

# Diversity and Inclusion Report

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2023

**Baillie Gifford™**

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# Our story so far

At Baillie Gifford, we aspire to be one of the most culturally and cognitively diverse investment management firms in the world. Our commitment to diversity and inclusion (D&I) has been longstanding and is underpinned by our **D&I Vision** and **Our Shared Beliefs**. In this, our first D&I report, we share our progress to date, our current challenges and our goals and action plan to address them.

## Our approach

We believe the diverse minds of our people bring different perspectives and enable more challenge and debate, leading to better decisions.

As with our investment approach, in D&I we want to drive long-term sustainable change. We think this can best be achieved by balancing our bottom-up approach with direction and commitment from the top. This is why D&I is now an explicit responsibility of all fifty-seven partners of the firm.

This report outlines our goals and 2023 action plan. Analysis of our people data, colleague insights and input from our employee networks continue to inform and guide our approach.

## Our progress

The creation of our Diversity and Inclusion Group (DIG), the growth of our employee networks, improvements in our day-to-day working practices and inclusive recruitment have contributed to clear signs of progress.

We are encouraged by reductions in our gender pay gap, more diverse talent pipelines and progress in our early careers recruitment. These are areas for optimism, and while our data may fluctuate on a year-by-year basis we continue to take a long-term strategic view.

## Where we can do more

Gender, ethnicity and socio-economic representation are challenges for the asset management industry, and we are no exception to this. We are working hard to improve gender representation in senior positions and ethnicity representation firmwide. To do this, we must drive more understanding of and accountability for D&I across all colleagues.

Inclusion is another area where we can do more. Our staff surveys show positivity around the inclusive culture of the firm, but we have noted that this sentiment can

vary for women and colleagues from an ethnic minority background. Disclosure rates for gender identity and sexual orientation in 2022 are also an indicator that we have more to achieve.

Evolving our D&I data is a continuous focus. We use it to understand representation levels across the firm, assess where progress has been made and where there is more to do. To deepen our understanding, we will shortly be asking colleagues to share their socio-economic background, neurodiversity and disability data.

## Thinking differently

### Industry charters

The rationale for individual charters can be persuasive. Our intention and approach are broadly aligned with many of these, however, we prefer to learn from the research aspects of their work and seek to identify only those actions that will drive sustainable change at Baillie Gifford. We focus on establishing impactful partnerships with select specialist groups and we also engage with industry bodies to shape and influence how asset management as a whole drives change in D&I.

### Targets

While targets can be useful in certain settings, we feel they would detract from our culture and long-term approach to growing talent and encouraging internal mobility.

This doesn't mean that it isn't important to have a clear understanding of where we need to improve, how we make progress and what we think 'good' looks like.

We have concentrated our efforts on understanding where our areas of challenge are and creating an action plan to address them. We believe that a continued focus on improving our processes, transparency of approach and accountability for progress are key and that our goals and action plan set an intentional and transparent path to drive meaningful change.

# Our goals

## Attract, develop and retain talent

Our staff will be representative of the societies we live in and the clients who invest with us. We will focus on diversifying where we recruit from, developing programmes and initiatives to support talent to thrive and identifying and minimising barriers in our processes, policies, and approach across all career stages.

## Create a culture where everyone at Baillie Gifford feels safe, included and valued

To ensure we can harness diversity of thought, we must continue to build a culture of inclusivity. This involves listening to one another, continuing to learn and engaging in constructive conversations when we feel behaviours are not aligned with our Shared Beliefs.

## Drive accountability across the firm

We must be more transparent through regular and open communication, acknowledging what we're doing well and what we could do more of. Tracking our progress through formal reporting holds us to account and allows us to be driven by data and focus our efforts on elements that will drive long-term sustainable change.

### How we will measure our progress

- ▶ Annual measuring and reporting of gender and ethnicity data across three key stages, hiring, promotion and leavers.
- ▶ Publish our gender and ethnicity pay gaps.

### Our long-term ambitions

- ▶ Increase gender representation across senior management, boards and committees. Our guide point for this is 40:40:20 (40% men, 40% women, 20% any gender).
- ▶ Firmwide ethnicity representation reflected in senior management and across our boards and committees.

### How we will measure our progress

- ▶ Annual measuring and reporting of employee engagement, inclusion and wellbeing staff survey scores.
- ▶ Monitor engagement levels with 'Protect', the independent whistleblowing charity, and the volume of employee relations cases, identifying any trends and opportunities.

