



Investment
Managers

UK GENDER PAY GAP REPORT 2018



Driving sustainable change in gender equity

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sustainable
change in
gender equity

“Gender diversity, as with all facets of diversity, is not just about being a responsible employer, it is a crucial commercial driver. Indeed, 87% of AXA IM employees surveyed last year* agree that gender equality is important for a company to remain competitive in the market.

“The UK gender pay gap data is one set of figures which we are using, alongside multiple other data sets, to measure and track the effectiveness of our global action plan. I feel confident that we are on the right track to achieving sustainable change in addressing gender balance at all levels.

“Embracing gender diversity is an ambition that does not end at our own front door. A cultural transformation is needed within our organisation and also in the broader investment management community, which is why we are taking action at both levels. At AXA IM, we are committed to fostering a workplace where difference is valued and talent is the only prerequisite to success. **It's more than just numbers, more than just words... it's about taking action.**”

#morethanwords



AMÉLIE WATELET
Chief Transformation Officer
& Global Head of HR & Communications

*Internal survey of 221 employees as part of the EDGE certification process



In 2018, AXA IM received [EDGE Certification](#) for gender diversity. Having independently reviewed our organisation's ability to foster gender equality, and benchmarked this against both global standards and our peers, EDGE determined that AXA IM has made a global commitment to gender equality in the workplace. This provides a foundation from which to build sustainable progress in the future.

Understanding the gender pay gap

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WHY

In 2017, the UK government passed a regulation whereby all UK employers with more than 250 employees are required to annually publish their UK gender pay gap data. This strategy not only aims to raise awareness of the pay gap that exists across the UK, but also to encourage businesses to actively participate in closing the gap.

WHAT



Gender pay gap is not equal pay.

Equal pay is about paying women and men equally for carrying out the same or equivalent role. It is a legal requirement in the UK.



Gender pay gap is the difference between the average pay of all men and all women, regardless of their role or seniority.

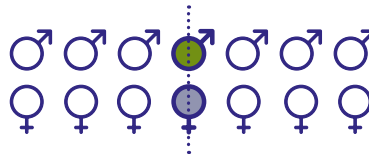
HOW

Figures are reported in two ways, mean and median, and for both hourly ordinary and bonus pay.



Mean pay gap

The difference between the average male pay and average female pay.



Median pay gap

The difference between the mid-point in male pay and the mid-point in female pay.

What can hourly ordinary pay include?

Your basic salary, allowances after salary sacrifice, and any pro-rata bonus. The sum of these elements is divided by your working hours to get the 'hourly pay rate'.

What can bonus pay include?

All bonus payment taxable in the UK, including cash bonus and any deferred bonus paid to you during the reporting period.

Our UK gender ordinary pay gap

Our ordinary pay gaps have remained stable since 2017

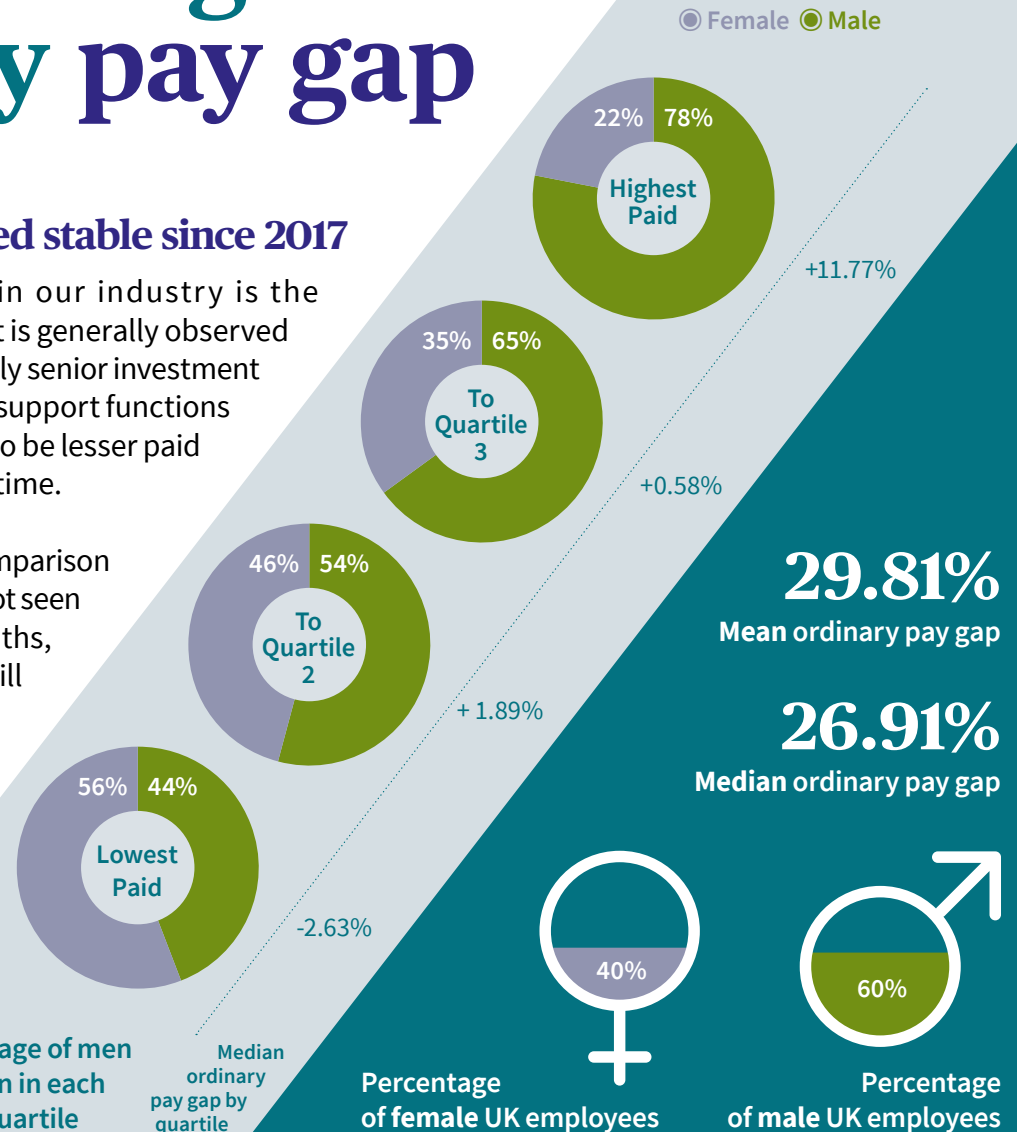
A continuing and global challenge we face in our industry is the underrepresentation of women in the workforce; it is generally observed that there are fewer women in senior roles, especially senior investment roles, which tend to be the higher paid. In parallel, support functions are predominantly female dominated, which tend to be lesser paid roles. To bring about meaningful change will take time.

