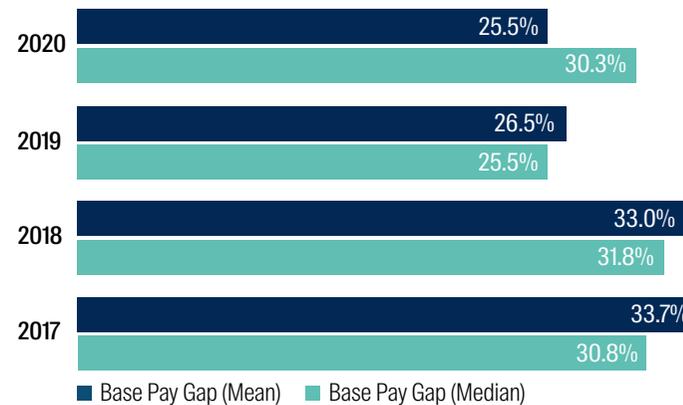
Median pay gap

The difference between the mid-point in male and female pay

The figures below show the difference in gender pay for 2019-20 and the previous three years.

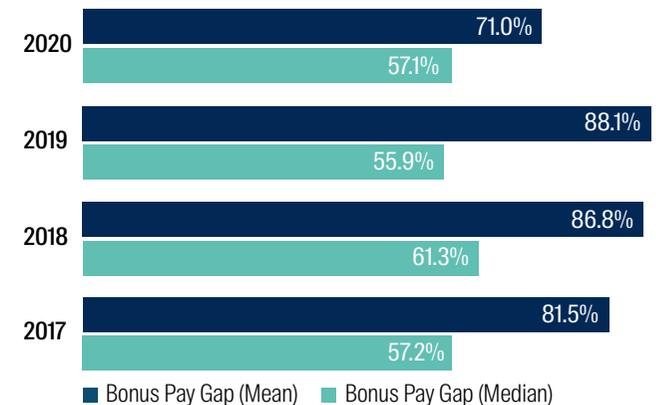
Base remuneration

Difference in base pay between male and female employees (hourly pay)



Bonus pay

Difference in bonus pay between male and female employees



Gender pay data for First Sentier Investors

Quartile pay

The proportion of male / female employees equally split into four pay bands (from the highest paid quartile to the lowest paid quartile). Each quartile represents 25% of employees.

The figures below show the difference in gender pay for 2019-20 and the previous three years, shown in quartile bands.

Quartile bands according to base pay

Proportion of males and females in quartile bands according to base pay, with upper quartile representing the highest paid and lower quartile being the lowest paid.

	2020		2019		2018		2017		% Change of females per quartile, 2017 to 2020
	Male	Female	Male	Female	Male	Female	Male	Female	
Upper Quartile	69.0%	31.0%	68.6%	31.4%	70.9%	29.1%	75.3%	24.7%	6.3%
Second Quartile	66.7%	33.3%	65.5%	34.5%	68.2%	31.8%	65.5%	34.5%	-1.2%
Third Quartile	52.4%	47.6%	48.1%	51.9%	50.0%	50.0%	51.3%	48.7%	-1.1%
Lower Quartile	45.2%	54.8%	41.9%	58.1%	34.1%	65.9%	39.4%	60.6%	-5.8%

Percentage of male and female employees who received a bonus in 2019-2020

Male	91.4%
Female	90.7%

Gender diversity analysis by role

These statistics provide further insights into the structure of our business.

We can see a link between our gender pay gap and the number of male and female employees working in different roles, and at different levels, in our organisation. We continue to work on increasing the diversity of our talent pool to attract, develop and retain women at all positions at First Sentier Investors.



All data is based on UK-based employees and covers the period 6 April 2019 to 5 April 2020.

Gender pay observations for First Sentier Investors

Equal pay

This refers to paying men and women the same for doing similar work or work of equivalent value

Gender pay

The measurement of comparing the average pay by gender of all roles collectively, regardless of level or type

From looking at our data over the last four years, it is clear that while there have been pockets of improvements in certain metrics, overall there remains a significant gender pay gap.

