



Gender Pay Gap Report

Introduction

Throughout the pandemic, we have remained focused on our diversity and inclusion initiatives and have further enhanced the frameworks that support this. However, our gender pay gap does not yet reflect our progress with these positive, long-term commitments, initiatives and achievements. We are disappointed that our gender pay gap has increased marginally since 2018 and will continue to work hard to address this in a sustainable way.

On the 'snapshot date' of 5 April 2020, our headcount was 269 employees (113 females and 156 males) in our largest entity, LGT Wealth Management UK LLP. Although the report excludes the data of our 50 partners* in line with the regulations (Equality Act 2010 (Gender Pay Gap Information) Regulations 2017), for transparency we have made reference to this in the report.

*(*Our partners are not defined as 'employees' and are not on our payroll.)*

Methodology

The gender pay gap report looks at the following:

- Mean gender pay gap in hourly pay
- Median gender pay gap in hourly pay
- Mean bonus gender pay gap
- Median bonus gender pay gap
- Proportion of males and females receiving a bonus payment
- Proportion of males and females in each pay quartile

Hourly pay: calculated on what had been paid in the period including the 'snapshot date' (i.e. in the April 2020 payroll). As we pay our annual bonuses in April, the total hourly rate incorporates the bonus for the 2019 review year, which does widen the pay gap. It also means that we are, to some extent, double counting the bonus which is clarified later in the report.

Bonus: payment received in the 12-month period that ends on the 'snapshot date' (i.e. the bonus payment period is 6 April 2019 to 5 April 2020). For the vast majority, this is the bonus that was paid in April 2019.

Mean: represents the difference between the average of male and female pay as expressed as a percentage of the average male pay.

Median: represents the difference between the midpoints in the ranges of male and female pay.

The results

Employee hourly pay and bonus gap

For full transparency, we have compared our pay gaps over the past three years and have indicated the trends

Our hourly pay data includes basic pay and bonuses because of our annual bonus payment date in April. If we remove the bonus element, both figures reduce by roughly 5%; the mean hourly pay gap is 23.66% and the median hourly gap is 21.58%.

Hourly mean pay and bonus gap				
Gap	2018	2019	2020	Trends
Mean Pay Gap	24.8%	30.5%	29.6%	▲ Increased Gap
Median Pay Gap	24.2%	22.1%	25.0%	▲ Increased Gap
Bonus Mean Gap	52.0%	40.0%	52.4%	► Neutral Position
Bonus Median Gap	27.3%	39.9%	44.8%	▲ Increased Gap

Key points to explain the gender pay gap:

- It is driven by the larger number of senior client relationship managers (where bonus pay takes into consideration performance based on revenue and new business inflows).
- Of our 16 part-time employees, 15 are female. As the figure used for the calculation is the actual bonus payment received, rather than taking into account the full time equivalent, this too has a key impact on the bonus gap.
- In the top 10 highest pay rates, 30% are females. This decreases to 16% females in the top 50 hourly pay rates, indicating that our succession plans and talent pipelines remain imbalanced.

Partner and employee hourly pay and bonus gap comparator

Although it is not required to include our Partner data, we are striving for transparency and have therefore looked at these figures too. When we include our Partner pay data (comprising 16% females) our mean hourly pay gap increases to 40.72% and the median hourly pay gap is 36.50%, indicating that our gender pay gap further widens when we include our partners into this analysis.

Proportion of male and female employees receiving a bonus

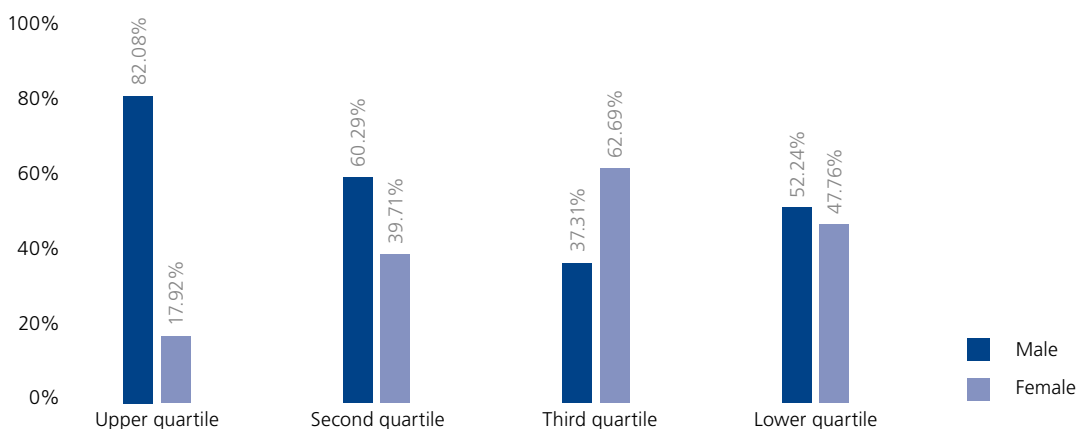
This is calculated by separating out all employees at 5 April 2020 by gender and accounting for how many of each gender received a bonus in the relevant bonus payment period (6 April 2019 to 5 April 2020). Some employees at 5 April 2020 were not employed during the bonus payment period or did not have the requisite length of service or performance standards to qualify for a bonus payment. This had an impact on the percentage difference between our male and female employees.

