



Reporting the UK Gender Pay Gap

Our analysis | 2020



A few words from our Senior Partner

Being respectful and fair to everyone who works at Barnett Waddingham is an integral part of our culture. It's something I am extremely proud of and want to protect.

An important component of this culture is ensuring we have a fair remuneration and reward structure in place, alongside ensuring that our people strategy supports and develops everyone who works for the organisation. We recognise we are on a journey of ensuring that we do everything we can to support and encourage diversity and inclusion in the workplace – and we believe this commitment will help us narrow the gender pay gap over time.

We continue to build on our ambition to be an organisation where all of our employees are inspired to share their passions, talents and ideas and where they are an integral part of the teams delivering fresh thinking and innovation to our clients. We are challenging ourselves to make this organisation the best it can be, going beyond the expectations of both our clients and people.



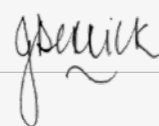
ANDREW VAUGHAN
Senior Partner

Declaration

We confirm the information and data reported is accurate as of the snapshot date 05 April 2020.



ANDREW VAUGHAN
Senior Partner



JACQUI DERRICK
Head of HR

Gender pay reporting

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. We are now in our fourth year of our gender pay report.

Our report covers:

- BW's gender pay gap and how this is measured
- Commentary from key decision makers, including our Chief Operating Officer and Head of HR
- Some examples from within the organisation as to how our practices are evolving
- What we are doing to improve diversity and inclusion at all levels



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. 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 (D&I) – is one of our key focuses now and for the future.

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 continue to increase the number of women in leadership roles and we actively examine how we can improve this.

This report details our gender pay results for 2020 as well as highlighting our long term aims.



"This year, Management Board has initiated the development, and then overseen the initial implementation, of an organisation-wide diversity and inclusion strategy for Barnett Waddingham. We have held some thoughtful discussions evaluating, for example, our recruitment and talent management processes as well as challenging whether there might be cultural biases within the organisation. There is tangible energy in our new networks and there is widespread support from the partnership, reflected in the case studies and commentary within this report. We're energised for the short term and confident that in the longer term the outcomes for our people will be reflected in a reduced gender pay gap."

ELIZABETH RENSHAW-AMES
Non-Executive Chair



Measuring the pay gap

The regulations require us to report on our employee population as at the snapshot date of 5 April 2020.

Our organisation is structured as a partnership and partners are not included in the gender calculations requirement. The 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 calculated by adding up all of the pay of BW employees and dividing it by the number of employees. The median gender pay gap is calculated by lining up all of BW's employees' pay and finding the mid-point for both men and women. The difference between those two mid-points is the median gender pay gap.

WOMEN'S HOURLY RATE IS:

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Mean and median gender bonus gap

The mean gender bonus gap is the difference in average bonus pay 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.

Whilst the pay gap calculation adjusts for the impact of part-time hours (by calculating average hourly pay), the bonus calculation does not and proportionately more of our part-time members of staff are 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 2020.

Our bonus scheme awards individuals based on performance. Eligibility to participate is based on start date, not gender.

WOMEN'S BONUS PAY IS:

Mean



5% decrease from 2019

Median



No change from 2019

PROPORTION RECEIVED BONUS PAY

Female



5% increase from 2019

Male

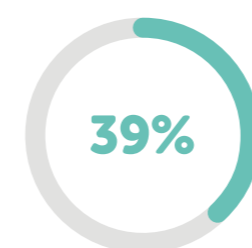


3% increase from 2019

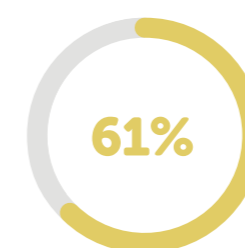
Proportion of males and females by pay quartile