### Our long-term ambitions

- ▶ Create an inclusive environment in which all staff feel safe, included and valued – across all diversity demographics.
- ▶ Increase the participation rates of individuals from ethnic minority backgrounds in staff surveys.
- ▶ Increase our retention rates for individuals from ethnic minority backgrounds.

### How we will measure our progress

- ▶ Annual measuring and reporting of staff D&I data disclosure rates and representation levels across the firm.
- ▶ Measure the engagement levels of staff and managers with D&I training, initiatives and annual D&I reporting.

### Our long-term ambitions

- ▶ Increase our D&I data disclosure rates across all locations.
- ▶ Use intersectional D&I data to inform and guide future goals and actions.

# Our people

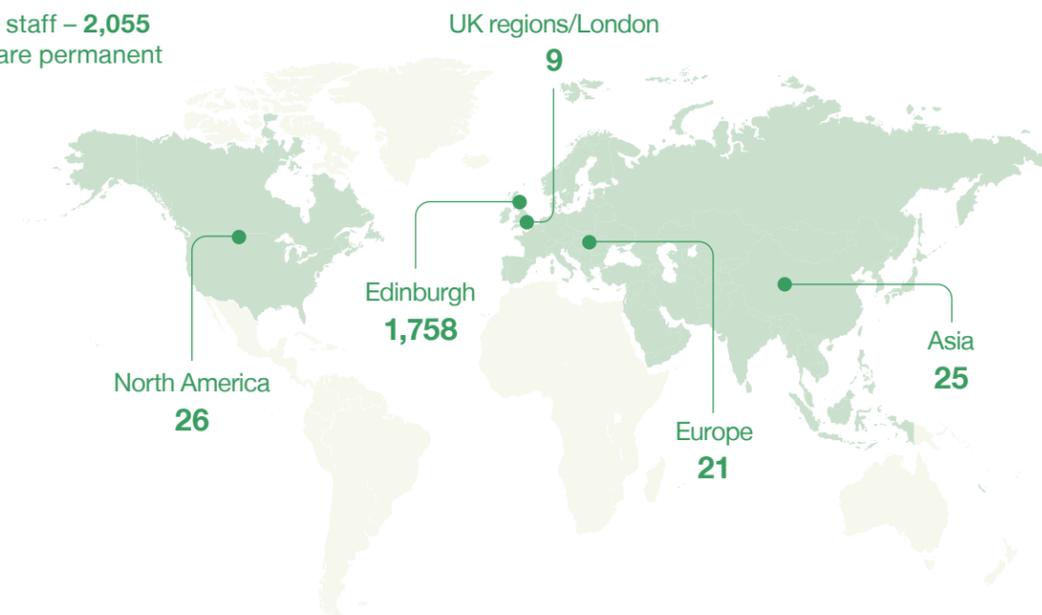
The data provided in this report is as at 31 December 2022 (for reference, data at 31st December 2018 is also provided).

## Location

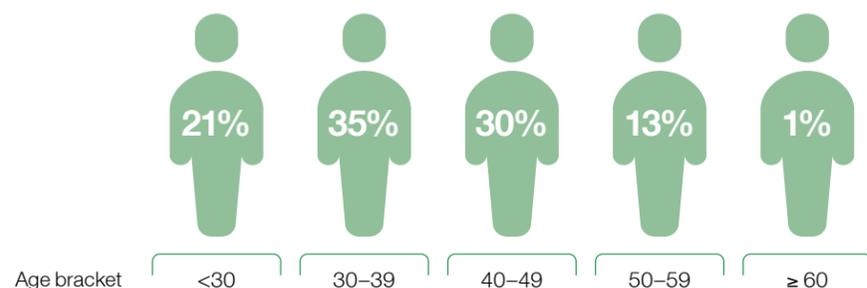
Total number of staff – **2,055**  
of which **1,839** are permanent



