

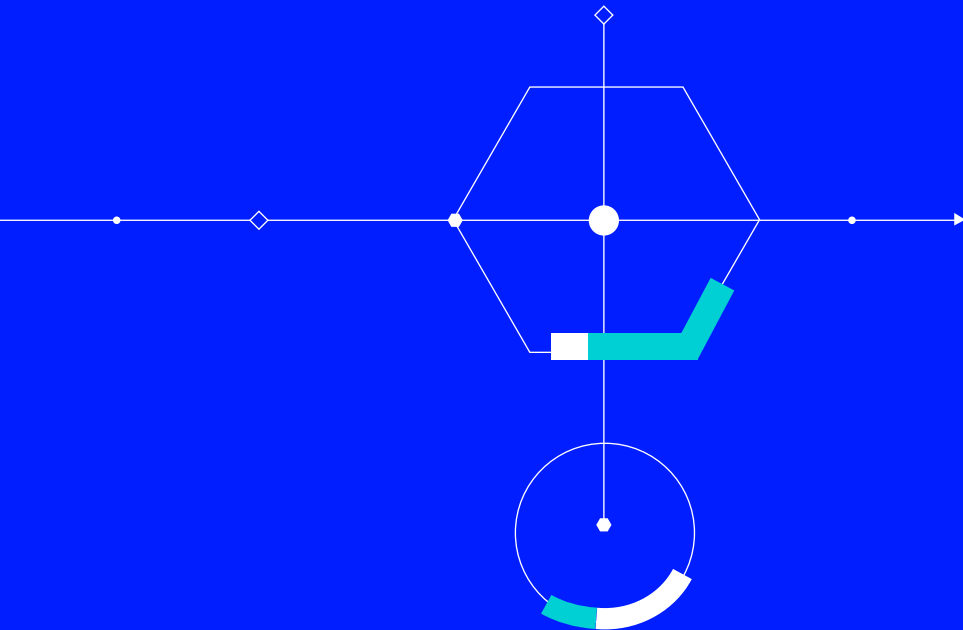
A man and a woman in business attire are looking at a laptop in a meeting. The man is wearing glasses and a white shirt with a tie. The woman is smiling and wearing a dark blazer over a light blue shirt. They are sitting at a table with a laptop and a small potted plant. The background is blurred, showing other people in a meeting.

THE GENDER PAY GAP AND YOUR INVESTMENT STRATEGIES

An LSEG Business

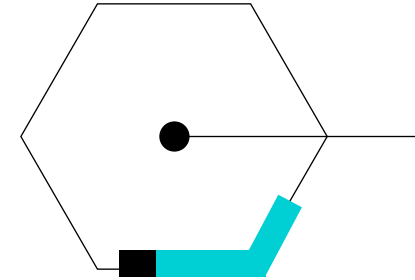
REFINITIV[®]


CONTENTS



Foreward	3
Why the gender pay gap is important	4
Data disclosure	5
Portfolio analysis	6
• FTSE All-World View	7
• FTSE Asia Pacific View	8
• FTSE Europe View	9
• FTSE North America View	10
• FTSE Developed View	11
• Portfolio Analytics – Equality	12
ESG Data and Solutions	13

FOREWORD



In 2018, U.S.-based women who were full-time wage and salary workers had median weekly earnings of \$789. That was 81.1 percent of the \$973 median for men who were full-time wage and salary workers, according to the U.S. Bureau of Labor Statistics.

Women had lower median weekly earnings than men in most of the occupations for which the bureau has earnings data for both women and men.

The gender pay gap has been a persistent issue in the labor market over the decades. In 1979, the first year for which comparable earnings data are available, women's median earnings were 62 percent of men's, according to the bureau.

Most of the growth in women's earnings, compared with men's, occurred in the 1980s and 1990s. However, since 2004, the women's-to-men's earnings ratio has remained in the 80 to 83 percent range, the bureau reported.

Corporations are taking note as society places an increased focus on inequalities. Sixty percent of U.S. organizations are working to resolve pay inequities based on gender, race or other demographic factors, and most organizations that are not yet taking action are considering doing so, according to a 2019 survey from human resources association WorldatWork and consultants Korn Ferry.