Our figures show the gap has remained stable in comparison with last year's UK gender pay gap. Whilst we have not seen immediate improvement in our data over 12 months, we are confident that the actions we are taking will bring meaningful change. **The gender pay gap is a multifaceted issue and we are focused on closing the gap in a sustainable way.**

Our data
- Ordinary pay

Percentage of men and women in each ordinary pay quartile

Median ordinary pay gap by quartile



Our UK gender bonus pay gap

Our median bonus pay gap has narrowed

The 2018 UK gender bonus gap can be explained largely due to bonus pay volatility which is expected in investment and other senior roles. As 2017 was a very successful year for AXA IM, we would expect investment and sales teams' variable pay to be more volatile than other functions, which we know are predominantly male-dominated at present.

It is also important to note that the bonus figures also take into account historical pay decisions (e.g. deferred remuneration granted in the past, which vests in tranches over a set time period) which help to explain why the bonus gap stands here today.

Although there is a slight increase in the mean bonus pay gap compared to 2017, we note an improvement on the median bonus pay gap. This is encouraging as median statistics reflect how a population is evolving, removing the outliers. It is an essential indicator to understand the direction of travel of our gender bonus pay gap. **We are moving in the right direction, however, considerable improvement is needed to close our gender bonus gap.**

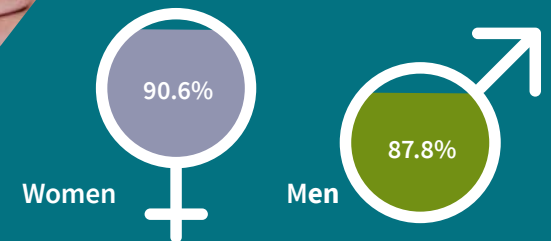
Our data
- Bonus pay

76.14%

Mean bonus pay gap

62.50%

Median bonus pay gap



Percentage of men and women who received a bonus in 2018

Nurturing and attracting talent

To achieve our goals, we are taking a number of proactive steps to improve diversity and inclusion globally. We feel strongly that it is crucial to track our progress in a way that can be measured.

AXA IM signed the Women in Finance Charter 2017, a UK initiative where we have publicly pledged to reach a target of 40% of 'senior executive women' by 2020. **AXA IM have extended this target to apply to the global population and currently stand at 35%.**

At present, 40% of our Management Board is female.

Our Management Board have objectives within their targets to increase the number of women at senior levels and contribute to reducing the gender pay gap. However, we know we need to do much more to reach our goal and build a sustainable, diverse talent pipeline.

We are listening to our data and are aware that we need to nurture our internal talent – through coaching, mentoring, supporting our working families, embracing flexible working and building inclusive leadership skills. We take a skills-first approach, aiming to drive even greater inclusivity in our attraction, hiring and promotion practices.