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

UPPER QUARTILE

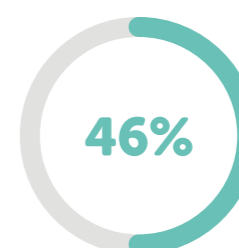


No change from 2019

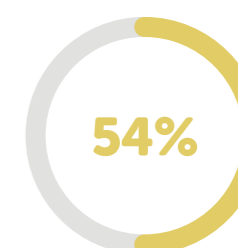


No change from 2019

UPPER MIDDLE QUARTILE

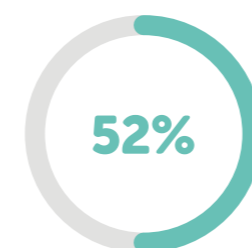


3% decrease from 2019

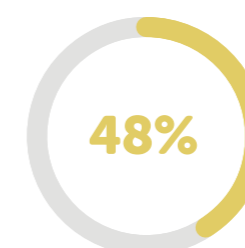


3% increase from 2019

LOWER MIDDLE QUARTILE

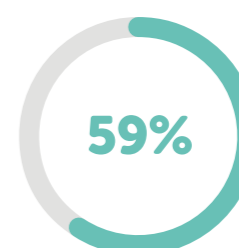


1% increase from 2019

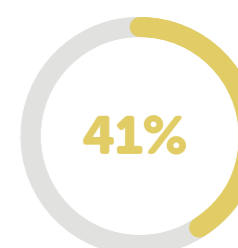


1% decrease from 2019

LOWER QUARTILE



1% decrease from 2019



1% increase from 2019

Female

Male

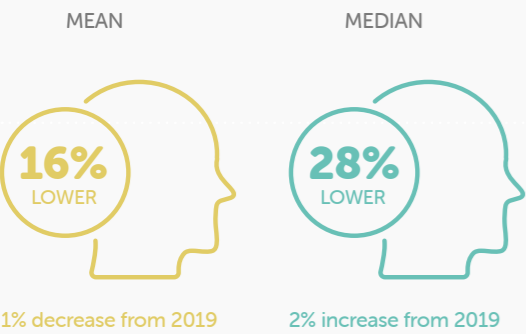
Partners

Partners are self-employed and therefore are not included in the requirement for gender pay reporting. Including partners in the analysis makes a large difference to the pay gap because (at 5 April 2020) we have 73 partners, 23% of whom are female.

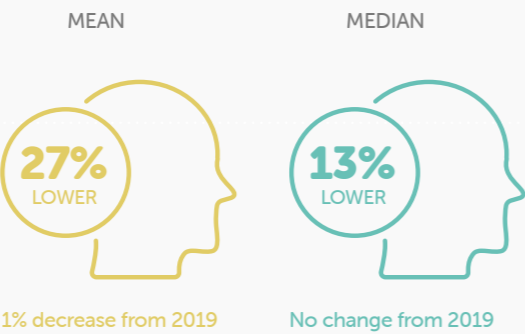
In order to be transparent we have used the income they receive in basic drawings to determine the gender pay figures.

Mean and median gender pay gap

Women’s hourly rate (partners only) is:



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



“Including information on partners is important to us. It allows us to see the whole picture and use this information to help us identify our opportunities to improve”.

DAVID STODDARD
Chief Operating Officer (COO)



Why do we have a gender pay gap?

Diversity and Inclusion, including gender equality, is a key priority for Barnett Waddingham as we strive to be an organisation where everyone thrives regardless of who they are and what they do. Our people are key to the success of our business and our plans to address equality across the organisation are longer term and put our people at its core through our steering groups and networks.

While women represent 50% of our workforce, at a senior level we currently have a higher ratio of men. There are a number of factors that contribute to this:

- One factor that affects our gender pay gap is the challenges in the actuarial profession as it is traditionally a male dominated industry. Whilst uptake with younger generations is now more balanced, as we have seen with our graduate programme, historically this was not the case and more men are now established in senior roles. In addition to tackling this at grassroots level, women at our most senior levels have increased to 33% (associate and above) this year.
- We have a large administration function which employs a large proportion of our lower paid roles and this area currently employs more women.

Gender bonus gap

Firstly, there are a higher proportion of men than women in more senior roles. Salaries are higher at our principal and associate levels and bonus targets are also higher.

The second factor is that the bonus calculations we are required to publish are based on actual bonus payments and do not take into account adjustments for part-time hours. As more women work part-time, their bonus levels are lower as bonuses are awarded as a percentage of earnings. Of the female population receiving a bonus, 35% are part-time, as opposed to 5% of men.