It is not only an internal subject for a company; investors are increasingly looking at incorporating environmental, social and governance (ESG) metrics into their strategies, in areas such as sustainability, diversity and gender equality.

WHY THE GENDER PAY GAP IS IMPORTANT

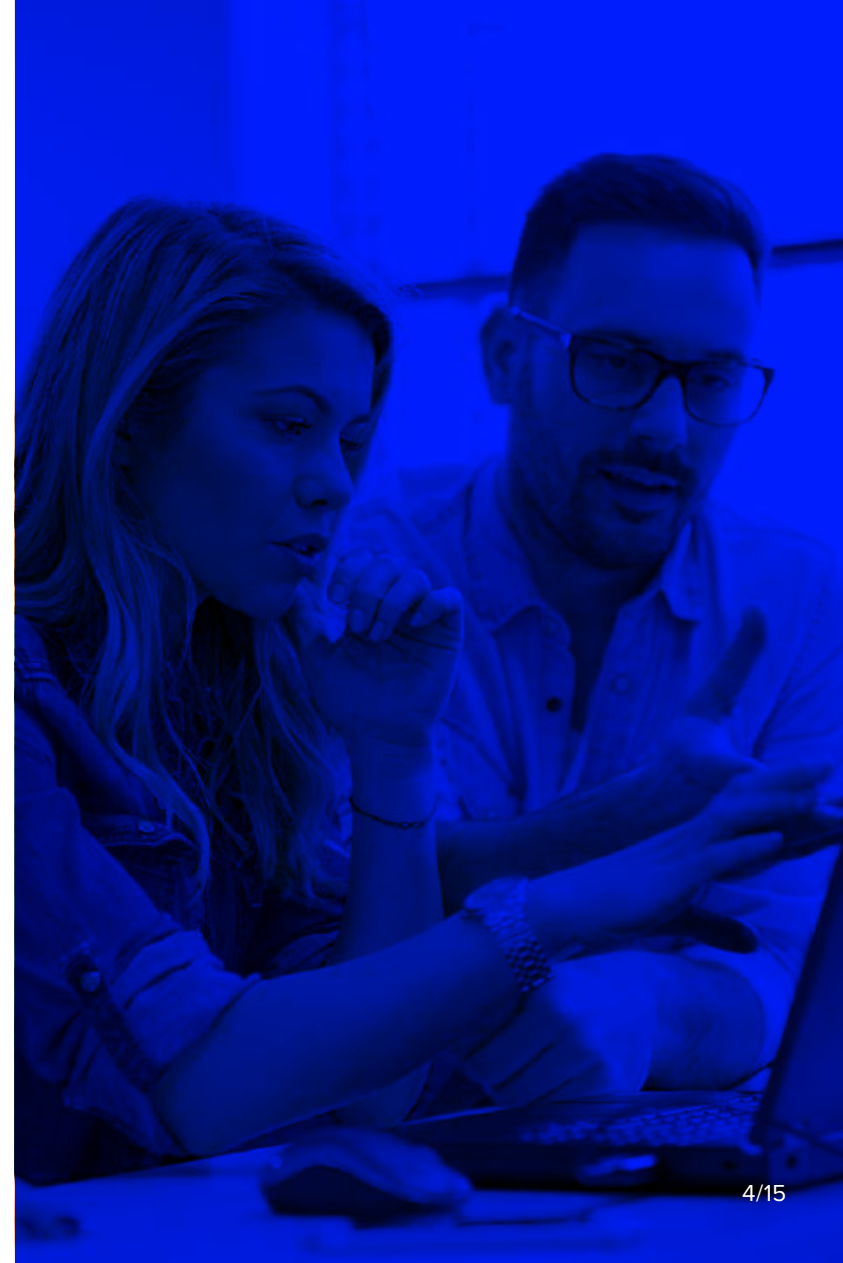
It is important for a company to address a gender pay gap for several reasons:

- In some societies, equal pay is the law
- Lower pay for women affects pension contributions and financial issues later in life
- Professional performance and relationships might be affected
- Employee churn rates may be higher

Companies should also disclose their efforts to close a gender wage gap. Such action demonstrates corporate values of fairness and equality and increases the likelihood the company will attract a diverse and talented workforce. Further, it increases the chance

the workforce will work efficiently together and dissipates the risk of legal action on equal pay/discrimination claims.

