



Reporting the UK Gender Pay Gap

Our analysis | April 2019

What is the gender pay gap?

The gender pay gap is a measure of the difference between the average earnings of men and women across an organisation. Reporting on the gap is a legal requirement in the UK.

Our report covers:

- BW's gender pay gap and how this is measured
- The reasons why we have a gender pay gap
- How we set pay and what are we doing to promote progression across the firm
- Some examples from within the firm as to how our practices are evolving
- What we are doing to improve diversity at all levels

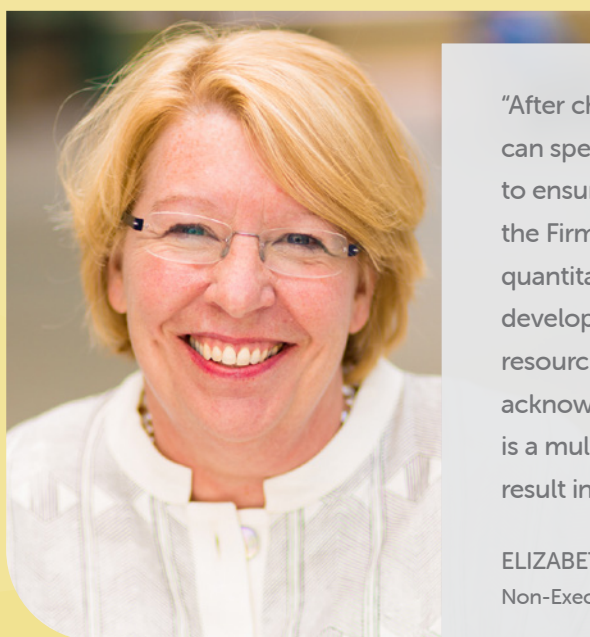
At Barnett Waddingham, we endeavour to be a forward-thinking and principled organisation, providing high quality independent solutions to help our clients achieve the outcomes they need.

Our people are key to the success of our business, which is why employees who join Barnett Waddingham tend to stay and thrive in what is a professional, caring and friendly working environment.

As a business we recognise that we want to employ the best people regardless of gender, race, religion, disability or any factor unrelated to the roles we ask them to do. Women make up 50% of our workforce and we provide opportunity and reward based on choice and merit and not on any conscious or unconscious bias.

We have increased the number of women in leadership roles and we continue to examine how we can improve this.

This report details our gender pay results for 2019. As expected, our numbers have not shown a significant change in the space of one year – we appreciate change takes time, and this report details some of the areas we have been progressing towards a better long-term outcome. Our ethos is to always do the right thing and we continue to strive to achieve this in every aspect of our organisation, including how we treat our people. However, we are also challenging ourselves to find new ways to do more. Ensuring all our people receive fair pay, benefits and career opportunities – as part of our wider effort on Diversity and Inclusion – is one of our key focuses now and for the future.



"After chairing Management Board for a little over a year, I can speak to the wholehearted commitment of the Board to ensuring that there is a fair and inclusive culture within the Firm. Improving the gender pay gap is an important quantitative measure in a suite of measures which are being developed to take forward the leadership, management and resourcing of this successful and growing business. Whilst acknowledging that addressing the reported gender pay gap is a multi year programme, the actions in the People Plan will result in progress which we will report next year."

ELIZABETH RENSHAW-AMES
Non-Executive Chair

About us


We are proud to be a leading independent UK professional services consultancy at the forefront of risk, pensions, investment, insurance and administration.

From small beginnings with just 20 people, we're now a team of over 1,200 people in eight offices, each delivering on our values and our promise, ensuring the highest levels of trust, integrity and quality.

We act as a trusted partner for a wide range of clients in both the private and public sectors – this includes almost 25% of FTSE 100 and over 15% of FTSE 350 companies.

We are free from any external stakeholders, allowing us to take a long-term view with all our clients and giving us the freedom to bring fresh ideas to the table, unobstructed.

Our primary focus continues to be providing the personal, quality, tailored approach that has driven our success and has led to our high level of client retention. We seek to build stable and long-term partnerships with clients, supported by our low staff turnover thanks to our ongoing investment in our experts and our unique culture.



