

Summary

- Pension trustee boards in general are falling short in the diversity stakes, but a willingness to improve is evident.
- TPR is looking to lead by example with its recent *Equality, Diversity and Inclusion Strategy*, launched earlier this year.
- Pension providers across the board are setting the bar high with their D&I strategies, offering great examples that other providers and schemes can learn from.

Diversity: A helping hand

Understanding the importance of diversity is one thing, putting diversity into practice is another. Francesca Fabrizi speaks to some of the pension firms that are leading the way with their diversity and inclusion strategies, to assist those who are looking to learn from their peers

The importance of embedding diversity in the pensions arena – be that among the pensions workforce or on a board of trustees – is well versed. The benefits of having a diverse set of opinions are understood and the desire to build a more inclusive industry is apparent, with most pensions and investment players finally aware of why this is something that can no longer be ignored.

It's no secret, however, that the industry still has some way to go in terms of putting diversity into practice. Barnett Waddingham and Winmark's latest pension chair remuneration report, for example, found that increasing diversity is still a primary concern for trustee chairs, with 77 per cent of respondents believing that trustee boards were not diverse enough.

The majority claimed that trusteeship was falling short in terms of demographic criteria such as ethnicity (61 per cent) and age (57 per cent); while around half (47 per cent) agreed that trusteeship was not diverse enough in terms of gender.

On the plus side, however, 45 per cent said they would either consider (19 per cent), are already planning (15 per cent) or are implementing (11 per cent) a review of recruitment screening and

search processes, and a similar number (47 per cent) are already implementing or planning to implement a review of the language, style and methodology used in recruitment material in an effort to meet their diversity shortfalls.

"Although trustee boards have limited diversity across age, gender and ethnicity, the majority of trustee chairs are not unaware," Barnett Waddingham partner, Sonia Kataora, comments. "Nearly all specific steps schemes have taken to increase diversity seek to address the primary challenge of recruitment and many are already implementing methods in order to increase representation across all demographics."

It is also recognised that diversity in the boardroom should encompass experience, skills, backgrounds and perspectives, she says. "All of these, including demographics, will contribute to the quality and value of boardroom discussions and debate. In order to increase the diversity of applicants, trustee chairs need to review their application process to gain greater interest and engagement from a wider talent pool."

For those pension boards and employers that are looking to improve their diversity strategies, significant help

is at hand from across the industry, with The Pensions Regulator (TPR) itself even looking to lead by example in the diversity arena. Earlier this year, TPR published its *Equality, Diversity and Inclusion Strategy*, setting out how it will embed diversity and inclusion (D&I) throughout its organisation and support the community to do the same.

The strategy sets out a roadmap to ensure equality, diversity and inclusion are at the heart of TPR's work as a regulatory body. It sets new targets which aim to help TPR meet the aims of the strategy which are to be a fair, diverse and inclusive employer; to build a collective understanding of why pension inequalities occur and work in partnership with others seeking to reduce them; and to promote higher standards of equality, diversity and inclusion among TPR's regulated community.

"Now more than ever, organisations and employers are being called on to take a lead in bringing about a fairer and more inclusive society," says TPR chair, Sarah Smart.

"The status quo is not acceptable and it is crucial we continue to challenge



ourselves so that diversity and inclusion are not simply seen as desirable, but are embedded across everything we do.”

A new diversity charter was also launched last month by the Asset Owner Diversity Working Group, which aims to formalise a set of actions that asset owners can commit to improve diversity, in all forms, across the investment industry.

The charter has already received considerable backing from the broader industry, with asset owners and consultants representing some £1.08trn declaring their support.

Similarly, leading consultancies across the industry are setting out guidelines to assist schemes achieve better diversity.

“In 2020, there was a spike in news that demonstrated the need to think even more clearly about inclusion and diversity,” says Aon partner, Lynda Whitney. “At Aon, we worked as a team of pensions experts with diverse professional and personal backgrounds to think about how we could apply inclusive principles to day-to-day pensions work.”

Aon published a free guide, *Practical Diversity and Inclusion for Trustees*, to help the industry think about using an inclusion and diversity lens to improve in a wide range of areas. Whitney explains: “These include trustee decision-making, trustee board composition, member communications, scheme rules reviews, investment decisions and even setting actuarial factors. For example, the guide challenges you to use ‘paired scenarios’ to help keep biases in check. If you are looking at an ill-health case on the grounds of mental health, compare it with the paired scenario of a bad back. Are you applying the same approach?”