A focus on diversity and inclusion from our COO

I joined Barnett Waddingham in September 2020 and am delighted to be part of an organisation with such a strong reputation for independence and which shares my own values of putting our people and our clients first. Taking over as COO in the midst of a global pandemic has certainly presented a unique set of circumstances many of us never dreamt we would be faced with.

This year has been one of challenges like no other. In this time, our independence and free thinking approach has not only allowed us to reach landmark revenue, but has also meant we have continued to invest in our people with over 1,320 now part of our story.

Achievements like this could not have been accomplished without the great effort and enthusiasm of all our people across the whole business, who have persisted with both professionalism and unrelenting positivity. Among them, 53 were promoted to partner, associate or principal this year,

of which 26 were female. We continue to recruit a highly skilled and diverse selection of professionals to strengthen all our business areas. In all, over 6,000 people applied to positions at Barnett Waddingham this year and we welcomed 131 new starters.

We are equally proud of our development of our apprentices programme which has helped us to rank among the top 30 for Medium-Sized Schemes by Rate My Placement, and shortlisted for the Best Apprentice positions by Rate My Apprentice.

Diversity and inclusion (D&I) is an area I feel immensely passionate about and I am proud to be the sponsor of our D&I focus. In some respects this passion is driven by the lived experiences of my Mother arriving in the UK in the mid-1960s from Turkey.

Barnett Waddingham are committed to putting D&I at the forefront of our strategy, by building on the solid foundations we have already achieved. We have implemented a D&I Steering Group which reports directly into our Management Board. Alongside this, we have introduced six D&I networks which are a mechanism for people to get involved in moving this forward. This is discussed in more detail later in the report.



“We continue to recruit a highly skilled and diverse selection of professionals to strengthen all our business areas.”

DAVID STODDARD
Chief Operating Officer (COO)

Of course, this report is about shining a spotlight on our gender pay figures. We recognise our actions in the organisation will take a while to translate into significant change, but with a renewed focus on gender equality through our D&I network initiative we hope to understand more clearly the challenges, opportunities and actions which can help us to improve.

Ongoing work through our people plan has already seen improvements in our practices and processes. The investment we have made in areas such as our recruitment system will help make our diversity aims easier to action and measure. With D&I so high on our agenda, I am confident we will move things forward at pace in 2022.