Nurturing and attracting talent

Women recruited in 2018 globally

39%

Women employed by AXA IM globally

40%

Women in management roles globally

33%

'Senior Executive Women' globally

35%

Women on our Management Board

40%

63% mentees globally who are women

40% mentors globally who are women

51% employees on coaching schemes globally who are women



“The mentoring programme has been useful in helping me develop and deepen my strategic thinking, I have really appreciated having the support of someone to guide and challenge my thinking.”

Emily Sanders, Global Marketing – Strategic Campaign Manager – Mentee



“Sharing my experiences, with my mentees, and helping them to develop and think outside of the box (or their department), to grow into their potential is especially rewarding.”

Geoffroy Reiss, Chief Operating Officer of Core Investments - Mentor



Embracing news ways of working



58%

Co-parents benefiting
from extended
co-parenting policy

AXA IM wishes to foster a more inclusive culture through a number of initiatives aimed to provide employees with options for creating a sustainable work life balance.

Flexible working options including facilitating home/remote working, part time options and improving technology to facilitate these practices are important drivers for attraction, retention and professional development.

Research has proven that increasing uptake in parental leave policies can help with employee engagement and retention. Our co-parenting policy, an inclusive policy that recognises biological, adoptive, same-sex, and single parents, was extended in 2017 to provide additional fully paid leave and to ensure that parental leave does not adversely impact pay. This is a significant step that reinforces our commitment to working families.

The office space in which we work also plays a part. With hot desking currently implemented in the Paris HQ, office moves in Hong Kong and in Germany this year, and an exciting relocation in London, employees will be able to reap the benefits of the very latest innovations in terms of office space organisation that recognise the importance of emotional and physical well-being.

“ It was of great comfort to me and my wife to know that we had the support of AXA IM during such a key moment in our lives, allowing me the the time and reassurance I needed to balance work commitments with spending time bonding with my daughter and helping my wife.”

John King,
Portfolio Manager



“ After having my first child, the return to work coaching, seminars on mindfulness, as well as having the opportunity to work part time were so useful. With this support, I have been able to change my hours to improve my work-life balance whilst continuing to progress my career through promotion.”

Tracy Knatt,
Head of Web &
Social Media



Being a responsible investor

Being an active, long-term, responsible investor, it is our duty to hold the companies we are investing in to account. Last year, we announced our intentions to toughen our stance on diversity, including voting against companies which do not explain how they will boost the number of women on their board and workforce. This follows nearly five years of engagement with companies on this topic.



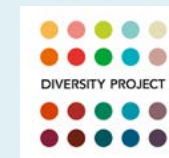
“*The aspiration here is not just about leadership or the visible face of a company, but rather about the broader workforce and the progression of women to roles where they can influence strategy and performance.*”

Shade Duffy, Head of Corporate Governance

As part of our commitment to diversity and human capital, AXA IM signed up to the [Workforce Disclosure Initiative](#), designed to encourage companies to disclose more data around their workforce, with diversity and inclusion being a key dimension.

The Women’s Empowerment strategy launched in 2017 with the support of our parent company AXA Group, continues to support and invest alongside companies that have ‘best in class’ diversity practices, as well as helping to spread and promote the message that diversity has a positive economic impact linked to long term corporate performance.

We are proud to collaborate with our peers to help shape a more diverse and inclusive investment industry.



Introducing Marie Fromaget, Responsible Investing Analyst

Diversity is not a short term trend. AXA IM has recognised this in the hire of a dedicated Human Capital and Diversity Analyst, as part of the Responsible Investment team. Marie will support the investment platforms as well as working closely with Anne Tolmunen who runs the AXA WF [Women Empowerment fund](#).

Marie takes the lead on our active participation in the 30% club and 30% investor club.

girls who invest

THE
INVESTMENT
ASSOCIATION

Being a responsible investor

Our 2019 commitment: #morethanwords



ANDREA ROSSI,
CEO, AXA IM

“ We fully support the disclosure of the gender pay gap figures in the UK. Valuing diversity supports the commercial success of our business, helping us reflect and respond to the needs of our diverse customers.

“ Life is, however, more complicated than a simple number; measurement of key indicators is crucial and we have disclosed additional figures this year as we are serious about improving these stats. The UK GPG figures are just one part of the puzzle; shifting the dial will take time due to the fundamental fact that we do not have enough women working in asset management, at all levels.

“ We need to drive a cultural shift inside our company, and in our industry to change perceptions and to encourage more diverse incoming talent, but specifically attract more female entrants to investment-based roles. **AXA IM is moving in the right direction, however there is a lot still to be done and we are conscious of how crucial the coming years will be.**

“ As long term and active investors, we are proud of our shareholder engagement on this important topic. And I am confident that as a responsible employer we are taking positive steps towards sustainable change.”

Andrea Rossi
CEO, AXA IM

Amélie Watelet
Chief Transformation Officer
& Global Head of HR & Communications