Meeting our objectives as a business and as individuals is a collaborative effort, and these two goals often go hand-in-hand, particularly as good client outcomes are beneficial for us all. Success is therefore championed at all levels. Likewise, if there is a need to solve problems or embark on a new direction as a business, we share in the responsibility to make those changes happen.

Measuring the pay gap

Gender pay reporting legislation requires employers with 250 or more employees to publish statutory calculations every year showing how large the pay gap is between their male and female employees.

The regulations require us to report on our employee population as at the snapshot date of 5 April 2019. Our organisation is structured as a partnership and, in line with the regulations, the partners are not included in the gender calculations; partners are not employed and as such have a different remuneration structure. However, we appreciate it is important to be open and transparent about the gender pay gap and therefore we have analysed these figures too which are shown below the employee data.

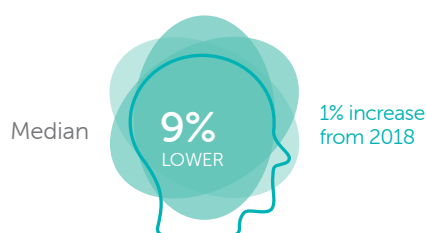
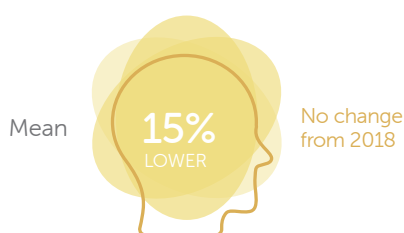
Gender pay reporting is different to equal pay. Equal pay deals with the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value. It is unlawful, and against our belief to pay people unequally because they are a man or a woman.

Mean and median gender pay gap

The mean gender pay gap is the difference in average hourly rates of pay that male and female employees receive. This gives an overall indication of the gender pay gap by taking all hourly rates of pay and dividing by the total number of people in scope.

The median gender pay gap shows the difference in the midpoints of the ranges of hourly rates of pay for men and women by ordering individual rates of pay from lowest to highest and comparing the middle value.

WOMEN'S HOURLY RATE IS:



Mean and median gender bonus gap

The mean gender bonus gap is the difference in average bonus pay that male and female employees receive.

The median gender bonus gap shows the difference in the midpoints of the ranges of bonus pay received by men and women.

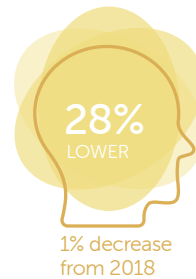
Proportion of males and females receiving a bonus

This is the percentage of men and women who received bonus pay in the 12 months leading up to the snapshot date of 5 April 2019.

Our bonus scheme awards individuals based on performance. Eligibility to participate is based on start date, not status. As our business is growing so is our increase in headcount and this means that a proportion of new starters are not eligible at the snapshot date. If we examine those eligible to receive a bonus then the proportion would be almost 100% and there is no quantifiable difference between males and females.

WOMEN'S BONUS PAY IS:

Mean



Median

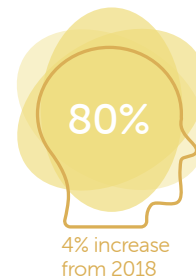


PROPORTION RECEIVED BONUS PAY

Female



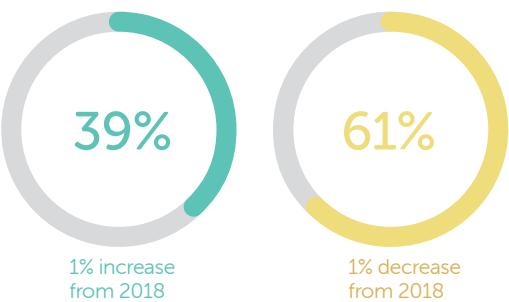
Male



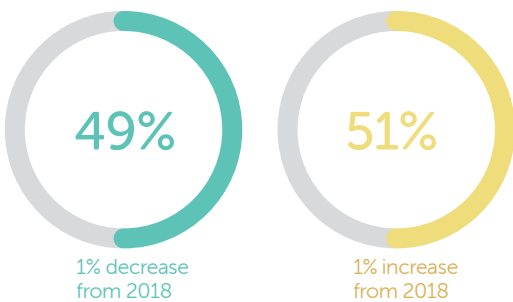
Proportion of males and females by pay quartile

This is the percentage of male and female employees in four quartile pay bands, (dividing our workforce into four equal parts).

