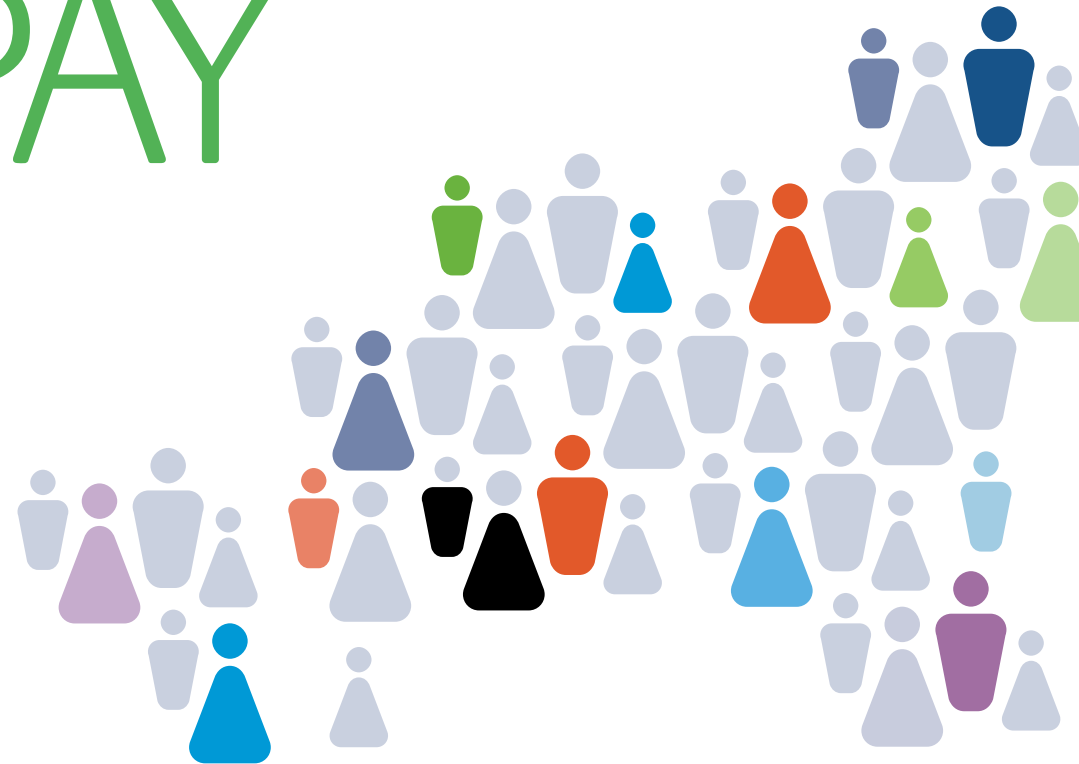


First State Investments

2018-2019 GENDER PAY REPORT



Diverse perspectives are critical to our long term success



We believe that a diverse workforce is key for the ongoing development and success of First State Investments. Diversity of thought underpins our culture and values as an organisation. We remain committed to attracting, retaining and developing individuals who bring a wide range of perspectives to encourage new and different ways of thinking, challenge each other as well as the established status quo.

Gender diversity is an integral part of our business strategy and while we are pleased we are moving in the right direction with a narrowing gender pay gap, gender diversity remains a key priority.

We also believe other aspects of diversity – social background, disability, age, religion, sexual orientation, cognitive, and ethnicity for example - to be important in ensuring we have a broad range of skills, experiences and perspectives within our organisation. Achieving greater diversity across different areas and levels of our business is arguably even more important if we are to remain true to our values of responsible investment and stewardship.

In April 2017, the UK Government introduced legislation that requires UK organisations with more than 250 employees to publish gender pay analysis. This report discloses the gender pay figures for the First State Investments business based in the UK, as this legislation is a specific UK requirement. It also provides some additional data for our UK employee base, aligned to information that we have previously provided on a global basis in our annual Responsible Investment and Stewardship Report.

The asset management industry continues to face challenges relating to the underrepresentation of women, particularly at senior levels and in senior investment management roles. We acknowledge that it will take time to bring about sustainable change within our business and we are committed to making this a priority.