“Full transparency on compensation topics and a stronger employee understanding of an organization’s compensation philosophy and processes cultivate greater trust and a sense of fairness. A workforce that trusts its leaders and feels fairly treated is more committed and motivated to deliver results,” said WorldatWork CEO Scott Cawood, quoted in an article on the survey from the [Society for Human Resource Management](#).



DATA DISCLOSURE

The good news is that more companies are reporting gender pay gaps, due to pressure from investors and customers, government regulation or efforts to improve their ESG scores.

The UK has made it mandatory to report gender pay gaps. Despite a slight delay due to the global pandemic, we should be seeing more gender pay gap disclosure from UK firms by October.

The Refinitiv® ESG database shows that company disclosure continues to rise.

The gender pay gap metric was added to the Refinitiv ESG database a few years ago and our recent analysis shows that companies with no gender pay gap outperform companies with pay gaps between male and female employees.

Gender Pay Gap Disclosure

	Last Fiscal Year*	Previous Fiscal Year	Fiscal Year minus 2	Fiscal Year minus 3
Refinitiv ESG database	748	678	454	55
FTSE All-World	441	384	267	22
FTSE Asia Pac	148	102	64	9
FTSE Europe	142	151	124	11
FTSE North America	79	77	53	0
FTSE Developed	272	262	197	16
FTSE 100	59	73	67	8

*Numbers will update as companies continue to release CSR reports, etc.



PORTFOLIO ANALYSIS

We took several FTSE Russell Indices as a basis for our portfolio analytics:

- FTSE All-World
- FTSE Asia Pacific
- FTSE Europe
- FTSE North America
- FTSE Developed

To create our portfolios, we pulled the gender pay gap percentage for all five indices, then sorted the initial universe to filter for companies with a negative pay gap for women (where women get paid less than 100% of male counterparts) and companies that report no gender pay gap. This resulted in five portfolios with five benchmarks (all equal weighted).

Portfolio	Benchmark
All companies with no gender pay gap in FTSE All-World	All companies with a negative pay gap for women FTSE All-World
All companies with no gender pay gap in FTSE Asia Pacific	All companies with a negative pay gap for women FTSE Asia Pacific
All companies with no gender pay gap in FTSE Europe	All companies with a negative pay gap for women FTSE Europe
All companies with no gender pay gap in FTSE North America	All companies with a negative pay gap for women FTSE North America
All companies with no gender pay gap in FTSE Developed	All companies with a negative pay gap for women FTSE Developed

Across the board, we found outperformance for our portfolios against their benchmarks, with a good spread between the two.



FTSE ALL-WORLD VIEW

The FTSE All-World portfolio has a **58.16%** spread – analysis based on 01/01/2016 – 02/27/2021.

FTSE All-World No Gender Pay Gap Portfolio Cumulative Returns

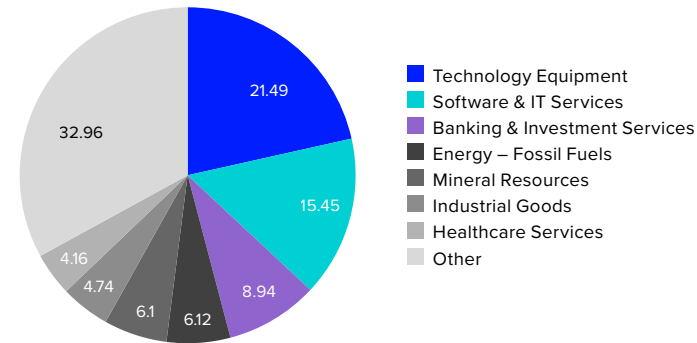


- FTSE All-World – No Gender Pay Gap – Equal Weight Portfolio
- FTSE All-World – Under 100% Gender Pay Gap – Equal Weight Benchmark

Source: Refinitiv ESG Data

When we look at the industries in our “No gender pay gap” portfolio, we can see two standout industries, Technology Equipment and Software & IT Services.