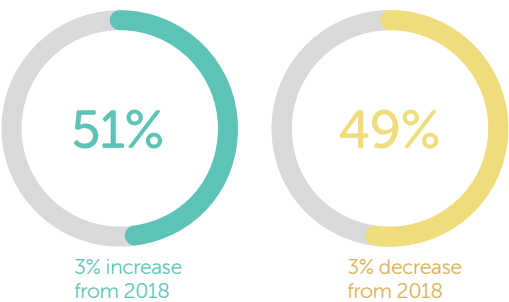
UPPER QUARTILE



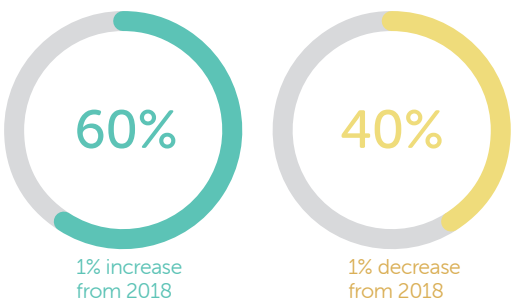
UPPER MIDDLE QUARTILE



LOWER MIDDLE QUARTILE



LOWER QUARTILE



Female  Male 

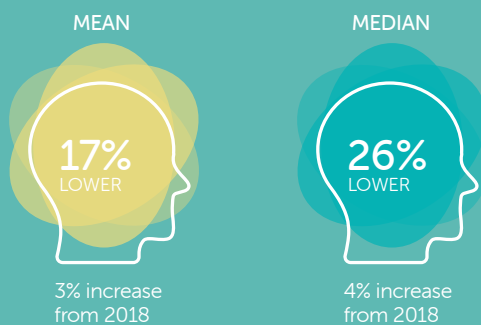
Partners

Including partners in the analysis makes a large difference to the pay gap because (at 5 April 2019) we have 70 partners, 16 of whom are female.

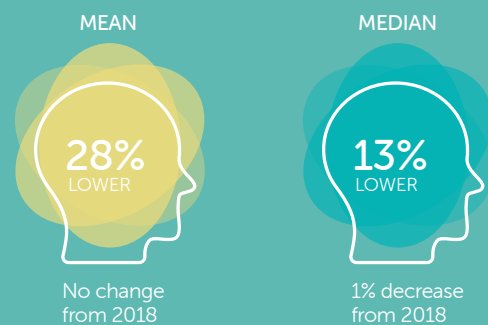
Partners are self-employed and therefore are not included in the requirement for gender pay reporting as they do not receive a salary. However, in order to be transparent we have used the income they receive in basic drawings to determine the gender pay figures.

Mean and median gender pay gap

Women's hourly rate (partners only) is:



Women's hourly rate (employees and partners) is:



MARCUS WHITEHEAD
Managing Partner

" We are not required under the legislation to include gender pay data for our partners but we want to. Including information on partners is important to us - to show we are being open and transparent and we can then use this information to help us identify our challenges. We recognise the importance of diversity, not just of gender, across the business, and the partnership level is committed to ensuring unconscious bias does not influence our decisions. "

Why do we have a gender pay gap?

We have a gender pay gap because there are more men in senior roles in the organisation. While women make up 50% of our organisation, at our senior levels (Associates and above) we have 70% men to 30% women.

- We recognise that there are some gender challenges in the actuarial profession. Historically more men would take up this career and so it is natural that more men are now established in senior roles. However we also recognise that uptake at the start of careers is more balanced in recent years, yet more women tend to leave the profession before reaching a senior role.
- We have a large administration function which employs a large proportion of our lower paid roles and this area currently employs more women.
- Personal choice plays a part. Proportionately more female staff have chosen to have a career break or work part time. This is not a barrier to progression but for some the choice is for a less demanding role and we are happy to support people in their choices.

We believe that we will be more successful if we work together to achieve our common objectives, than working alone. If there is success, we all share in it – and if there is a problem then we are all responsible for putting it right. We work to help all of our people achieve their ambitions so we are all working together for the benefit of our clients.