Our reported data has remained broadly stable when compared to previous years. We are pleased with the Year-on-Year percentage increase in women in management and executive committee roles as well as the increase in women in senior professional and client facing roles. This progress underscores our commitment to achieving gender parity at all levels across the organisation.

Whilst there has been improvements in some areas over the last 12 months and we are encouraged by the incremental progress made, we acknowledge there remains considerable work to be done across all areas of our business. We are confident that we are taking the necessary action alongside the commitments of our industry to bring about meaningful change.

The difference between ‘equal pay’ and ‘gender pay’

Equal pay refers to paying men and women the same for doing similar work or work of equivalent value.

From an equal pay perspective, we are confident that gender is not a factor in determining pay.

Gender pay measurement compares the average pay by gender of all roles collectively, regardless of level or type.

Our diversity and inclusion commitments

We are committed to achieving meaningful change over time and a reduction in the gender pay gap. Creating an inclusive environment, where individuals feel that they can be themselves and reach their full potential is essential for our business, both to achieve increased levels of diversity and ultimately long-term success for our clients.

Recruitment and Onboarding

We require gender-balanced shortlists for all recruitment. All interview panels must comprise at least one female employee. New starters and hiring managers joining our businesses are made aware of our Diversity and Inclusion commitment through the recruitment and onboarding process to ensure that they understand our culture and are able to effectively contribute to it.

Remuneration review process

An integral part of our annual remuneration governance process includes reviewing decisions both in relation to base and bonus pay through the lens of gender equity with approvals dependent on demonstrated equitable outcomes.

Support for parents

We recognise the important role parents play in our society and the particular needs they have in starting or growing their family. We endeavour to support our employees and their parental responsibilities by offering a parental leave programme that is gender neutral.

A parental coaching programme is on offer for both primary and secondary carers; this aims to support return to work, managing a career as a working parent and the balance between work and home life. To complement our internal initiatives, we are corporate members of Cityparents, an inclusive network for City professionals in London who are looking to balance career and home caring responsibilities, achieving flexibility whilst maintaining career development.

Flexible working

The way in which we consider and approach flexible working is an important factor in demonstrating our commitment to diversity and creating an inclusive culture. People at First State Investments are valued on the contribution they make to our business. From our own experience, a strong flexible working culture can be an important factor in retaining and attracting individuals into roles at all levels. Flexible working options are on offer to all employees although the percentage take up at this stage is weighted to female employees. Flexible working is not seen as a barrier to recruitment to senior positions or progression to senior roles. We offer flexible working arrangements such as part-time employment, regular working from home days and flexible working hours. Ad hoc flexibility is considered usual business practice.

Unconscious bias training

We offer unconscious bias training for UK employees and will continue to roll this out to staff. This training can help to make people aware of the biases that they may hold without realising the unintended impacts these may have on working relationships and the career development of others. This not only considers biases from a gender perspective, but also addresses ethnicity, sexual orientation, age, disability, cognitive, social background and other factors.

Industry Collaboration

We are members of the CFA Experimental Partners programme. This is an initiative across the investment management sector, collaborating

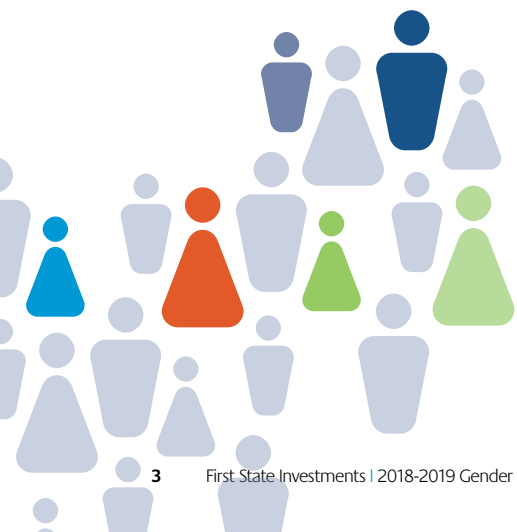
together to improve the diversity and inclusion of the industry. As part of the programme's membership, we have committed to improving our firm's communication, bias awareness, and outreach programmes.

