

SKAGEN 2020

Diversity and Inclusion Report

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(Equality and Anti-Discrimination Act §26 a-d)

At SKAGEN, we strive to be a diverse and inclusive company since we are convinced that this will lead to long-term business success. Embracing diversity and inclusivity will allow us to better understand our client base and provide excellent and holistic client service and follow-up. It will also enable us to create multi-talented, highly motivated teams and improve our decision making by incorporating a broader range of viewpoints and reducing our individual blind spots and biases. In SKAGEN we consider diversity and inclusion to be an opportunity rather than a challenge.

Yet, investing in diversity and inclusion is more than just a good business strategy: it is simply the right thing to do. The challenges of inequality and exclusion continue to exist in many aspects of our daily lives and society. We will only be able to overcome them if we all contribute, both as individuals and as organisations.

SKAGEN's vision is to provide clients with the best possible risk-adjusted return, service and follow-up, and to fulfil this vision we need to have the full support of our employees. If we want to be a successful and credible driver of positive change, we need to take a holistic approach and address our core stakeholder groups in a consistent way. We are therefore focusing our efforts within diversity and inclusion on the following groups: leadership, employees, partners. With this report for 2020 we are able to share a snapshot of where we are as a company right now and the progress we've made so far with our work.

It is a known fact that, within the financial sector that SKAGEN is a part of, gender equality has long been under scrutiny. Research shows repeatedly that there is still a real gender gap in this industry, with many complex – and often contradictory – explanations as to why this is the case. We are proud to report that SKAGEN in many areas is ahead of the industry with regards gender equality. This leading position has been recognised by the independent reviewer, She-Index, see more below. Gender and diversity has been a focus area for SKAGEN during 2020, with many actions and efforts made to raise awareness and mitigate inequality, as described below.

While transformation takes time, and we are clearly still in the early stages of our work in this area, our progress so far indicates that we are definitely moving in the right direction. We have a long-term commitment to promoting diversity and inclusion in the workplace. We will continue to listen and learn in order to understand where we can do better, and we encourage all our employees to get involved, make themselves heard and collaborate with us.

In SKAGEN several groups are involved in the work on gender equality and discrimination including HR, the management team, the Working Environment Committee and the Corporate sustainability group.

Current state of gender equality

Statistics for 2020:

Gender Distribution:

		Percentage women
Gender representation	Leader group	43%
	Board	50%
	Board with deputies	56%
	Board: election committee	66%
	All employees	35%

Salary mapping

The data for 2020 (see table below) shows that on a company level women earn 80 % of men's salary overall. However, if we look closer at these numbers, we find that when comparing similar roles, competency and experience levels the gap closes to between 97-100%. The contributing factor to the unadjusted 20% difference is the impact on a small organisation (<100) of an over representation of male managing directors internationally and male portfolio managers.

Seniority and tenure are also factors which contribute to the pay gap statistics. Fixed salary and profit-split remuneration is annually evaluated for gender, seniority and other biases by the HR-department and leader group, and the aim is to mitigate and minimise any real pay discrepancy based on gender alone.

		Norway only	All offices
Remuneration	Gender pay gap: leader group	98%	98%
	Gender pay gap: all employees (uncontrolled)	88%	80%
	Gender pay gap: employees (excluding PMs and LG and MD) (uncontrolled)	90%	90%
	Gender pay gap: controlled (mean salary for men and women with the same job and qualifications)	97%-100% * due to sample size, there are diff in tenure and experience	97%-100% * due to sample size, there are diff in tenure and experience

Part-time employees and temporary employment:

We have one employee working voluntarily part-time, and we had no employees on temporary contracts in 2020.

Parental leave:

There were 5 men on parental leave in 2020 and no women.

Efforts and implementations to fulfil the duty to act

UN Global Compact

In 2020 SKAGEN became a signatory of the world's largest corporate sustainability initiative, the UN Global Compact. One of the UN's Sustainable Development Goals (SDG) we have chosen to focus on is no. 5, Gender Equality. In addition to gender we broadened the scope to also include diversity and equal opportunities.

SKAGEN's goal is to have a clear gender and diversity strategy in the future. Communicating this strategy to our stakeholders is something we take seriously. SKAGEN wants to be a great place to work, for all employees, and acknowledges that our company is responsible for ensuring that this strategy is deeply rooted in the organisation.