Gender bonus gap

With respect to our median bonus pay gap, this is driven by two factors: a higher proportion of men (than women) in our Principals and Associates role where bonus targets are higher for these roles. The second factor is that a larger proportion of men are in consulting roles than women and these roles generally attract higher levels of annual bonus in line with the market. In addition, figures can be distorted due to part-time working as we report on actual bonuses received, not pro-rated. Of the female population receiving a bonus, 35% are part-time, opposed to 6% of men.



A view from our COO

"I have worked in senior roles in Actuarial and leadership for nearly 40 years now. I appreciate the challenges and demands of this industry from a female perspective and I have seen how far we have come since I first graduated when there were very few female role models. At Barnett Waddingham, my position allows me to shape decisions and influence our direction, and I feel I can make a real and positive difference."

A key challenge over the last few years has been the growth of the business while maintaining our unique and special culture. 'Doing the right thing' is really important to us. We're delighted that our employees recognise this through their view that the organisation is run on strong principles, as evidenced in our recent Best Companies survey. They are proud to work for Barnett Waddingham. However, we are not concerned with merely ticking short-term, survey score boxes. We are about establishing engagement, mutual accountability and trust with our employees, and equipping our people with the skills to lead inclusively.



JANE GALVIN
Partner and Chief Operating Officer

Our investment in Smart Working (enabling our people to work where and when they can best deliver to our clients) has allowed us to have more flexible ways of working and has created an environment that helps balance work demands with our employees' responsibilities away from the office. In particular, we have been able to greatly help those with childcare and dependent care responsibilities. Our culture favours people aiming to find the right balance. It doesn't routinely require late night working or overtime. We provide for many formal and informal flexible working patterns to ensure our clients still receive the service they expect. We maintain our team ethos while supporting, where possible, the work/life preferences of our people. 25% of our workforce is employed on a formal part-time basis; 85% of this group is made up of females. We have seen an uptake in men taking shared parental leave but, in line with the widespread social trend, this is still at a low level.

Our work on Diversity and Inclusion is now on a more formal scale, supported by an established working group. Membership includes our most senior leaders, including myself and Nick Salter, our Senior Partner. This group is tasked with challenging our approaches in relation to recruitment, development and support, ensuring we focus as a business on achieving results that deliver diversity of thought that is truly listened to and appreciated. We also look externally and are supporting the Actuarial Mentoring programme, designed to improve diversity at senior levels of the profession by helping to retain talent and encourage individual progression. Our internal Talent Management Programme similarly helps to coach and develop our people, leading to a level playing field that guarantees we have excellent candidates of both genders for future promotions.

How do we ensure fair pay and progression opportunities?

“An important part of my role, in conjunction with the Partners, is about delivering the People Plan. As we grow as a business, we recognise the benefits and competitive edge that a diverse workforce can give to us. The grassroots work we are doing at apprenticeship level has brought a real diversity to the workforce and challenged how we operate.”

The recognition, assessment and promotion of talent is critical to help us ensure individuals feel challenged and we retain our key employees. We've invested heavily in this area and the assessment of employees on our Talent Management Programme is structured in a way that removes as much bias as possible. Our female participation on this initiative has grown in recent years – for 2019 more than 60% of those starting the programme were women.

We have recently introduced the Principal level to sit between Associate and Partner levels. Among other reasons, this addition helps support career progression options. The process of promotion to senior level involves a variety of assessments, all geared to finding the best candidate in an objective and fair way. Amid the round of annual promotions in 2019, women made up around 45% of those moving up the ladder. We continue to look at what we need to do to ensure we have a strong female talent pipeline. Alongside this, each business area has developed its own progression pathways to support all employees in reaching their potential.

Our remuneration strategy is about paying the right market level for the role. All decisions are reviewed at a company level for consistency and fairness, including an understanding



“We want employees to have control of their choices and make decisions based on their individual needs.”

JACQUI DERRICK
Head of HR

of pay decisions by gender. Individual performance is an important factor for differentiating performance level and we enable objective evaluation of this through our performance development review process. Our flexible benefits offering recognises that one size does not fit all. We want employees to have control of their choices and make decisions based on their individual needs.

We have had a focus on people management training over the last few months, alongside policy development work. This ensures that managers know what is expected of them and that they are equipped with the skills to manage their people effectively.

There's lots that we're doing but we know we have more to do. In my role, I must continually challenge our approach so that our People Plan moves forward and we achieve our diversity and inclusion objectives.

In practice...