FTSE All-World No Gender Pay Gap Portfolio TRBC Business Sector Breakdown



Source: Refinitiv ESG Data



FTSE ASIA PACIFIC VIEW

The FTSE Asia Pacific portfolio has a **55.10%** spread – analysis based on 01/01/2016 – 02/27/2021.

FTSE Asia Pacific No Gender Pay Gap Portfolio Cumulative Returns

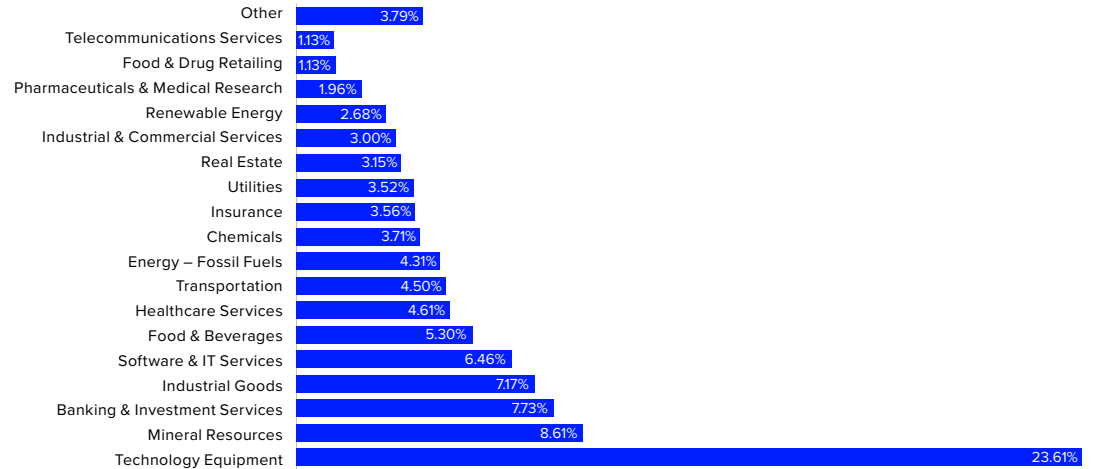


■ FTSE Asia Pacific – No Gender Pay Gap – Equal Weight Portfolio
 ■ FTSE Asia Pacific – Under 100% Gender Pay Gap – Equal Weight Benchmark

Source: Refinitiv ESG Data

When we look at the industry breakdown in our “No gender pay gap” portfolio, we can see that the standout industry is Technology Equipment.

FTSE Asia Pacific No Gender Pay Gap Portfolio TRBC Business Sector Breakdown



Source: Refinitiv ESG Data



FTSE EUROPE VIEW

The FTSE Europe portfolio has a **33.43%** spread – analysis based on 01/01/2016 – 27/02/2021

FTSE Europe No Gender Pay Gap Portfolio Cumulative Returns

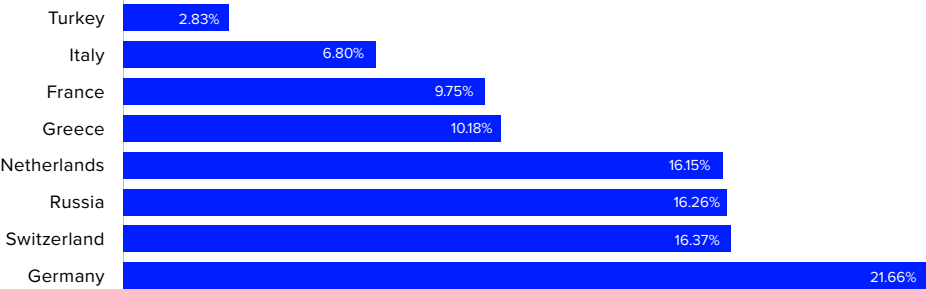


■ FTSE Europe – No Gender Pay Gap – Equal Weight Portfolio
■ FTSE Europe – Under 100% Gender Pay Gap – Equal Weight Benchmark

Source: Refinitiv ESG Data

When we look at the constituents in our “No gender pay gap” portfolio we can see Germany has the most securities in the portfolio (21.66%), followed by Switzerland, Russia and the Netherlands.