We are made up of  
**65**  
nationalities



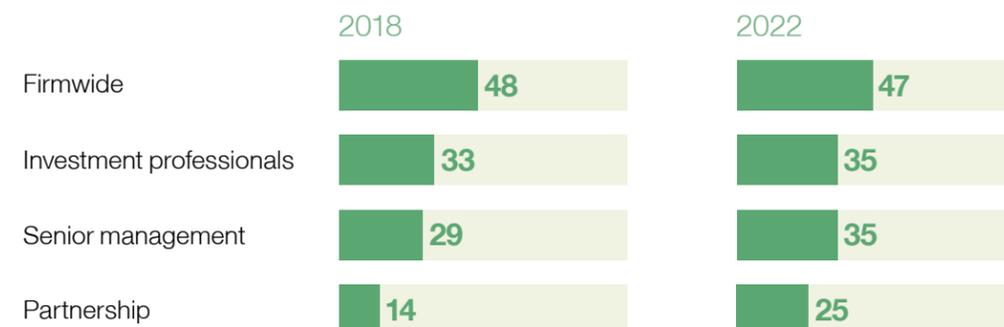
## Age



The disclosure rates for gender and ethnicity data are  
**97%**  
which has allowed us to calculate our gender and ethnicity pay gaps

Approximately **50%** of employees have shared their sexual orientation or trans-status data. In 2023, we are aiming to increase this for us to have a comprehensive sample

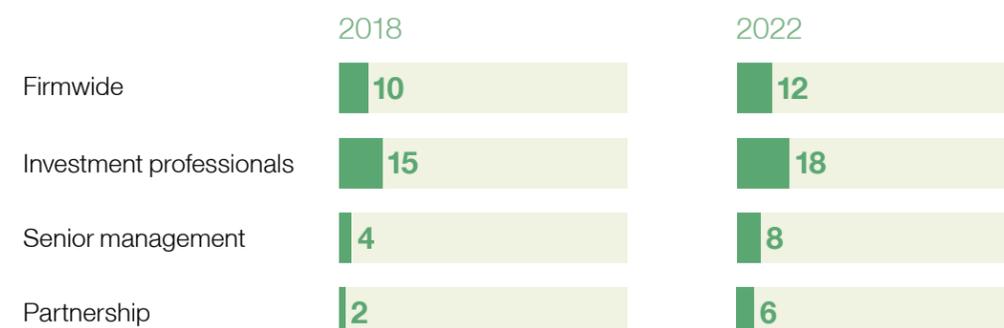
## Gender (%)



Women Men

We support colleagues to self-identify how they express their gender. To comply with UK privacy laws, GDPR and to protect the identity of colleagues we are currently only able to report a breakdown of gender by women/men.

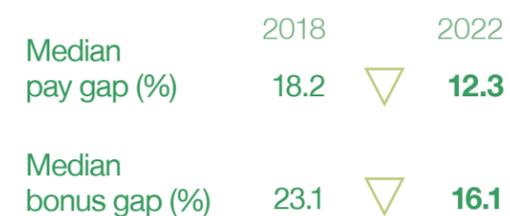
## Ethnicity (%)



Ethnic minorities Non ethnic minorities

We have followed the UK government advice on ethnicity descriptors where it is necessary for reporting purposes to group staff together.

## Gender pay gap (UK)



Our median gender pay gap, including partners, has improved in 2022 to 14.1%.

## Ethnicity pay gap (UK)

Our UK ethnicity pay gap is in the range of -5% to +5%, which we do not consider a statistically significant gap.

## Wider pay monitoring

Engagement rates for sexual orientation and trans-status are not yet high enough to provide a statistically valid pay gap outcome for reporting purposes and we will continue to keep this under review.

### How we work

In 2021, we introduced our **Ways of Working** principles embracing greater flexibility of how and where we work. In addition to this:

**11%**  
of staff work part-time

**86%**  
of which are women vs 91% in 2018

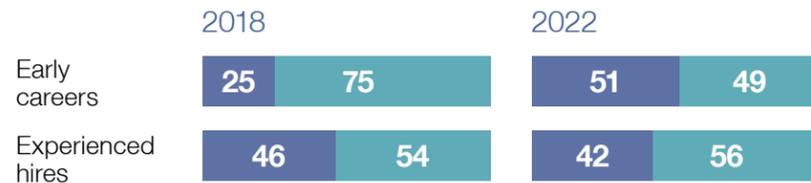
In 2019, we introduced our **equal parental leave** policy for all staff globally