As a business we have lots of structured plans and initiatives in place, but we wanted to highlight these through the experiences of our people. Here are a few comments from

Progressing my career



"Working part-time hasn't stopped me from progressing my career."

JULIA TURNEY

Partner and Head of Platform and Benefits, Employer Consulting

Barnett Waddingham allows me to work part time during school holidays (four days a week), something I have done for the last 15 years. This was a vital benefit when my children were growing up and now helps me have time to provide additional care for my elderly parents. I also have the flexibility to work from home on days when I don't need to be in the office.

Working part-time hasn't stopped me from progressing my career. It's never been a barrier, even after my maternity leave when I was only doing three days a week. Flexible working has also helped me balance my work and family life so I can manage both effectively.

Barnett Waddingham has provided me with opportunities for progression throughout my time here, including promotion to Partner. It's a place with growing opportunities, so if you show you want to get involved and take on more responsibility, they listen. I have a fantastic line manager who has supported me from day one and a mentor from another part of the business.

Both are Partners and together they showed me what I could achieve.

Being promoted to Partner can seem a little daunting at first but it's actually not! Based on your performance and the recommendations from your Business Area Leader, you can be nominated. Most candidates have been on the Talent Management Programme (a three-year course) but that's not a pre-requisite. The process involves attendance at an assessment centre for a couple of days as well as an interview and a presentation. If you succeed, the current Partners will need to endorse your nomination. Becoming a Partner was my proudest work moment ever.

Part-time and flexible working



"Barnett Waddingham's culture ensures colleagues support rather than compete with each other."

ROSIE MARSH
Principal and Scheme Actuary, Actuarial Consulting

I currently work three full days and two half days a week at Barnett Waddingham. It enables me to drop and collect my children at school twice a week so they don't have to spend so much time in childcare.

I worked part-time at another organisation for many years when my children were very young. I think it can be difficult to advance your career when working shorter hours, but it can also be difficult to move from one company to another when you rely on part-time work. Thankfully, Barnett Waddingham allowed me to join the firm without having to move to full-time working hours.

While I have only been here for a short time, I've already had a lot of great opportunities, including plenty of client responsibility and membership on various committees, such as the Diversity and Inclusion group. Barnett Waddingham's approach to talent management has enabled me to get detailed feedback from colleagues and receive external coaching.

This has helped me consider my leadership style as well as my broader strengths and weaknesses.

I have also benefited from a good mentor who helped me through my first year. This type of support is encouraged but the firm also understands that people are different and not everyone wants formal mentoring, so the format isn't prescribed. Barnett Waddingham's culture ensures colleagues support rather than compete with each other. I've felt welcomed and supported by many colleagues across the country and across different practice areas, and I have loved my first year here.

Entering the apprenticeship programme



"If I continue to apply myself, I have an exciting career path ahead of me."

ESME MASON

My mother works as a finance manager and watching her working with numbers inspired me to follow a similar path. However, the excessive fees of a university degree and the lack of flexibility provided by most higher education courses led me to consider an apprenticeship. The advantages I felt I would gain from experience in the workplace, dedicated training and the prospect of an income while studying all really appealed to me.

When I joined Barnett Waddingham, the staff were so welcoming, which has made the working environment very enjoyable. Aside to providing a competitive apprentice salary, the firm also provides many non-monetary benefits that other companies don't offer and the opportunity to network and travel to other offices around the country.

The programme provides multiple mentors at different hierarchy stages. Senior members of the team make themselves available for regular talks to discuss any concerns and to monitor my development and progress. I've found it incredibly useful.

Before my apprenticeship, working with pensions was something I was very unfamiliar with, but I have since gained a remarkable amount of knowledge and I know that if I continue to apply myself, I have an exciting career path ahead of me.

Taking shared paternity leave



"I wanted time to bond with my daughter and to try to be the best dad that I could."

JAMES WHITE

Senior Investment Analyst, Investment Consulting

As soon as my daughter was born, I took four weeks of statutory paternity leave and holiday. Then, for three months at the end of the year, I took shared paternity leave. I wanted time to bond with her and to try to be the best dad that I could.

My wife and I aim to be equal in all things, whether in doing the chores, arranging the finances or pursuing our careers. By taking shared paternity leave we were shouldering equal responsibility of looking after our baby, with both the joys and trials that come along with that. This is a message that we think is really important to pass on to our daughter.