Aon has also been working with clients on trustee training, improving trustee recruitment material, D&I policy making, diverse skills assessment, and during day-to-day projects.

“I would challenge you to apply an inclusion lens the next time you are starting a big project for your scheme. You might be surprised at how many

impactful changes you can make cheaply and easily if they are included at the right stage of a project,” she adds.

Employers and pension boards alike can also learn considerable amounts from their peers when it comes to implementing diversity, with many already setting the bar high for the industry – be that by developing their own D&I strategies, hosting events, developing initiatives, or collaborating with other industry players. Pension providers, pension law firms and asset managers are just a handful of the providers leading the charge.

Travers Smith

Law firm Travers Smith, for example, winner of the Pensions Age Diversity Award 2021, has made creating a diverse and inclusive culture a key business priority for the firm. “Our commitment to practical action across the whole business is fully supported by our D&I Board, which provides engagement and sponsorship on D&I initiatives at the highest levels of management,” explains pensions partner, Andy Lewis.

Key initiatives delivered by the firm recently include: sponsoring and co-authoring, with the PLSA, the *Diversity and Inclusion: Made Simple Guide*, a first for the pensions industry; co-founding O:pen, the first cross-industry network for LGBTQ+ professionals and their allies in pensions; and developing a BAME allyship initiative to help accelerate BAME inclusion at the firm and the wider business community.

All this alongside increasing its focus on intersectionality within its seminar programmes; extensive contributions to industry D&I bodies including the Network Group for the All Party Parliamentary Group on Global LGBTQ+ Rights, the SPP sub-committee of Council on Diversity and Inclusion, TPR’s D&I Working Group and the PLSA’s Diversity External Advisory Board; partnering with LGBTQ+ charity, Just Like Us to launch an innovative mentoring scheme to provide LGBTQ+

graduates skills, confidence and support as they transition from university life to employment; and collaborating with RARE Recruitment in its graduate recruitment processes and becoming a signatory of its Race Fairness Commitment.

Sackers

Sackers is another pensions law firm that boasts a strong diversity track record. “We’ve had equal or greater participation of women at all levels for many years for instance, and currently almost 60 per cent of our partners are female,” says Sackers partner, Eleanor Daplyn.

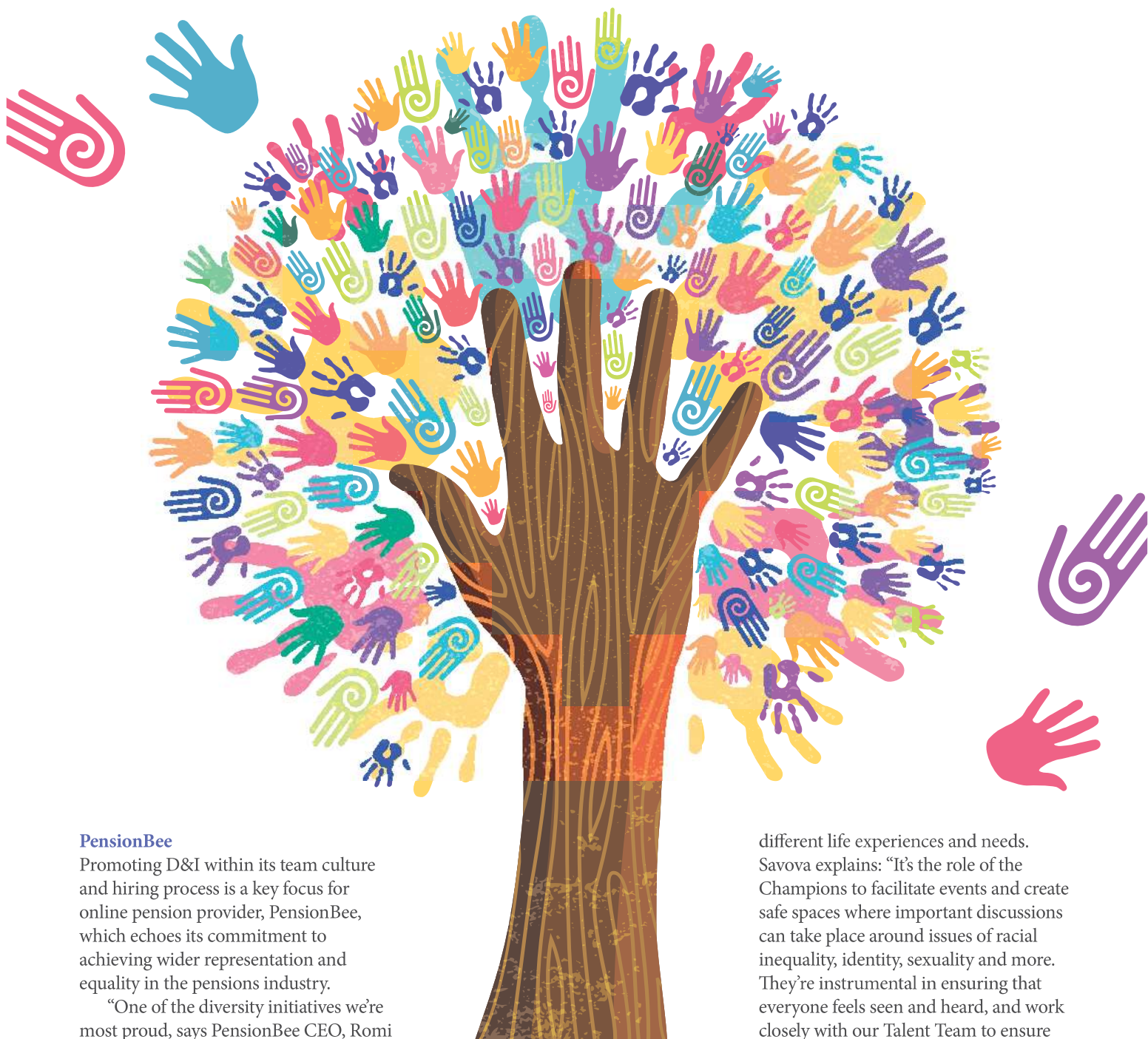
However, she continues, diversity and inclusion is an ongoing and evolving process and progress must never be taken for granted. “There’s no magic formula but we work hard to maintain and raise awareness, to have the right policies and processes in place and to work together as a firm to take positive action.”