**55%**  
of colleagues who took parental leave in 2022 were men

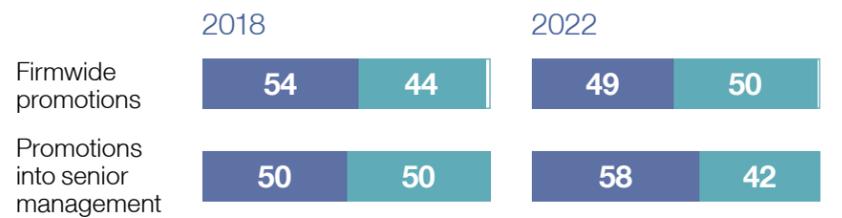
The average length of parental leave taken by men is **21** weeks women is **46** weeks

# Gender

### Hiring (% of total hires)

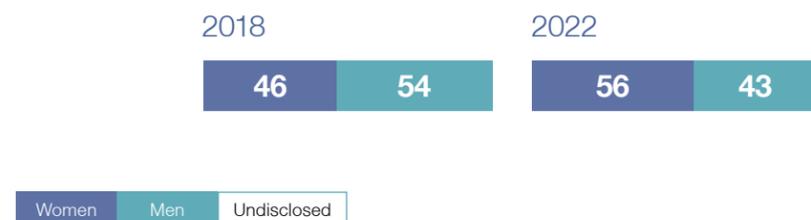


### Development (% of total promotions)

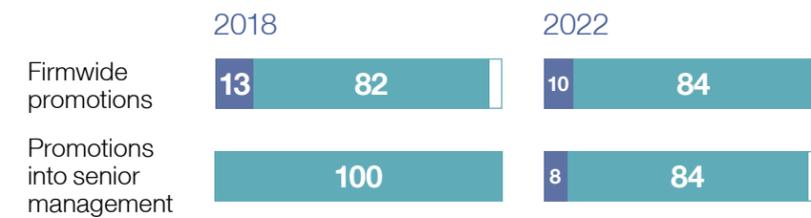
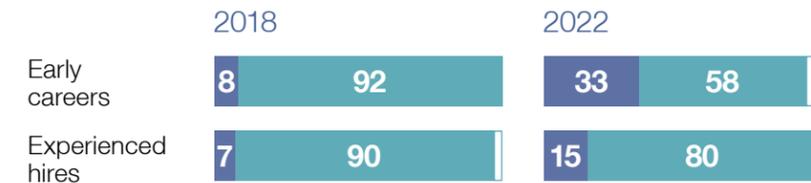


\*Level 1 being key strategic decision making groups.

### Leavers (% of total leavers)



# Ethnicity



To comply with UK privacy laws, GDPR and to protect the identity of colleagues we are currently only able to report the gender representation of our decision making boards, committees and groups.



### New joiners

74% of new joiners participated in our onboarding survey

**94%**  
feel they can be themselves

**93%**  
feel part of their team

### Colleague engagement

72% of colleagues completed our 2022 staff survey

**94%**  
are proud to work for Baillie Gifford

**91%**  
feel their opinions are welcomed within their team

### Leavers

Our annual turnover was 3.7% and 76% of leavers completed our leavers survey

**66%**  
felt they could be themselves at work

**72%**  
felt part of their team

# Our 2023 action plan



Attract, develop,  
and retain talent



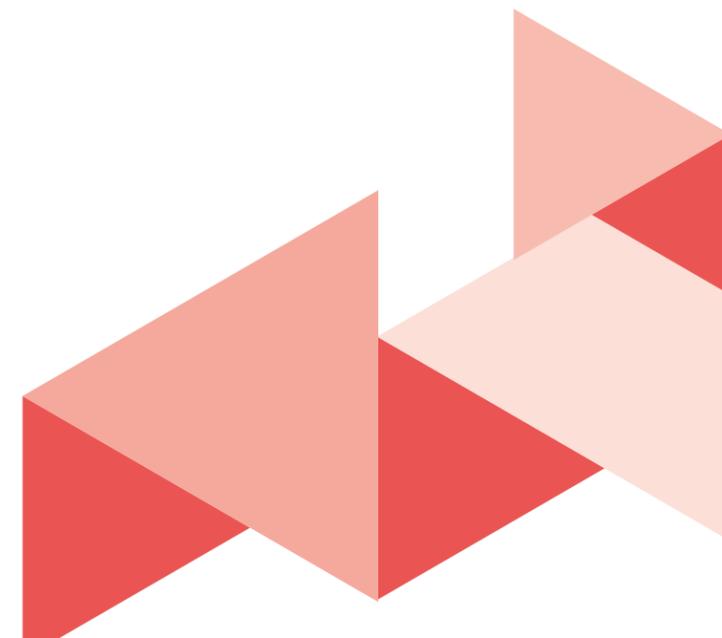
Create a  
culture where  
everyone at Baillie  
Gifford feels safe,  
included and  
valued

