



Gender Pay Report

April 2021

Schroders
personalwealth



Introduction

At Schroders Personal Wealth (SPW) we have thousands of unique and diverse clients across the UK. We believe that to be a successful business, we must ensure our workforce represents the people we serve.

Whilst we are a new business, we know that in order to deliver our bold ambitions, an inclusive culture must be a prominent feature of our strategy. We see an opportunity for our business to bring diverse people into our industry and we are committed to do so. Our culture has no tolerance for stereotyping, bias or discrimination.

Our vision is for all colleagues, whatever their role or circumstance, to have the resources and flexibility they need to achieve what's important to them, both inside and outside work. We are committed to doing more to ensure all colleagues have equal opportunities, for example, through promoting agile working, supporting career progression of those with high potential, and being certain our recruitment process leaves no room for bias. We are committed to creating an inclusive workforce at SPW, because we know that an environment where colleagues can bring their whole selves to work is an environment where people and businesses thrive.

With this in mind, measuring and addressing the gender pay gap plays a huge part. It helps us to identify what is working as well as addressing where more action is needed to support and empower women as we grow

our business. We are committed to monitoring the numbers closely and doing more to improve gender diversity.

As this report demonstrates, it is clear we must do more to gain a greater representation of women in our senior roles at SPW. Although our workforce is reflective of societal and historical norms in wealth management, at SPW we refuse to settle until there is equal gender representation within our business.

As Chief Executive Officer, I am wholly committed to an ongoing improvement programme to increase female representation within SPW and continually endeavour to create a more inclusive culture. And whilst the work of today may not be truly realised until today's new joiners become tomorrow's business leaders, I am committed to long-term strategies to focus on making our business an inclusive and diverse place to be.

Mark Duckworth

Chief Executive
Schroders Personal Wealth

What is the Gender Pay Gap?

The gender pay gap is the measure of the difference in average pay between all men and all women across an organisation, expressed as a percentage. It is regardless of their role, seniority, length of service or location and any other differentiating factors.

The gender pay gap is different from equal pay. Equal pay comparisons compare pay for men and women who do the same, or similar, work. Equal pay is a legal requirement in the UK and at SPW, we operate on an equal pay basis across the company, ensuring a clear, fair and transparent approach to pay, affirming we oblige both legally and morally.

The gender pay gap is formulated to show the differences between men and women across a business in higher and lower paid roles. For example, if the average man's hourly pay is £20 and the average women's hourly way is £15, women would earn 75% of the amount the men earn. In turn, creating a gender pay gap of 25%.

How is it calculated?

“Median” Gap

- The median gap takes the man at the mid-point of the lowest and highest paid man in the organisation, and calculates the gap versus the equivalent woman.

“Mean” Gap

- The mean gap takes the average hourly pay or bonus of a man, and calculates the gap versus the average hourly pay or bonus of a woman.

Both calculations include all relevant additional payments and are regardless of role within our business.

We compare hourly fixed pay, incorporating base salary and other cash allowances. The total variable pay gap is also calculated and compared, which comprises of cash annual bonus, plus variable awards such as deferred bonuses. Hourly fixed pay, is based on what was paid in the April 2020 payroll, and variable pay is based payments made in the 12 months leading up to 30 April 2020.