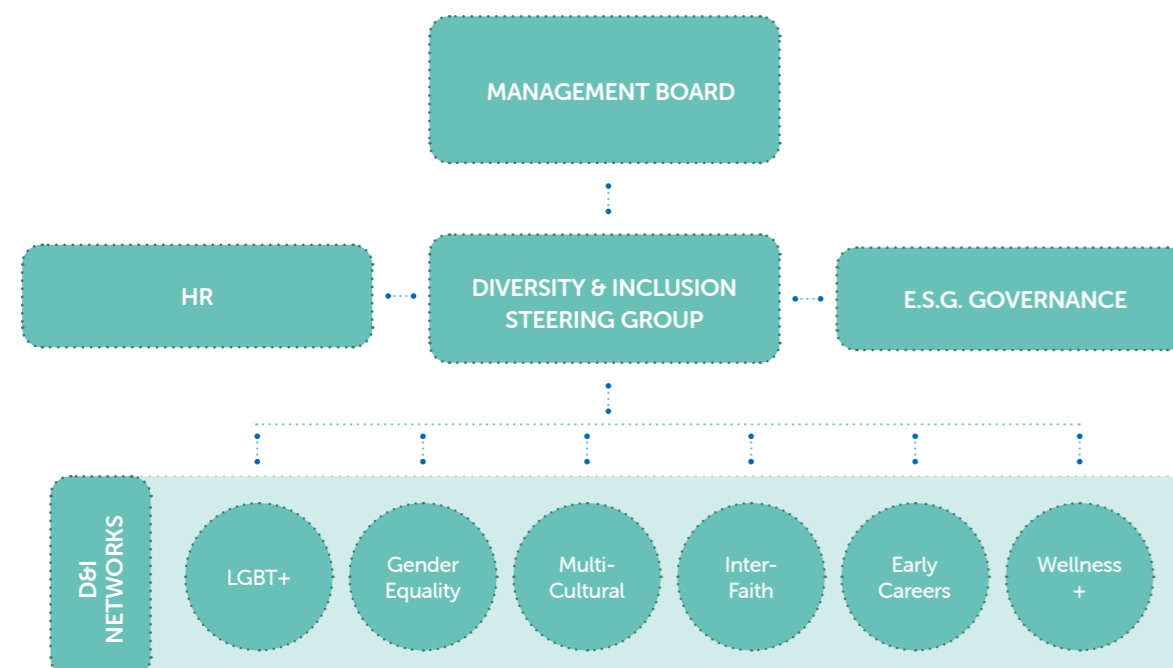
Diversity and inclusion

Our D&I strategy continues to develop and expand as we build on the solid foundations incorporated in our people plan and D&I working group.

Our D&I steering group is led by our COO, David Stoddard and Head of Marketing, Simon Rusling. At partnership level a programme of education and engagement with the D&I strategy has ensured senior level commitment to our plans. We want D&I to run through every level of Barnett Waddingham and have set up D&I networks for each of the six focus areas:

- Gender Equality
- Multi-Cultural
- Inter-Faith
- Early Career
- Wellness+.

Employees and partners were asked to contribute to our networks and we had an amazing response, demonstrating that something as important as D&I is already part of who we are as a organisation. Each network has a partner sponsor, a lead member and a number of permanent members alongside allies and friends.



To assist with this, we have appointed a D&I Programme Manager to support the functioning of our D&I structure, Ji-Hyang Lee.

Ji-Hyang Lee, said: "Although we have set up different networks to deal with different aspects of D&I, we are consciously working to view D&I through an intersectional lens. The networks will therefore operate cooperatively and seek to explore ways in which initiatives and events can be mutually supportive.

"The remit of my role is to help ensure our D&I governance is as effective and efficient as possible, provide accountability for the network partners and leads, and act as a conduit to ensure synergies between networks can be identified.

"I believe a key aspect of any successful D&I strategy is developing engagement with D&I across the whole work force, and the creation of this role is an important aspect in facilitating this.

"I'm very excited to have been offered this opportunity and am really looking forward to working with our partners and networks to help our colleagues continue to grow and flourish in a way that is authentic to themselves. I'm particularly hoping to help raise engagement with D&I amongst all colleagues, and to help embed this in such a way that it becomes a fundamental part of our culture."

The Gender Equality Network will be pivotal in reviewing the organisation approaches to all aspects of gender, including the actions we can take to support our gender objectives.



"I believe a key aspect of any successful D&I strategy is developing engagement with D&I across the whole work force"

Ji-HYANG LEE
Associate, Actuarial Consulting



CHERRY CHAN

Partner, Gender Equality Network Sponsor

"I am very honoured to be selected as the co-partner, along with Paul Leandro, sponsoring our new Gender Equality Network. BW has been very supportive of my career and gave me a lot of flexibility to balance my work-life, especially when my kids were younger. With this network, I hope to help raise more awareness of the gender equality issues and increase the numbers of senior female role models within BW."



PAUL LEANDRO

Partner, Gender Equality Network Sponsor

"Along with Cherry, I too am very proud to be selected as a sponsor for the Gender Equality Network. I have been with the organisation all of my career and during nearly 19 years have experienced the evolution of the business from a D&I perspective. Inclusivity is embedded in our culture and I believe the average length of tenure of our people in the organisation is testament to this. However, I also think it's fair to say, like with many other businesses, our evolution has some way to go. I'm particularly interested in whether there are any sub-conscious biases that inform the organisation's decision making and whether we need to effect change to ensure we are offering equal opportunities to everyone at BW."



Highlights from our people plan during the Covid-19 pandemic

Our people plan has D&I as a major component running through it. Our different activities regarding talent acquisition, retention and development recognise the importance of D&I in order to achieve our business strategy.