Our priorities	Actions we will take	Why is this important?
Hiring practices	<ul style="list-style-type: none"> <li>&gt; 40:40:20 gender representation on all longlists.</li> <li>&gt; Diversity on all shortlists.</li> <li>&gt; Remove the need for candidates to share current salaries.</li> </ul>	<p>Our ultimate aim is to attract and recruit the best talent. We will strive to achieve gender balanced long lists and ensure shortlists are diverse to find the right candidate for the position. We want to continue to be explicit in our ask of our recruitment partners and we review their success rate in meeting our requirements. We have adopted a 'comply or explain' approach and where longlist and shortlist requirements for a role haven't been met, this will be escalated to the Head of Resourcing.</p> <p>We are committed to improving our gender pay gap, we believe there are two parts to this:</p> <ol style="list-style-type: none"> <li>1. Continuing to apply rigour to annual pay review decisions via our Remuneration Committee; and</li> <li>2. Ensuring we base our salary offers on the role size (determined via independent industry benchmarking), the skills and experience of the individual, not what previous salary levels dictate.</li> </ol>
Internal mobility and development	<ul style="list-style-type: none"> <li>&gt; Pilot pay transparency for internal positions.</li> <li>&gt; Collaborate on the findings from the independent inclusion survey.</li> <li>&gt; Launch a review of people manager development.</li> <li>&gt; Give colleagues a platform to share their career skills and experience to enable internal mobility.</li> </ul>	<p>Internal mobility and development are critical to our future success. We believe our most effective contributors and leaders are those with a rounded understanding of how the firm operates. We want to empower colleagues to drive their development and career path, with the support of skilled people managers.</p> <p>We recognise that the lack of salary transparency for internal positions can be a barrier to mobility, it limits the understanding of what moves are possible or how a potential position change could impact an individual's circumstances.</p> <p>Our people managers play a key role in supporting and developing talent. Our review of people manager development will explore targeted development opportunities to ensure people managers are enabling their teams effectively.</p> <p>To support internal mobility and to give colleagues a platform to share their skills, experience and to indicate their current development preference, the Career Profile section within our HR platform has been developed as a searchable internal skills inventory.</p>
Boards and committees	<ul style="list-style-type: none"> <li>&gt; Increase awareness and transparency of the skills and experience required for board and committee roles.</li> <li>&gt; Develop talent pools and more comprehensive succession plans for board and committee roles.</li> </ul>	<p>To build diverse decision-making groups more intentional talent mapping is required. This is especially important now given our size, locations, our ways of working and the need to mitigate against proximity bias.</p> <p>We want to improve transparency and increase awareness of the skills and experience required for board and committee roles and the opportunity for people to put themselves forward.</p>
Support pathways	<ul style="list-style-type: none"> <li>&gt; Conduct a review of all staff policies.</li> <li>&gt; Improve accessibility of support information.</li> <li>&gt; Explore and improve the willingness of staff to raise work related concerns.</li> <li>&gt; Introduce financial wellbeing sessions for all staff.</li> </ul>	<p>Our policies will be reviewed to ensure they guide, inform and enable colleagues. It is important that we don't assume knowledge across the firm and that our colleagues are clear on the support available or who to seek further guidance from.</p> <p>To ensure colleagues can easily access, understand and navigate the support available there is a focus on improving our wellbeing pathways.</p> <p>We are thankful to have so many engaged colleagues, but we want to reach those who have not yet engaged. It is common for some groups to think that D&amp;I doesn't apply to them, we want those individuals to challenge their own perceptions and do something differently in 2023.</p>
Visibility	<ul style="list-style-type: none"> <li>&gt; Continue to support our staff networks to raise awareness of key issues and create a sense of belonging for colleagues.</li> <li>&gt; Encourage attendance at network events, particularly with those who have never taken part in an event.</li> </ul>	<p>Our network activities provide learning opportunities and safe spaces for colleagues to seek support or to ask questions to deepen their understanding of different aspects of D&amp;I. Some of the most effective D&amp;I progress has come from the open and honest personal stories our colleagues have shared to raise awareness of all aspects of D&amp;I and where others can seek support.</p>