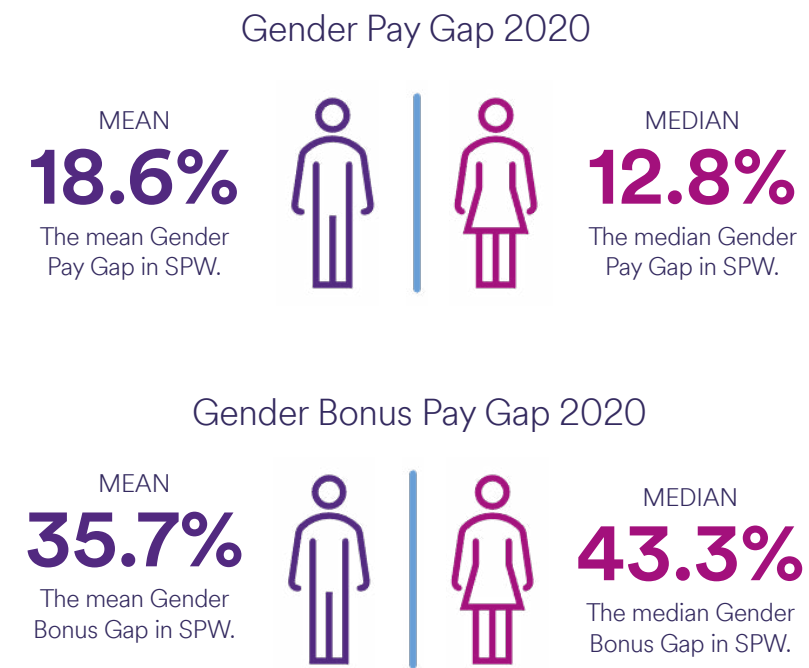


Schroders Personal Wealth gender pay gap



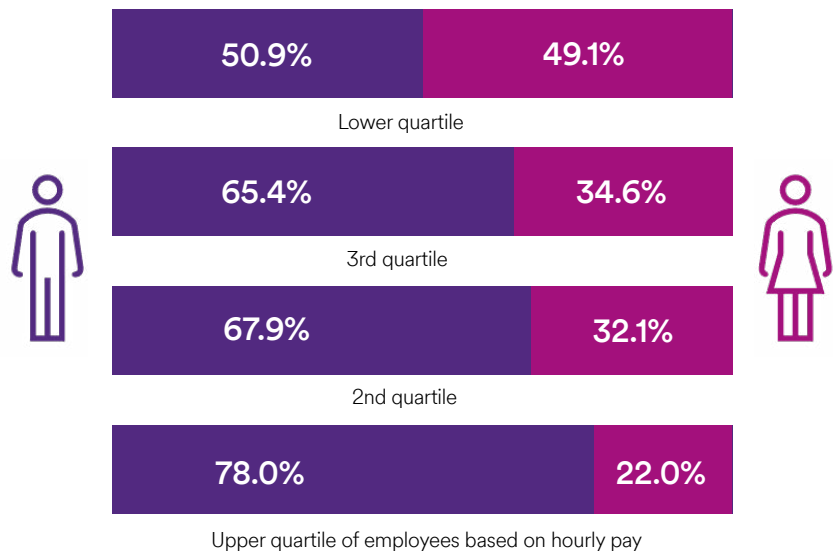
SPW’s pay gap

This report shares our gender pay gap data in April 2020, calculated using payroll data for 637 colleagues.

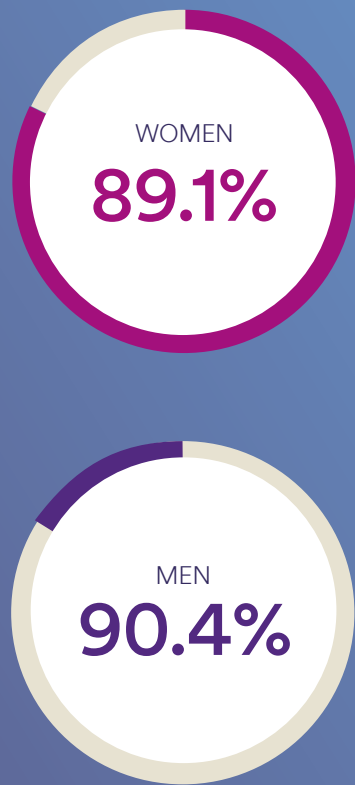


Pay Quartiles 2020

When we analyse the gender distribution across four equal pay quartiles based on hourly pay, it is evident that, whilst in junior positions we have an almost equal gender balance, we have fewer women occupying more senior roles. This illustrates the primary driver of our gender pay gap.