The past year has given us challenges none of us thought we would ever need to cope with. We believe our employees are at the heart of our success and ensuring their wellbeing is our priority during Covid-19. As a business we have looked at a large number of ways we can support our workforce through these challenging times and regularly ask our people how we are doing at this. Providing flexibility, technology and advice has, of course, been key but more than this we have recognised we need to support our employee's mental wellbeing.

In light of the above challenges, we have still managed to make progress in our people plan priorities, including those that support reducing our gender pay gap over the longer term. These include:

- We are **committed to supporting young people in the work place and continue to grow both our apprenticeship programme and graduate schemes** during the year. Successfully virtually on-boarding these people, in which is usually their first office-focused job, has been a team effort and one we are proud of.
- It has been one of our priorities to **ensure our job opportunities appeal to as broad a candidate population as possible**, recognising that current and future talent is not always found in the traditional places. One of our most significant actions to support this has been to create an in-house recruitment team. With this in place, we have

more control over where we advertise, the language we use and the image we portray. **A diverse range of candidates should recognise that a career with Barnett Waddingham will allow them to thrive, develop and be themselves.**

- This year the business has invested in a **new applicant tracking system**, which will allow "blind recruitment" and help to reduce unconscious bias across all types of role.
- In addition to this, we are also delighted to be participating in the **10,000 Black Interns initiative** and hope this will become an annual event after our first intake in July 2022.
- The investment in all employees has been **significant in our training and development** offering, including the development and planned roll-out of our academies. Designed to support individual development from our most junior to the more senior team members, each academy focusses on the development solutions that match the needs. Our offerings have been



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JACQUI DERRICK
Head of HR

constructed to enable learning to take place at different times of the day with some of the choices being available 24/7. This approach lends itself to supporting a more agile and diverse workforce whilst catering for different learning styles.

- **The outcomes of our reward processes are analysed to ensure we are treating women and men fairly**, as well as the impact on part time employees again full time employees.
- We have **reviewed our benefits and upgraded to flexible benefits platform, Choices 4me**, and increased our benefits offering to a choice of over 20 to support our

employee's individual needs. Our unique sports allowance benefit has been broadened to fund online physical wellbeing, reflecting our commitment to support wellbeing during this challenging times.

- Even in these turbulent times we continued to develop careers and recognise promotions. Our Talent Management Programme ensures we **focus on developing our future leaders, demonstrating our commitment to investing in our people now and in the future.**

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.

Case study:



"I'm grateful for the support offered from other partners to help in any way that they can."

DEBRA LOGAN
Partner, Actuarial Consulting

This year has affected everyone in some way but as a working mother to two small boys I have found it particularly challenging. My husband and I usually share the childcare equally, each working 4 days a week. When the schools closed we both had to adjust our working patterns to homeschool for half a day and work for half a day, putting in extra time in evenings and at weekends to get our own work done.

Barnett Waddingham has provided tremendous flexibility, enabling everyone to work the hours that work for them, in this very unusual environment. I am grateful to my understanding colleagues and team who have worked around my odd hours, been willing to accept my calls when they really want to log off and finish their day and been patient when they have struggled to get hold of me during normal working hours.

I'm grateful for the support offered from other partners to help in any way that they can. When the school closures were first announced I emailed another partner to let him know that I would no longer be able to attend the full day meeting scheduled for the following week, because a 9-to-5 day was not going to be possible. His reaction made me laugh. He thanked me for pointing this out to him and saving him from an argument with his wife, because 9-to-5 days were not going to work for him either.

As partners we all have a responsibility for the wellbeing of our people. We have taken this responsibility very seriously during lockdown, ensuring we remain in regular contact with our teams to provide any support needed. One partner set up a regular catch up call for a group of partners to offer support to one another which I really appreciated during the first few difficult months. I feel very lucky to work for such an understanding organisation. The flexibility provided has enabled our teams to continue to provide a quality service to our clients in very trying times.

I'm hopeful that the changes we have all had to adapt to this year will accelerate a move to more flexible working within our industry: making it easier for women to remain in the actuarial profession and balance their career with motherhood. Also making it more common place for men to reduce their working hours and enjoy a better balance to their lives.