Drive  
accountability  
across the firm

Our priorities	Actions we will take	Why is this important?
<p><b>Awareness</b></p>	<ul style="list-style-type: none"> <li>&gt; Refresh our Shared Beliefs to give a clearer focus on D&amp;I.</li> <li>&gt; Continue to educate our people: strengthening our awareness understanding of inclusion.</li> <li>&gt; Design our new Haymarket Edinburgh head office through a D&amp;I lens.</li> <li>&gt; Support HoDs and managers, ensuring they have a strong awareness and understanding of our D&amp;I data and goals.</li> <li>&gt; Upskill our HR Business Partners to help embed D&amp;I considerations in all people decisions.</li> </ul>	<p>Our Shared Beliefs are used by many as cultural guide points on everyday behaviour and decision making. Referencing D&amp;I in our Shared Beliefs will continually reinforce our commitment to it and embedding of it.</p> <p>We need to broaden the understanding of our D&amp;I approach beyond the business teams, employee networks and individuals who have an active interest in it. It involves us all.</p> <p>We want to create an office environment that supports all staff to thrive. Through innovative design we aim to create an environment that meets the physical, mental and sensory needs of our workforce.</p> <p>Our HR Business Partners support leaders with implementing their people plans and so are well placed to ensure D&amp;I is embedded into everyday conversations.</p>
<p><b>Data and insights</b></p>	<ul style="list-style-type: none"> <li>&gt; Develop reporting across the key career points (recruitment, onboarding, progression, and leaver).</li> <li>&gt; Introduce consistent engagement, inclusion and wellbeing questions in our staff survey.</li> <li>&gt; Improve disclosure rates for sexual orientation and gender identity data.</li> <li>&gt; Collect social mobility, neurodiversity and disability data.</li> </ul>	<p>We aim to meet best practice standards in D&amp;I reporting. We want to be transparent about our progress and challenges with our staff, clients and regulators.</p> <p>The data and insights our staff share with us improves our awareness of what people are experiencing and also the ways in which we can continue to improve. Ensuring there are effective channels for staff to share their views is critically important to the success of our D&amp;I approach and the culture of the firm.</p> <p>Developing our D&amp;I data will enable greater understanding, governance and accountability for progress against our goals and how colleagues experience our culture.</p>
<p><b>Governance and reporting</b></p>	<ul style="list-style-type: none"> <li>&gt; Develop a Terms of Reference for the DIG.</li> <li>&gt; Publish this report annually.</li> </ul>	<p>The DIG has responsibility for the D&amp;I strategy and approach. The group is committed to improving the transparency of our goals and progress towards them.</p>



# Networks and partnerships



# Glossary

## Definitions and explanations

### 40:40:20

We strive for a gender balance of 40:40:20 (40% men, 40% women and 20% any gender). The 20% for any gender allows for flexibility while also acknowledging that not everyone identifies as a man or woman. Our ultimate aim is to attract and recruit the best talent for the role.

### DIG

The Diversity and Inclusion Group (DIG) is made up of partners and senior leaders who have delegated responsibility for the D&I strategy. It advises the Managing Partners and other boards and committees on ways to achieve our D&I goals and oversees progress towards them.

### Disability

Under the Equality Act 2010, disability is defined as having a physical or mental impairment that has a 'substantial' and 'long-term' negative effect on your ability to do normal daily activities.

### Diversity

This term captures the importance of recognising and valuing difference among individuals, along the lines of gender, ethnicity, socio-economic background, sexual orientation, age, and disability, for example. It generally refers to increasing the representation of groups that are under-represented in organisations. It must however be understood alongside 'inclusion'. Diversity in and of itself does not result in an inclusive environment.

### Early careers

Graduate programmes, internships and apprenticeships.

### Ethnicity

An ethnic group or an ethnicity is a grouping of people who identify with each other on the basis of shared attributes that distinguish them from other groups.

### Ethnicity pay gap

The ethnicity pay gap shows the difference in the hourly rate of pay between ethnic minority and non-ethnic minority individuals in an organisation.

### Ethnic minorities

Refers to all ethnic groups except the White British group, such as Black, Asian and White minorities such as Gypsy, Roma and Irish traveller.

### Experienced hires

Refers to someone who has previously or consistently worked before being employed at a new organisation such as Baillie Gifford.