Sackers’ D&I Committee is key here – formed of three partners, two members of the HR team, a member of support staff and three solicitors who are not partners, the group works on developing and implementing initiatives and keeping D&I at the forefront of the firm’s culture.

“For example, colleagues are encouraged to share experiences by way of blogs – one is from a male lawyer about his shared parental leave and another, a colleague’s experience using the Employee Assistance Program for help managing mental health,” she adds.

As a relatively small firm, explains Daplyn, Sackers is unable to take on trainee solicitors, making it difficult to take direct action to address the under-representation of ethnic minorities in the law. “We are always looking out for what we can do though – we participate in the Black Interns Matter programme, as well as being sponsors of the Law Society’s Diversity Access scheme, which provides LPC funding and work experience for students who have experienced barriers to entering the legal profession.”





PensionBee

Promoting D&I within its team culture and hiring process is a key focus for online pension provider, PensionBee, which echoes its commitment to achieving wider representation and equality in the pensions industry.

“One of the diversity initiatives we’re most proud, says PensionBee CEO, Romi Savova, is ‘The Program’: a two-year development program launched in 2018 to nurture our Customer Success Team, which consists of ‘BeeKeepers’ and ‘Nectar Collectors’.

“They’re on the frontline, liaising with our customers, looking after them and their pensions. ‘The Program’ aims to encourage people, who may not usually do so, to enter the pensions industry. Applicants don’t need previous

experience and we specifically advertise on jobs boards aimed at those starting their careers without attending university. We provide all of the learning tools required and heavily invest in training, so that all new team members start with the same understanding of the industry.”

PensionBee has also created a team of ‘Diversity Champions’, in acknowledgement that everyone has

different life experiences and needs. Savova explains: “It’s the role of the Champions to facilitate events and create safe spaces where important discussions can take place around issues of racial inequality, identity, sexuality and more. They’re instrumental in ensuring that everyone feels seen and heard, and work closely with our Talent Team to ensure the promotion of diversity across the business.”

Pantheon

From an asset management perspective, Pantheon has long been a leader in the private equity space on gender diversity. Forty-one per cent of its global staff are women, including 43 per cent of investment team heads. By way of comparison, according to a recent



BVCA study, the proportion of senior investment roles held by women at firms with >£100 million AUM was just 10 per cent. In regard to ethnic diversity, 33 per cent of its global staff are from non-white backgrounds.

Pantheon managing partner, Paul Ward, comments: “Of course, diversity statistics are just an output that is achieved by building an inclusive culture covering all aspects of working life, from the way a firm recruits to the broader support offered to colleagues. And we recognise that we are at the beginning of our journey, not the end.