I had just taken on a new role at Barnett Waddingham so I was nervous that everyone involved would get bored of waiting for me to return and want to find someone else. But everyone was great and they looked after things while I was gone. No one complained or moaned. Even my clients were lovely about it!

Returning to work was a very smooth process. The hardest part was having to take my daughter to nursery for the first time before heading back to the office – so much guilt and worry! Luckily, the nursery is virtually next door to our building, so she was never far away.

My advice to other working fathers is that if they can afford to take shared paternity leave, they absolutely should. But I know that for most it's a financial decision. My three months were unpaid, which I was lucky to be able to cope with. Others may not have the choice. That said, you only get one opportunity to be with your child at that age.


Early careers recruitment

At Barnett Waddingham, we recognise the importance of getting closer to our community and building links to encourage a more diverse range of applicants – right from the start of their career.

Our Actuarial Insights Days are information days for sixth form students and first year university students considering a career in an actuarial profession. This year we are expanding to run these talks near our regional offices having previously only hosted them in London for several years.

Our apprenticeship programme started in the Pension Administration function in 2018. Since then we have grown this significantly from seven apprentices to 33 apprentices across the business, including IT, Secretarial and our Employer Consulting functions. We are now in our third year of recruiting apprentices and are looking to develop the programme further. We are building relationships with our communities and schools by attending careers fairs, hosting employability and mock interview workshops, and taking in students for work experience to improve social mobility.

We ensure our apprentice recruitment is robust and that all candidates have a fair opportunity. We work closely with training providers to align our recruitment methods and use best practice methods from the point of application through to end-point assessment.



We are building involvement through a number of programmes.



At university level we continue to diversify our activities within our established graduate and internship programme. The internship programme is part of the wider graduate programme as successful interns will be offered a graduate position. In recent years we have established relationships with a wide range of universities through careers events, university society sponsorship, mentoring, and talks. In 2019 we altered our eligibility criteria in order to ensure that we attracted as broad a range of candidates as possible.

Our assessments and decisions are unbiased and select candidates based on the skills they need for the role. This involves a variety of selection practices such as structured interviews, case studies and relevant occupational testing. There is always an opportunity for them to find out more about us.

When our successful students join us, we support their careers through an on-boarding and induction process. Mentoring has proved to be a valuable tool in developing our people and ensuring they get a personal level of support to build a strong career with us.

What's next?

We acknowledge our gender pay comparisons are only going to show improvement gradually but we are committed to making our business a diverse and inclusive environment where there are opportunities for all.

We are targeting our actions on areas which have been proven to work in other organisations. This includes:

- More detailed analysis on pay trends and decisions in our employee group to determine if there are other areas we can challenge
- Continue focusing on our process on recruitment, promotion, performance assessment and talent selection to ensure these encourage diversity and those making the decisions are doing so without unconscious bias
- Looking at how we improve pay transparency by sharing market salary range data
- Evolving our existing mentoring opportunities and seeing what more we can do

A few words from our Senior Partner

People are at the heart of our business and we are exceptionally proud of our loyal staff who are committed to delivering an efficient and effective client service.

People who join Barnett Waddingham tend to stay, thriving in a professional learning environment and caring, friendly culture.

An important component of this culture is ensuring we have a fair remuneration and reward structure in place, alongside ensuring our people strategy supports and develops all individuals. We are confident that we pay men and women equally for doing the same work and we believe that we will narrow the current gender pay gap over time by our commitment to diversity and by continuing to work on developing all our staff.

We don't want to consider diversity as a mathematical exercise, but rather as a philosophy. I am pleased with the steps we are taking to support all our staff, valuing diversity and providing equal opportunities and this is recognised by us being counted as one of the 100 Best Companies to work for in the Sunday Times. However, we will continue to challenge ourselves to make this organisation the best it can be, going beyond the expectations of both our clients and our staff.



NICK SALTER
Senior Partner

Declaration

We confirm the information and data reported is accurate as of the snapshot date 5 April 2019.

A handwritten signature in black ink, appearing to read 'Nick Salter', written over a horizontal line.

NICK SALTER
Senior Partner

A handwritten signature in black ink, appearing to read 'Jacqui Derrick', written over a horizontal line.

JACQUI DERRICK
Principal and Head of Human Resources



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