### Gender

Often expressed in terms of masculinity and femininity, gender is largely culturally determined and is assumed from the sex assigned at birth.

### Gender identity

A person's deeply held core sense of their own gender whether male, female or something else. Their gender may or may not correspond to their biological sex at birth.

### Gender pay gap

The gender pay gap is the difference between the average pay of men and women in an organisation. An employer with more than 250 employees in the UK must report their gender pay gap data at a specific date each year.

Median – we rank each employee's hourly pay from lowest to highest and take the number in the middle of all hourly pay values for women and the same is calculated for the hourly pay for all men.

Mean – the hourly pay for all men is added together and divided by the number of men and the same is calculated for the hourly pay for all women.

### HoD

Head of Department with responsibility for a specific business area(s).

### HR Business Partners

Colleagues in our HR Team who work closely with each business area to provide guidance and challenge on people matters.

### Inclusion

This is the meaningful achievement of diversity. This involves creating the conditions to ensure individuals from diverse backgrounds are valued and treated equally, feel empowered and are able to progress.

### Industry Charters – D&I

A charter is a voluntary public commitment to promote the values of diversity and inclusion throughout a firm. Charters often provide a roadmap and structured approach for firms to follow as they take action to progress D&I initiatives.

### Internal mobility

The movement of employees (vertically and laterally) to a new career and development opportunity within the firm.

### Intersectionality

Individuals do not experience their diversity characteristics in isolation: these characteristics overlap and collide to compound the experience of inequality. For example, patterns of progression in the firm will vary not only by gender, ethnicity or socio-economic background, but by combinations of all three. Policy and practice need to recognise the convergence of factors and respond accordingly.

### Investment professionals

Investment professionals are employees whose roles work directly with our investment processes and clients.

### Neurodiversity

This term refers to the spectrum of cognitive functioning. It means that people think differently and perceive the world in different ways, often due to conditions such as Autism, ADHD, Dyslexia and Dyscalculia.

### Non-binary

An umbrella term for people whose gender identity doesn't sit comfortably with 'man' or 'woman'. Non-binary identities are varied and can include people who identify with some aspects of binary identities, while others reject them entirely.

### Our Shared Beliefs

At the core of everything we do at Baillie Gifford are our Shared Beliefs. These are the principles that guide us every day, defining the culture of our firm.

### Partner

Co-owner of the firm.

### Promotion

Material change in size and complexity of role which we assess through independent industry benchmarking.

### Senior management

The most senior non-partner staff across firm. Typically Heads of Department or senior managers with significant responsibility.

### Sexual orientation

Orientation is an umbrella term describing a person's attraction to other people. This attraction may be sexual (sexual orientation) and/or romantic (romantic orientation). These terms refer to a person's sense of identity based on their attractions, or lack thereof.

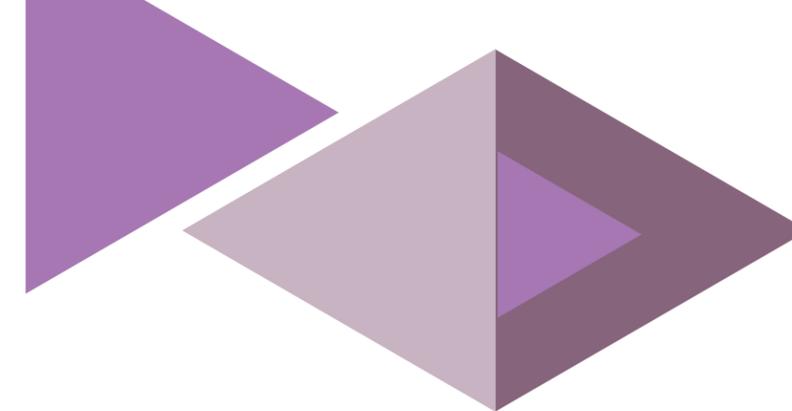
### Socio-economic background

Relates to a combination of an individual's income, occupation and social background.

### Trans

An umbrella term to describe people whose gender is not the same as, or does not sit comfortably with, the sex they were assigned at birth.

NB: This is not an exhaustive list and D&I terminology is continually evolving, so we accept that we haven't captured everything. Definitions relating to gender and ethnicity have been sourced from UK government and our specialist D&I partners.



[bailliegifford.com/diversityinclusion](https://bailliegifford.com/diversityinclusion)

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