Case study:



"I have always felt supported, and encouraged to develop to fulfil my potential within the organisation."

PAULA HENDRY
Partner, Pension Administration

I have worked at Barnett Waddingham for my whole 18 year career in pensions. I have always felt supported, and encouraged to develop to fulfil my potential within the organisation.

When I returned to work in 2015 after a period of maternity leave, I was promoted into a more senior role, whilst simultaneously moving to a four day working pattern. Barnett Waddingham supported me through both those changes, and indeed allowed me to review my working pattern again when my son reached school age.

At no point have I been denied an opportunity to learn or chance to progress within my career because of my family responsibilities. Equally at no point have I felt that I was unable to parent as I wanted to, be that by being at the school gate a couple of afternoons a week, or taking some time to attend that all important sports day or school assembly.

Of course, events since March 2020 have made us review our work life balance and working patterns once more. I have been so proud to work for an organisation which has taken so much care to keep

its employees, their children and wider families safe and supported. Our technology infrastructure means I can be as productive from home as I would be in the office, and our Covid policies have meant I can work flexibly and take time to home school or look after my son as needed.

As we continue to attract new talent to our teams, both as experienced team members and those who join through our apprenticeship scheme, I can confidently share my experience and confirm that Barnett Waddingham really is a great place to work and to grow.

A Graduate viewpoint...

Case study:



"The recruitment process was very clear and straightforward."

BIANCA DELADIA
Graduate, 2020 intake

Bianca is one of 32 graduates in our 2020 intake, within which 47% are female.

I've wanted to be an actuary since I was in high school. My maths teacher told me about an actuarial career and it ticked lots of boxes for me. I first heard about BW from my best friend who did a summer internship in our third year of university. I remember how highly she spoke of the company culture and the team for making her feel so welcome.

The recruitment process was very clear and straightforward. I answered a few essay questions online and submitted my CV. Several months later, I received a phone call from a member of HR, who was so friendly and wanted to get to know me better, along with my reasons for applying. We had a great conversation and I appreciated BW taking the time to get to know their applicants instead of being just another number on paper. I had never experienced anything like that with other organisations.

I was then invited to the assessment day. Everyone I encountered was welcoming and put me at ease. This enabled me to put my best foot forward. The next day I received a call about my offer of employment. I appreciated how quickly and efficiently they handled the recruitment

process and the induction week was no different. Starting a new job was nerve-racking enough but doing so in the midst of a global pandemic added even more anxiety and uncertainty. However, BW were excellent in their communication, and the steps they took to ensure the new graduates joined the team safely.

I was fortunate enough to be able to start my first day in the Glasgow office. There I met some of the team in person, albeit socially-distanced. This has definitely helped ease the transition of being a new joiner. During lockdown, the regular team calls, weekly catch ups and 121s with my manager have enabled me to feel connected and integrated. On top of this the many socials and wellbeing initiatives the organisation has rolled have greatly benefited my wellbeing.

What's next?

We are committed to making our business a diverse and inclusive environment where there are opportunities for all.

We have outlined six actions to achieve results and positively impact our gender pay gap in the next 12 months:

- Build on our analysis of gender in the organisation and particularly on promotion and pay decisions which impact men and women, to identify specific areas and what we can do to change this
- In recruitment we are working further to broaden our reach and extend our appeal to attract candidates from more diverse backgrounds. This will be supported through the new applicant tracking system to allow 'blind' recruitment to remove any potential bias from the shortlisting process.
- Continued investment and development of managers to build leadership skills, managing remotely, recruitment and unconscious bias training
- The D&I networks will raise awareness and dialogue within our business. The Gender Equality Network will specifically focus attention and action on gender issues.
- Continue focusing on our process for promotion, performance assessment and talent selection to ensure these encourage diversity and those making the decisions are doing so without unconscious bias
- Look at how we improve pay transparency in our key reward process. Improve knowledge and understanding of our salary review process and our use of market salary data





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Please contact your Barnett Waddingham consultant if you would like to discuss any of the above topics in more detail. Alternatively contact us via the following:

✉ info@barnett-waddingham.co.uk ☎ 0333 11 11 222

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