FTSE Europe No Gender Pay Gap Portfolio Country Breakdown



Source: Refinitiv ESG Data



FTSE NORTH AMERICA VIEW



The FTSE North America portfolio has a **135.92%** spread – analysis based on 01/01/2016 – 02/27/2021.

FTSE North America No Gender Pay Gap Portfolio Cumulative Returns

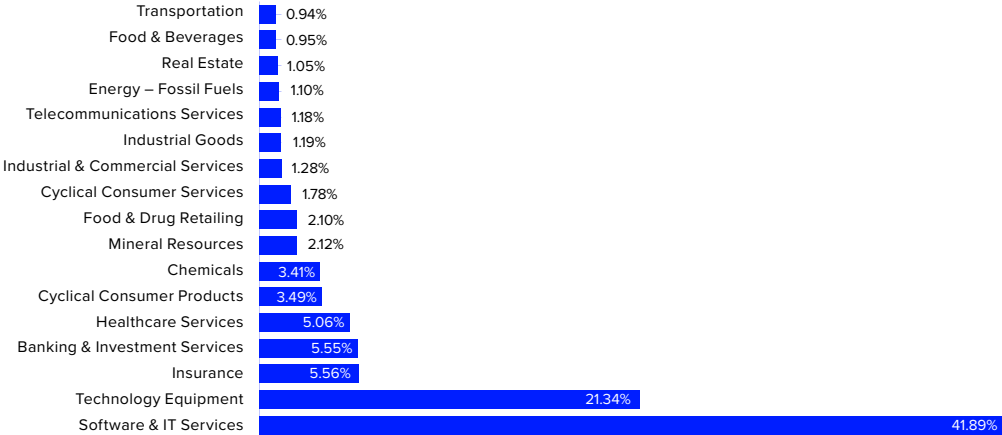


■ FTSE North America – No Gender Pay Gap – Equal Weight Portfolio
 ■ FTSE North America – Under 100% Gender Pay Gap – Equal Weight Benchmark

Source: Refinitiv ESG Data

When we look at the industries breakdown in our “No gender pay gap” portfolio, we can see two stand-out industries, Software & IT Services (41.89%) and Technology Equipment (21.34%) – just as we saw in the FTSE All-World portfolio.

FTSE North America No Gender Pay Gap Portfolio TRBC Business Sector Breakdown



Source: Refinitiv ESG Data



FTSE DEVELOPED VIEW

The FTSE Developed portfolio has a **65.41%** spread – analysis based on 01/01/2016 – 02/27/2021.

FTSE Developed No Gender Pay Gap Portfolio Cumulative Returns



- FTSE Developed – No Gender Pay Gap – Equal Weight Portfolio
- FTSE Developed – Under 100% Gender Pay Gap – Equal Weight Benchmark

Source: Refinitiv ESG Data

When we look at the Inclusion Score of the 'No gender pay gap' portfolio we can see the portfolio has a higher inclusion score than the portfolio with a gender pay gap.