We have equal pay across our organisation and gender is not a factor impacting pay at an individual level. We know that the gender pay differences stem from the overall structure of our industry and of our organisation:

- We have fewer women in senior leadership positions and in senior investment management roles, both of which offer higher than average pay packages.
- We have more women in part-time roles, which causes the average for women's bonus pay to be lower than men's average pay (the statistics provided are based on actual bonus pay, rather than full time equivalent bonus pay).
- Remuneration packages for those in senior management and investment roles may also include a proportion of longer-term or deferred pay. Therefore, the statistics may include pay awarded and agreed up to three years before.

Reviewing our data over the last four years, we do see signs of positive incremental change in some areas:

- Our mean base pay gap has reduced by 8.2%
- Our mean bonus pay gap has reduced by 10.5%
- The percentage of women in the top quartile has increased by 6.3%
- The percentage of women in the bottom quartile has decreased by 5.8%.

Our observations are that the recruitment and retention of women in senior roles is leading to incremental change as well as increasing women's pay at both the top and bottom quartiles.

The middle two quartiles have however not shifted significantly. This suggests that while our focus on women in senior positions has had a positive impact, we need to do more work on reducing the gap in the middle quartiles to start impacting the median pay and bonus gaps.

Our diversity and inclusion commitments

Recruitment and Onboarding

We require gender-balanced shortlists for all recruitment, with a targeted focus in specific areas such as investment teams. All interview panels must comprise at least one female employee. New starters and hiring managers joining our businesses are made aware of our Diversity and Inclusion commitment through the recruitment and onboarding process to ensure that they understand our culture and are able to effectively contribute to it.

Remuneration review process

An integral part of our annual remuneration governance process includes reviewing decisions both in relation to base and bonus pay through the lens of gender equity with approvals dependent on demonstrated equitable outcomes.

Support for parents and carers

We recognise the important role parents and carers play in our society and the particular needs they have in starting or growing their family. We endeavour to support our employees and their parental responsibilities by offering a parental leave programme that is gender neutral. A parental coaching programme is on offer for both primary and secondary carers; this aims to support return to work, managing a career as a working parent and the balance between work and home life. As corporate members of CityParents, staff have access to an inclusive network for professionals who are looking to balance career and home caring responsibilities, achieving flexibility whilst developing their career..

Flexible working

The way in which we consider and approach flexible working is an important factor in demonstrating our commitment to diversity and creating an inclusive culture. A strong flexible working culture can be an important factor in retaining and attracting individuals into roles at all levels, and flexible working is not seen as a barrier to recruitment to senior positions or progression to senior roles. With the onset of the COVID-19 pandemic, our entire business has adapted to working from home and we have provided flexibility in working patterns to support both men and women with their caring responsibilities. We have also upgraded our technology infrastructure and applications which has allowed us to communicate and collaborate virtually across our regions in real-time, keep connected and establish more efficient ways of working between our teams.

As investors

We encourage the companies we invest in on behalf of our clients to achieve greater gender diversity, increase the quality of decision-making and deliver sustainable and attractive long-term investment returns. We are working to improve female representation within the firm, as well as engaging with companies about their number of women in leadership roles. We have particularly focused on how we ensure women's full and effective participation in leadership at all levels of decision-making in the companies in which we invest.

Board representation

We are committed to a more balanced gender representation on our internal boards and to increase the number of women who are appointed. This reinforces our focus on bringing a broader range of perspectives and different ways of thinking to our organisation at multiple levels. By becoming a board member, female employees obtain additional senior level experience, which supports our wider objective of increasing the number of women in senior leadership positions. In 2020, 20% of our UK Board Directors were women.

Our diversity and inclusion initiatives

Both in relation to gender and other areas of diversity, we have a responsibility to make our organisation and industry more inclusive. We believe that collaborating with others is an effective way of achieving progress more quickly.

Gender

Future Asset Conference

Through the Stewart Investors investment team we helped establish [Future Asset](#), which strives to inform girls in Scotland about careers in investment management, enthuse them about opportunities in the sector, and widen the talent pipeline to improve diversity in the industry. Future Asset's vision is that no girl in Scotland should perceive being female as a barrier to their career ambitions and they should leave school understanding that investment is relevant to everyone, can have a positive impact, and offers fulfilling career opportunities.