Gender	% received bonus		
	2018	2019	2020
Male	62.4%	67.58%	74.23%
Female	71.7%	68.00%	79.34%

Proportion of male and female employees in each quartile

We divided the hourly rates for our 269 employees into quartiles, from largest to smallest hourly pay rate in order to derive the proportion of our male and female population.

Proportion of males and females in each quartile



The table below illustrates the female proportion in each quartile and indicates the trend from last year.

Female proportion of quartiles			
Quartile	2019 Female %	2020 Female %	Trends
Highest	14.75%	17.92%	▲ Increased
Second	47.54%	39.71%	▼ Decreased
Third	49.18%	62.69%	▲ Increased
Lowest	53.23%	47.76%	▼ Decreased

Our highest quartile data remains similar to the 5 April 2019 'snapshot date', reflecting the obvious gender imbalance, although our female population in this quartile has slightly increased this year.

Our female representation in our 2nd quartile has decreased by 8% in comparison to our April 2019 female population and this is partly due to the talent pipelines mentioned earlier in the report. Our entry level recruitment practices remain in line with our commitments to gender balanced shortlists and this translates into a greater gender balance in our lower quartile.

Reflections from our CEO

As mentioned above, we recognise that it will take time for our gender pay gap to reflect the work we are doing to address the imbalances.

Given the challenges in the financial services industry more generally, there is still a more limited pool of female candidates at the senior levels that we can hire from. This is particularly the case in front office revenue-producing Relationship Managers (RMs). In our case, this represents the majority of the top quartile of earners and where the gap is largest. This is a problem across the industry as the percentage of females in the RM population is smaller, making balanced recruitment very difficult.

We are however encouraged to see many of our fellow Women in Finance signatories achieving their initial targets of increasing the percentage of women holding senior positions across their businesses, indicating a concerted effort in all our aims to achieve gender parity in the future.

Since our business was founded, creating a culture where people feel respected, valued and motivated has been paramount. We are proud of the achievements of our employee-led group #included which has been a real force for change, not just within our business, but within the industry more widely. Within a short space of time, significant progress has been made to improve our culture, placing diversity and inclusion at the heart of it.

Some of our key achievements have been:

International Women's Day February 2021

#included celebrated International Women's Day virtually this year with this year's theme #choosetochallenge. As part of this event, we asked our people for feedback on the biggest challenges to gender parity in the workplace and how they would challenge our Firm on our gender focus. The results of the feedback have informed our next steps and action plans and progress will be shared in our 2021 Gender Pay Gap report.

Great Place to Work 2021

We are proud to be recognised as one of the best places to work by **Great Place to Work UK**. Our people gave outstanding marks in numerous areas such as their assessment of the welcoming culture at the firm, how fairly they feel they are treated and the respect they are given by colleagues and management. 85% of our people are proud to work at LGT Wealth Management and 89% agree the firm is a "Great Place to Work".

Following this accreditation, we are also delighted to have been recognised in the [2021 Best UK Workplaces™ list](#), ranked 27th in the Large (251-1000 employee) category.

Values

Our mission is to create long-term value for our four stakeholders: our clients, our people, our owner and society. Achieving this in the right way depends on having a strong set of values to follow both as an organisation and as individuals within it. Our business was founded on strong principles and we have recently taken the time to complete a firmwide, employee-led consultation of our internal values, distilling these principles into a set of values that describes the essence of our culture. We are proud that two of these five values relate to diversity and inclusion, highlighting the importance of this topic to our people.

Further progress

- We had 41 new joiners in 2020 – 44% of these hires were female and we remain exactly 50/50 split for our entry level roles.
- We have made excellent progress in launching our third mentoring programme: our cohort has doubled from last year and 62% of our mentees are female.
- We have also made progress against our first Women in Finance Charter targets. By December 2022, our target is to increase our senior female population to 30%. When we made this pledge, we had 22% of females taking up our senior management positions. We have now increased this representation to 25%.
- We have improved work-life balance for all our people with the introduction of our Hybrid working Policy when we return to the office.
- We have partnered with Investment20/20, a charitable organisation which introduces and promotes the Investment and Asset/Wealth Management industry to a diverse talent pool of trainee applicants (graduates and school leavers) in the Greater London area. We now recruit our entry level and graduate positions through Investment20/20 to broaden our sociodemographic outreach and diversity.

In summary, I am proud of the work we are doing, both as a firm and an industry to create positive change in all aspects of diversity and inclusion and hope that in time, one of the barometers of that success, will be gender parity



Ben Snee, Chief Executive Officer

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Important information

LGT Wealth Management UK LLP is authorised and regulated by the Financial Conduct Authority (FCA). Our registration details are set out in the FCA Register: Firm Reference No. 471048, www.fca.org.uk/register. Registered in England and Wales: OC329392. Registered office: 14 Cornhill, London, EC3V 3NR.