FTSE Developed No Gender Pay Gap Portfolio Inclusion Score

Difference

9.46%

FTSE Developed – Under 100% Gender Pay Gap – Equal Weight Benchmark

34.79%

FTSE Developed – No Gender Pay Gap – Equal Weight Portfolio

44.26%

Source: Refinitiv ESG Data



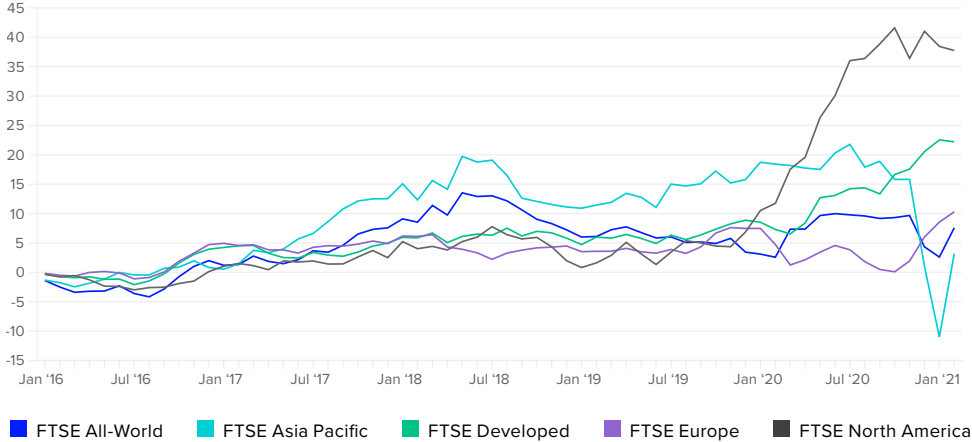
PORTFOLIO ANALYTICS – EQUALITY

Within the FTSE indices, we found several constituents who disclosed a positive gender pay gap towards women. With this small sample, we compared the portfolios with no gender pay gap against the portfolio of companies with a positive female pay gap (where women get paid more than 100% of male counterparts). Our results speak to the role of equality, with all “no gender pay gap” portfolios outperforming those with a disparity in pay between genders.



Our analysis used the gender pay gap metric in a simple way. Our ESG data can be used in a number of ways to help you assess risks and opportunities in your investments.

FTSE No Gender Pay Gap Portfolios vs. Positive Female Gender Pay Gap Benchmark
Benchmark Used as Base

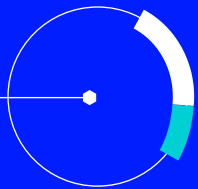


Source: Refinitiv ESG Data

ESG DATA AND SOLUTIONS



At Refinitiv, we strive to be the trusted and preferred partner for environmental, social and governance (ESG) data and solutions, and are committed to bringing to the market an array of best-in-class data, analytics and fully integrated workflow solutions.



REFINITIV ESG DATA

We understand the increasingly critical need for ESG information, and the solutions we offer enable customers to act with confidence on consistently captured and standardized, transparent information and insights.

We have deep domain expertise and have been providing ESG solutions to the financial industry since the early 2000s. Designed to help you make sound, sustainable investment decisions, our ESG data covers 80% of global market cap and over 450 metrics.

Our ESG data is available through Refinitiv® Eikon®, Excel® add-in, Refinitiv® Datastream®, Refinitiv® Datastream Data Loader (DDL), Refinitiv® Quantitative Analytics and the Refinitiv Data Platform Cloud API.

For more information, visit us online at refinitiv.com/esg

REFINITIV® DIVERSITY AND INCLUSION INDEX

Powered by our ESG data, the Refinitiv Diversity and Inclusion Index is designed to measure the relative performance of companies against factors that define diverse and inclusive workplaces.

Available through Eikon and via Refinitiv Knowledge Direct feed, our Diversity and Inclusion Index ranks 9,000 companies globally and identifies the top 100 publicly traded companies with the most diverse and inclusive workplaces, as measured by 24 separate metrics across four key pillars.

Discover more about the index at refinitiv.com/diversity.

FTSE RUSSELL INDICES

The FTSE Women on Boards Leadership Index Series is designed to integrate leadership in gender diversity into a broad market benchmark. These indexes increase exposure to companies based on the strength of their diversity leadership at the board level and how well they manage wider impacts on society. This is achieved by the use of a tilt (or stock weight adjustment) to integrate gender diversity and social impact.

The FTSE Women on Boards Leadership Indexes can be used to assist in the integration of gender diversity and social impact into a diversified investment strategy. These indexes also provide a strong basis for corporate engagement by highlighting those companies that demonstrate leadership in these two areas. Thus, the FTSE Women on Boards Leadership Index Series contributes to the gender diversity movement to promote awareness and improve inclusive environments at all levels.

Learn more at ftserussell.com/products/indices/women-on-boards or read the [blog](#).



Visit refinitiv.com |



@Refinitiv



Refinitiv

Refinitiv, an LSEG (London Stock Exchange Group) business, is one of the world's largest providers of financial markets data and infrastructure. With \$6.25 billion in revenue, over 40,000 customers and 400,000 end users across 190 countries, Refinitiv is powering participants across the global financial marketplace. We provide information, insights and technology that enable customers to execute critical investing, trading and risk decisions with confidence. By combining a unique open platform with best-in-class data and expertise, we connect people to choice and opportunity – driving performance, innovation and growth for our customers and partners.

An LSEG Business

RE1360003/3-21

REFINITIV®