“Earlier this year, we published a new inclusion and diversity report and policy, setting out our commitment to continuous progress. In particular, we set out three pillars to help us achieve our ambitions: Inclusive policies; a united culture; and progressive partnerships.”

Publishing a new policy was the first step to building up this first pillar, continues Ward: “In the coming two years, we will conduct a comprehensive review of all of our corporate policies, including benchmarking against industry best practice, to ensure we incorporate inclusive principles right across our firm.

“On the second pillar, creating a united culture, we have laid a strong foundation by developing a wide range of events, as well as sharing a range of education resources and championing mental health awareness initiatives during the pandemic.”

As for partnerships, Pantheon has formed relationships with a wide range of organisations promoting and championing inclusion in a wide variety of ways, including signing up to the 100 Black Interns project, becoming a member of LGBTQ+ support network Out Investors, and partnering with the Diversity Project in the UK.

“It is through the work with our partnerships that we aim to improve the ‘pool of candidates’ that we can hire from – and to help other companies do the same.”

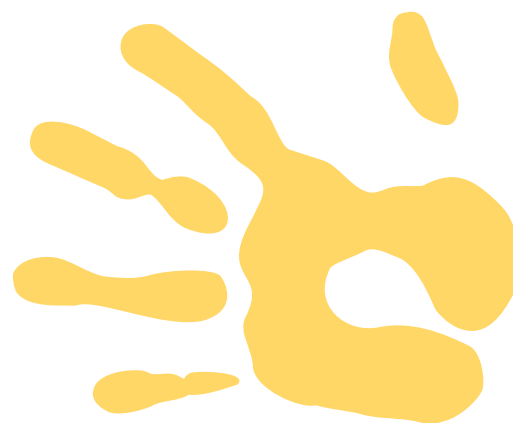
T. Rowe Price

Investment management company, T. Rowe Price, similarly has a key focus on collaboration and inclusion, explains head of UK & Ireland institutional, Tammy McPherson, to ensure that its employees feel appreciated and respected. “In a survey of our workforce in April 2020, 88 per cent of employees were satisfied with the way T. Rowe Price had responded to their needs during the pandemic and 82 per cent felt that the firm took a genuine interest in their well-being.

“Our diversity, equity and inclusion roadmap is shaped based on our diversity dialogues. These discussions provide a safe space for our Black, Asian, and Minority Ethnic associates to share their experiences in and outside the workplace. Across the firm, over 1,600 associates have participated.”

Externally, T. Rowe Price is also committed to several initiatives. For example, the 100 Black Interns program and the upReach Investment Springboard work experience and mentoring programs for underrepresented undergraduate communities. The firm also partners with the East London Business Alliance who help source local talent for apprenticeships from communities that are among the most deprived local authorities in England.

“We have made progress on diversity, equity and inclusion efforts, particularly in attracting and retaining diverse associates and fostering an inclusive culture for all. We are proud to be a registered Stonewall Diversity Champion and were named as one of Best Places to Work for LGBTQ Equality 2021 by the Human Rights Campaign. We will also continue our aim of bringing together women from across the industry to help them expand their network and support each other during their careers. We have set a goal that, by 2025, females compose 45 per cent of our global associate population and hold 30 per cent of our senior roles globally.”



XPS Pensions Group

XPS Pensions Group is another pensions firm committed to diversity and inclusion which, says XPS pensions group partner, Charlotte West, supports staff in ensuring they feel they belong, have a voice, are valued and can be their true selves at work.

“Our strategy focuses on six key areas: gender, race, sexual orientation, disability, menopause, and health and well-being.

“We have a separate strategy in each of the areas and look to embed our approach across everything we do. When recruiting, we advertise every possible role with flexible terms and gender-neutral language. For new joiners, we have a suite of information and support to help employees feel they belong.”

To help the firm develop the right strategies, XPS has a Diversity and Inclusion Group, an Employee Engagement Group, a supportive HR team, and a wide range of staff networks including its Women’s, LGBTQ+, Menopause and Mental Health Allies networks. These groups help ensure that all staff have a voice to help improve policies, procedures, processes and culture within XPS.

“At XPS, it is the responsibility of every employee to support diversity and inclusion, with a focus on all leaders and managers being positive role models. This is evidenced by a combination of communication, involvement in internal campaigns and showcasing the behaviours expected,” concludes West.

Written by Francesca Fabrizi