Who Received a Bonus?

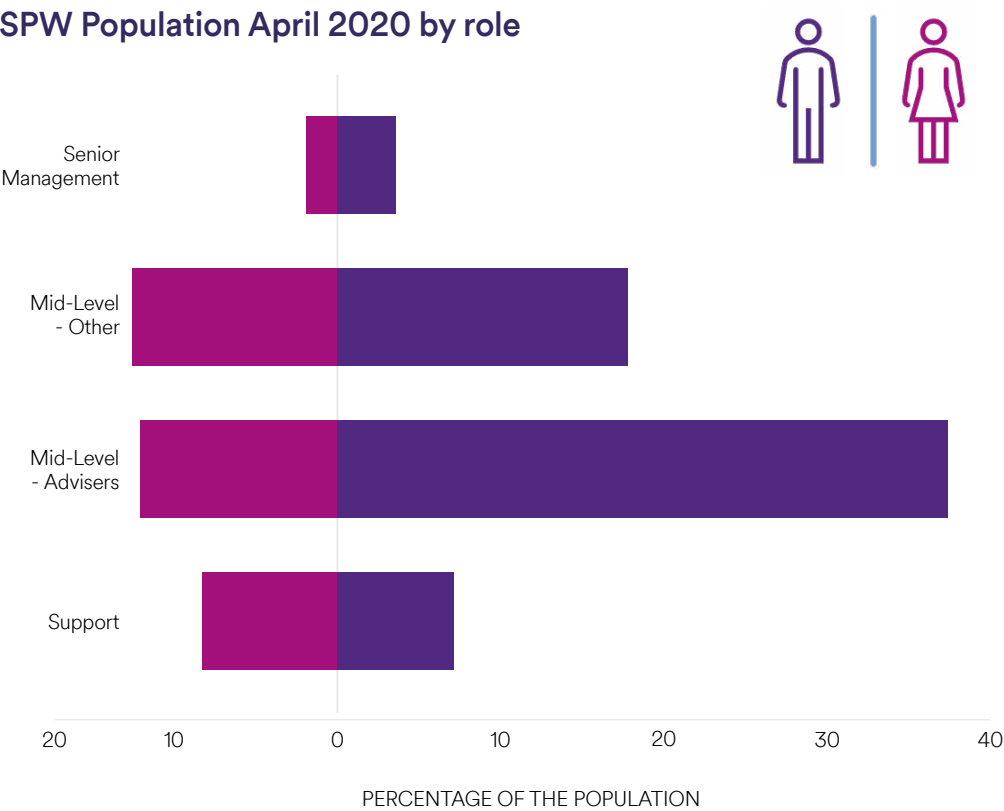


100% of eligible colleagues received a bonus, however, about 10% the April 2020 population did not receive a bonus. This is due to a high volume of recruitment in early 2020, resulting in a number of new joiners who were ineligible for a bonus, having not worked for SPW during 2019.

Understanding the shape of our workforce

Evaluating the shape of our population at SPW is critical to both understanding why there is a gender pay gap at present, what actions are needed going forward to increase female representation and where these actions need to be targeted.

SPW Population April 2020 by role



In April 2020,
24%
of our Adviser population were female.

From the demographic of our population illustrated above, it is clear that our gender pay gap is driven by two key areas. The first is a higher proportion of men in the most senior, and thus higher paid, roles. The second population is our Personal Wealth Advisers, who sit within the mid-level demographic and make up 49.0% of our population.

Within our Adviser population, 24.0% are female. Whilst this gender ratio reflective of Wealth Adviser norms in the market, it further exasperates particularly our bonus pay gap, as these roles have a higher weighting of variable compensation in their reward package compared to other mid-level roles.

It is clear we must work harder to get more women into and progressing in both senior and adviser roles within our business to improve female representation at SPW.

Our plans to address the gap

We are using multiple streams to embed diversity, inclusion and increased female representation within SPW.