In the spring of 2020, Future Asset challenged teams of girls in Scottish Schools to research, analyse and pitch an investment idea to a group of investment professionals. The aim of the competition was to introduce girls to the world of investment, its operation, relevance, and impact, as well as the range of careers available within the sector.

Create

In the community, we have funded a series of creative arts workshops for both young and adult carers with UK charity [Create](#) through our internal charitable arm, the First Foundation. These workshops have provided respite and mindfulness activities to adult carers in London, Glasgow and Edinburgh during the pandemic. The overwhelmingly majority of participants are female and have been severely impacted through shielding and an extended lockdown period.

Women's Enterprise Scotland

[Women's Enterprise Scotland](#) have also recently launched a pilot skills-based volunteering opportunity for UK staff, focused on female empowerment in business. We have partnered with Women's Enterprise Scotland (WES) the operators of the [Women's Business Centre](#), where we are mentoring female entrepreneurs in specific business areas.

Ethnicity

100 Black Interns

We joined an industry-wide initiative to support [100 Black interns](#) in investment roles and are looking forward to welcoming our first cohort in the Summer of 2021. Our internships will help Black students across the UK kickstart their career in investment management by giving them an opportunity to learn about investment management first-hand, as well as developing a range of skills and opportunities to network.

Our diversity and inclusion initiatives

Disability

Surrey Cricket

We are corporate sponsors of [Surrey Cricket Board's Disability Cricket Programme](#), which aims to increase participation in cricket for people with disabilities. We take part in an annual volunteering day at the Kia Oval Cricket ground, working with many disabled children from schools in and around London.

Back Up Trust

We are supporters of the charity [Back Up Trust](#) which helps people and their families to rebuild their independence after a devastating spinal cord injury, by inspiring people to get the most out of life.

LGBT+

InterInvest

We are corporate members of [InterInvest](#), an organisation made up of LGBT+ people and allies that work to drive LGBT+ equality and inclusion across the UK investment industry. Established in 2018, InterInvest provides a forum for members to discuss LGBT+ issues, attract and retain LGBT+ talent into the investment industry and share best practice across the sector. We are able to offer a wide selection of events and seminars to our staff through our ongoing participation with InterInvest.

Cognitive

Aspirations

We are corporate partners with community interest company [Aspirations](#) which supports people with autism. As active partners and advocates, we have hosted neurodiversity awareness training workshops, presented at industry forums and participated in career workshops for students on the autism spectrum. Our partnership with Aspirations aims to build awareness of cognitive diversity, provide entrants on the autism spectrum support with entering the workforce and create a workplace which is supportive of individuals with neurodiverse backgrounds.

Socio-Economic

Socio-Economic Background Research

Together with several other financial services institutions, we partnered with the City of London Corporation and [Bridge Group](#), a non-profit consultancy, to research the impact of socio-economic background on career progression in financial services. Consequently, we continue to work with the wider industry to further promote the integration of a broader mix of talent into financial services, and to break down perceived barriers that still exist in pursuing a career in financial services.

Investment 2020 Trainee Programme

We are members of [Investment 2020](#), a scheme established to bring more diverse talent into all aspects of investment management. As corporate members since 2013, we have recruited and trained a number of school leavers and university/college graduates to support their ongoing career planning and development. We hired two trainees this year, who joined our Client Support team. We have also held open days in London and Edinburgh which included a Q&A panel to discuss a typical day at work, reviewing an investment decision case study and a client meeting simulation.

Investment 2020 Virtual Ambassador Programme

Members of our UK staff participated in a virtual careers programme over the year. We provided students from several schools and colleges with career advice and insights into the investment management sector, in line with our aspiration to demonstrate the inclusivity and varied nature of our working environment and to challenge misconceptions.

Summary

In reviewing our four year numbers, we are encouraged to see positive incremental progress in some areas, creating a more gender balanced workforce. However, it is clear that we still have work to do both within our business and across our wider industry.

Achieving a more diverse workforce remains an important strategic focus for our organisation. We believe that having a more level representation of men and women across all parts of our business, will result in more informed and balanced decision making and better business outcomes.

Beyond gender, we recognise that we need to attract and retain people with different backgrounds and perspectives to better reflect society and that our culture must be as inclusive as possible. Our business must strive to comprise a broad set of viewpoints if we are to act most effectively as responsible stewards of our clients' investments.



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