

2020 Gender pay gap report

For the UK business of

Columbia Threadneedle Investments

(Threadneedle Management Services Limited)

This is the fourth Gender Pay Gap Report published by Columbia Threadneedle Investments representing our UK employee base, following the introduction of legislation in 2017. This report presents data calculated on 5 April 2020 and shows the difference in average earnings between men and women employees.

As an early advocate for gender data disclosure, Columbia Threadneedle supports gender pay gap reporting, recognising that disclosure is an important step towards improvement. In 2015 we were the first European asset manager to disclose our gender diversity data and in March 2016 we were proud to be a founding signatory of HM Treasury's Women in Finance Charter and the first asset manager to sign, pledging to support the progression of women into senior roles by setting concrete targets and deliverables.

In 2020 we continued to develop our strategy to align with an organisation-wide blueprint for advancing diversity and inclusion to deliver business results. We continue to actively measure gender balance initiatives and report to senior management on a regular basis. We have a robust diversity and inclusion action plan based on the four strategic pillars of our D&I blueprint:

1. Build inclusive leadership skills of employees through training and awareness
2. Strengthen our pipeline of female leaders and all underrepresented groups with continued focus on development and engagement
3. Maintain focus on recruitment of female talent and all underrepresented groups
4. Leverage community partnerships to engage internal and external stakeholders.

In 2020 employees were impacted by the coronavirus pandemic in a manner that was unprecedented. The launch of our formal Smart Working approach in 2019 put us in a strong position to implement remote working for all employees. With the pressures on working parents and carers throughout 2020, we ensured we were providing employees with the support, flexibility and autonomy to manage their time. Family-friendly policies were promoted and utilised, alongside practical wellbeing support. Recognising that many caregivers are women, we have in place the support for them to manage their career, keeping them engaged and encouraging them to return or to stay and progress their careers at Columbia Threadneedle over the long term.

As with many companies and organisations, we aspire to a 50/50 gender balance and are working towards this goal. We recognise, however, that there is a lack of gender balance in our industry, particularly at senior levels and this will take time to address.

Columbia Threadneedle remains committed to achieving lasting change in terms of gender and other types of diversity. Our aim is to achieve gender balance across our business and to eliminate any material gender pay gap.

I confirm the data reported is accurate.



Nick Ring
CEO EMEA
Columbia Threadneedle Investments

Threadneedle Management Services Limited* pay and bonus gap (April 2020)

	Mean	Median
Women's hourly rate is:	29.2% lower	27.5% lower
Women's bonus pay is:	61.2% lower	62.4% lower

*Threadneedle Management Services Limited is the UK employing entity for Columbia Threadneedle Investment's UK business.

The table above shows:

- The overall mean and median gender pay gap based on hourly rates of pay as at 5 April 2020. The median figure compares the pay of the man and woman who are at the mid-point of the company payroll.
- The mean figure is produced by dividing the total payroll by the number of employees.
- The mean and median difference between bonuses paid to men and women in the year up to 5 April 2020 (ie for performance year 1 Jan 2019 – 31 Dec 2019).

Proportion of men and women in each pay quartile

Top quartile



75% MEN



25% WOMEN

Upper middle quartile



69% MEN



31% WOMEN

Lower middle quartile



60% MEN



40% WOMEN

Lower quartile



39% MEN



61% WOMEN

Columbia Threadneedle's total UK employee population is 61% male, 39% female.

Proportion of men and women receiving a performance bonus



94.3%
OF MEN



94.2%
OF WOMEN

All employees are eligible to receive a bonus, provided they are employed before the annual cut-off date and on the payment date, with awards pro-rated for service in the performance year. The figures above are due to the timing of joiners, leavers and other absences among both male and female employees.

What does the data mean?

As in previous years, the data reflects the fact that women hold fewer senior positions across the industry and at Columbia Threadneedle, including in higher-paying specialist areas such as Investments and front-line Sales. We remain committed to improving gender balance in these areas, understanding it will take time to address.

It's important to emphasise that the gender pay gap is not the same as equal pay (which has been a legal requirement in the UK since 1970). Having undertaken thorough analysis of our data we are confident that men and women across our business are paid on an equivalent basis for doing equivalent jobs.

In terms of bonus payments, much of the bonus pay gap is also due to the under-representation of women described above. Another contributing factor is the higher percentage of women on reduced hours due to leave of absence, impacting annual bonus payments. Asset management is a performance-led profession and the best managers can be easily identified and rewarded. Across the company we use a consistent balanced scorecard approach to determine incentive (ie bonus) amounts for employees at all levels. Every employee's performance is measured against explicit performance goals as well as against our values of Client Focus, Excellence, Integrity and Respect. We assess employee's behaviours across our 4 Leadership Expectations – Results Leadership, Thought Leadership, People Leadership and Self Leadership. This ensures employees are rewarded both for what they do and how they do it.

During 2020 we increased our actions to embed accountability for improved gender balance, setting clear and meaningful expectations of leaders as part of the annual appraisal and reward process. A specific 'Inclusive Leader Goal' was introduced for all people leaders, with clear criteria to be met in order to achieve a satisfactory rating.

What are we doing about it?

We continue to track our gender balance across the organisation, as set out in the table below. The table reflects important progress made in our board and executive committee representation in prior years. In the past year we have made pleasing progress in terms of investment professionals as we strengthen the pipeline of female talent which is expected to drive improvement in senior management in years to come.

Columbia Threadneedle Investments EMEA							
	Dec 2020	Dec 2019	Dec 2018	Dec 2017	Dec 2016	Dec 2015	Dec 2014
Board*	36%	44%	45%	40%	33%	22%	22%
Executive Committee	33%	36%	42%	40%	29%	24%	11%
Senior management	18%	18%	20%	17%	20%	19%	16%
Investment professionals	35%	32%	26%	27%	29%	28%	29%
Total employees	39%	39%	37%	36%	36%	37%	37%

*Threadneedle Asset Management Holdings Sarl.

Our progress is monitored by our regional Executive Committee on a quarterly basis, with detailed analysis to understand where we need to focus our efforts to attract, develop and retain female talent and maintain a diverse and inclusive culture. We continue to focus on improving our recruitment policies and practices to ensure both male and female representation on candidate lists and advance more qualified women to the interview phase.

Our recruitment strategies include balanced candidate shortlists and our processes ensure objective hiring decisions at all levels of the organisation – from our early careers through to executive level appointments. We also have strategies to actively target talent returning to our sector to bring women returners back into the industry after a career break.

Strengthening our pipeline of female leaders through focussing on development and engagement is essential. We track completion of a range of leadership training and round table sessions for people managers to drive greater consistency in management style and support across the firm. Additionally, we have introduced an innovative new leadership training programme for emerging female talent across the company and we continue to champion and support 'Aloud', our female employee network that sponsors mentoring circles, coffee & connect and other networking events focused on sharing experiences and support.

For more on gender pay gap reporting see the UK Government website – <https://gender-pay-gap.service.gov.uk/>

To find out more visit columbiathreadneedle.com



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Issued 03.2021 | Valid to 03.2022 | J31452 | 3515936