NOW

Pay review process

- Our reward principle is to ensure fair pay to all employees, in a transparent and clear manner. We are committed to rewarding colleagues in line with the market and to link with growth in the value of our business and individual performance. We carefully consider salary, bonus and total compensation outcomes through a gender lens during the year-end compensation review to monitor for any potential unconscious bias. We will continue to thoroughly review and monitor pay data to reduce the risk of our processes being impacted in any way from bias.

Future Talent

- In September 2020 we launched our Adviser Academy, which focuses on training the next generation of advisors. 40% of our first intake was female, higher than our female: male population ratio. However we know we need to improve this and our aim for future intakes is to achieve a 50:50 gender balance.
- In October 2020 we also launched our Graduate Programme, focusing on recruiting top talent from the younger generation into the business as part of the future leadership pipeline. We met our aim of hiring a 50:50 gender balance for graduates and will continue to aim for this in consecutive years.
- We are working to launch a mentoring scheme in 2021, designed to retain, engage and develop colleagues at all levels of the business to get to where they want to be. Within this, there will be focus on supporting female talent, to encourage progression into senior roles.

Agile Working

- We champion agile working at SPW, as it is more than flexible working. It's the where, when and what of how we work, enabling collaboration to meet the needs of our business. It's embracing a culture of outcomes empowering colleagues and managers to agree to ways of working that meet both personal individual and business needs. It's about getting the balance right for everyone.

Women in Banking and Finance "Accelerating Change Together"

- We have partnered with representatives from across the Financial Services industry and Woman in Banking and Finance (WIBF) to sponsor the "Accelerating Change Together" programme. This research aims to drive policy change to better support and retain women working in financial services though uncovering the pressing gender and inclusion challenges the sector faces.

Diversity Networks

- We have launched a number of diversity networks open to all colleagues across the business, not just those who may associate with a particular network. These networks focus on building allies and broad awareness across the business, which we believe is vital for us to build an inclusive workforce. One such forum is the Women's Forum, which aims to encourage and foster female empowerment within SPW.



FUTURE

At SPW, we are committed to providing equal opportunities for all of our colleagues and creating an inclusive culture. With this in mind, looking at our gender pay numbers it is evident more must be done to ensure women are progressing in our industry. We are committed to taking bold steps to ensure there is a greater female representation across SPW and look forward to reporting on our actions in future years. We will continually review all stages of the employee lifecycle to pinpoint opportunities to improve female representation. Whilst the progress we make in coming years may be incremental, we acknowledge the importance of making these changes today for tomorrow's leaders.

However, we recognise that our future focus must be broader than just championing gender representation. So we are committing to reporting on our ethnicity pay gap alongside our gender pay gap from next year and setting targets to challenge any gap there may be. We are working hard now to ensure we have the data to be able to do so for 5 April 2021.

We may be a new organisation, but we do not underestimate the role we have to play in both business and society in lessening these gaps.

I hereby certify that the with accordance to the United Kingdom's Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, that the UK gender pay information in this document is correct.

A handwritten signature in dark ink, appearing to read 'Marietta Connery'.

Marietta Connery

People Director,
Schroders Personal Wealth



Schroders personalwealth

Please go to **spw.com**
or call us on **0345 366 2725**

Please contact your Personal Wealth Adviser if you'd like this information in an alternative format such as Braille, large print or audio.

Calls may be monitored or recorded in case we need to check we have carried out your instructions correctly and to help improve our quality of service. Not all telephone services are available 24 hours a day, 7 days a week. Please speak to your Adviser for more information. Call costs may vary depending on your service provider.

Our advice service is provided by Schroders Personal Wealth which is a trading name for Scottish Widows Schroder Personal Wealth Limited. Registered in England and Wales No. 11722983. Authorised and regulated by the Financial Conduct Authority number 830170. Registered office for both companies: 25 Gresham Street, London, EC2V 7HN. Claims may be protected by the Financial Services Compensation Scheme. We are covered by the Financial Ombudsman Service. SPW00229 (04/21)