SHE Index

SKAGEN has long prioritised equality, and we are delighted that our targeted efforts have been recognised. In 2020 we participated in the Norwegian She-Index which is a Norwegian gender equality initiative organised by EY. SKAGEN scored 87 out of 100 possible points and was ranked number 12 of the 129 organisations that participated in the 2020 evaluation. SKAGEN also scored well compared to other companies in the banking and capital markets sector of the SHE Index, where the average score was 67 points.

The SHE Index has two focus areas for evaluation. 60% of the score is based on the diversity and inclusion UN Global Compact numbers that represent the current state of gender balance within the company. The remaining 40% of the score reflects the initiatives that the company has put in place to increase gender equality and embed diversity and inclusion in the corporate culture. Whilst we are happy with the good scores that we have received, SKAGEN acknowledges that there is still room for improvement, and we will work purposefully towards an even better result going forwards.

50/50

In 2020 SKAGEN also signed up to 50/50, a local initiative launched in connection with the Norwegian Chamber of Commerce in Stavanger. This program provides businesses with the tools and guidelines to strategically work towards a more diverse workforce. As a signatory, SKAGEN will commit to reporting on a list of criteria demonstrating progress and openness in terms of diversity. The aim of the program is to increase gender equality and to reach a minimum 40% gender balance in top management positions and in the Board of Directors.

Development and learning

For our internal SKAGEN School in September, we invited Marie Louise Sunde, founder and author of #shegotthis to talk about our unconscious biases and how to overcome them. All employees were challenged on their preconceptions, and this is something SKAGEN will continue to work on, also as a part of the aforementioned Diversity, Equality and Inclusion-strategy.

Equality Check

Another initiative in 2020 was SKAGEN's registration with Equality Check. Equality Check is a platform where employees can leave anonymous reviews regarding equal opportunity, workplace culture, work/life balance, the management's commitment to diversity and other issues. Equality Check's mission is to catalyse equal opportunities for everyone through transparency and accountability. We will use the input from the platform to improve our work in this area.

SKAGEN DK + Female Invest

With SKAGEN's focus on helping to close the gender gap in finance, combined with an increased number of women showing an active interest in investing and saving, a partnership between SKAGEN and Female Invest in Denmark seemed almost inevitable. And in 2020 it became a reality!

Female Invest is the largest online universe in Northern Europe centred around investing and personal finance targeted at women, with the ultimate goal of creating financial equality. By offering webinars, courses and articles, Female Invest has helped more than 25,000 women take their first steps into the world of investing. SKAGEN's Danish office aims to reach out to more female clients and pave the way towards financial equality between the genders through sponsored posts, webinars and other initiatives. Female Invest has recently launched in the United Kingdom as well.

Peakon – employee engagement survey

SKAGEN runs a monthly employee engagement survey (Peakon). In 2020 we added a question about diversity, inclusion and discrimination to elicit anonymous feedback from employees. So far there has been little concrete feedback to work with, but in 2021 Peakon will launch a new dashboard for Diversity & Inclusion. We are optimistic that this will provide us with more relevant data and input to work with and follow up on.

Recruitment

When it comes to recruitment, we have had an increased focus on content and design when writing job advertisements, with the goal of reaching a more diversified applicant pool. We have had few recruitment processes in 2020, but have placed a lot of focus and awareness on DE&I in the few processes that we have had. We have spent time on re-writing job descriptions so that they appeal to applicants who traditionally do not apply for positions in our industry. This was clearly successful, and the initiative led to applicants with slightly different backgrounds than we have received in the past. We look forward to working more with this in the future.

We have specifically encouraged women to apply for positions in departments where we have a high representation of men but have as yet to see the result of this measure.

English as our working language

In SKAGEN we use English as our working language. With employees from many different countries and also offices in other markets (Sweden, Denmark, UK, Germany), the use of a unifying language enables us to integrate all employees and facilitate inclusion within the organisation.

Diversity, Equity and Inclusion strategy

As a part of recognising that SKAGEN and the finance industry still has room for improvement, SKAGEN has started to develop a dedicated strategy and report on diversity, equality and inclusion (DE&I).

This strategy will outline how SKAGEN plans to approach and increase awareness around DE&I, how to leverage diversity and how to further develop a culture of belonging and inclusion throughout the employee experience cycle.

We will continue working steadily to ensure that SKAGEN is, and remains, an exciting, welcoming and rewarding workplace regardless of background, race, religion or sexuality.

The final DE&I strategy will be finalised in 2021.