As investors

We encourage the companies we invest in on behalf of our clients to achieve greater gender diversity, increase the quality of decision-making and deliver sustainable and attractive long-term investment returns. It is for all the same reasons that First State takes the current gender imbalance seriously and continues to try to tackle it. We actively seek companies that we believe will deliver superior long-term performance for our clients and believe that greater diversity is an important factor in companies' corporate decision-making and long-term success.

Board representation

We are committed to a more balanced gender representation on our internal boards and to increase the number of women who are appointed. In 2019, we increased the board representation in the UK to 17%. This reinforces our focus on bringing a broader range of perspectives and different ways of thinking to our organisation at multiple levels. By becoming a board member, female employees obtain additional senior level experience, which supports our wider objective of increasing the number of women in senior leadership positions.



Gender pay analysis for First State Investments

In the context of gender pay measurement there continues to be notable differences in the overall average pay for men and women. We know these differences stem from the overall structure of our industry and of our organisation:

- We have fewer women in senior leadership positions and in senior investment management roles, both of which offer higher than average pay packages. Our gender breakdown figures that follow our pay analysis illustrate this point.
- We have more women in part-time roles, which causes the average for women's bonus pay to be lower than men's average pay (the statistics provided are based on actual bonus pay, rather than full time equivalent bonus pay).
- Remuneration packages for those in senior management and investment roles may also include a proportion of longer-term or deferred pay. Therefore in any one year, statistics will include pay that has been agreed and awarded up to three years previously.

Base remuneration and bonus pay

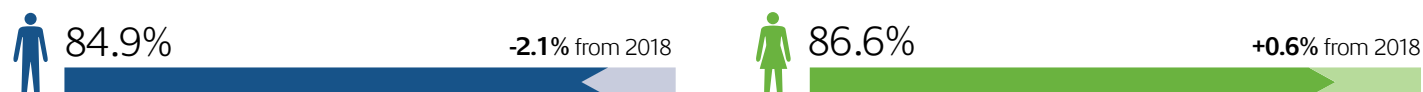
Difference in base pay between male and female employees (based on hourly pay)



Difference in bonus pay between male and female employees

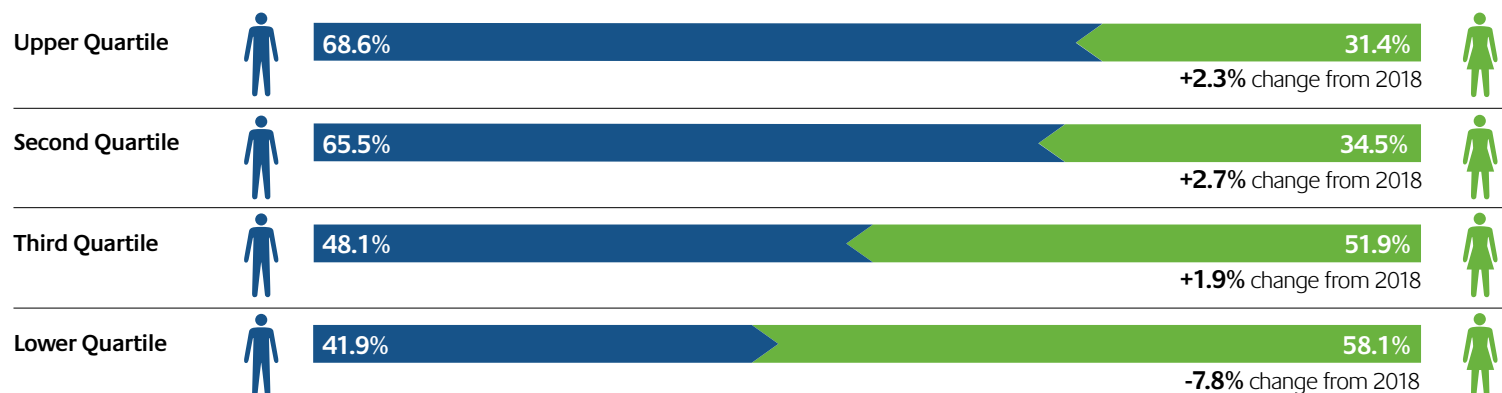


Percentage of male and female employees who received a bonus



Quartile bands according to base pay

The table below shows the proportion of males and females in quartile bands according to base pay, with upper quartile representing the highest paid and lower quartile being the lowest paid.

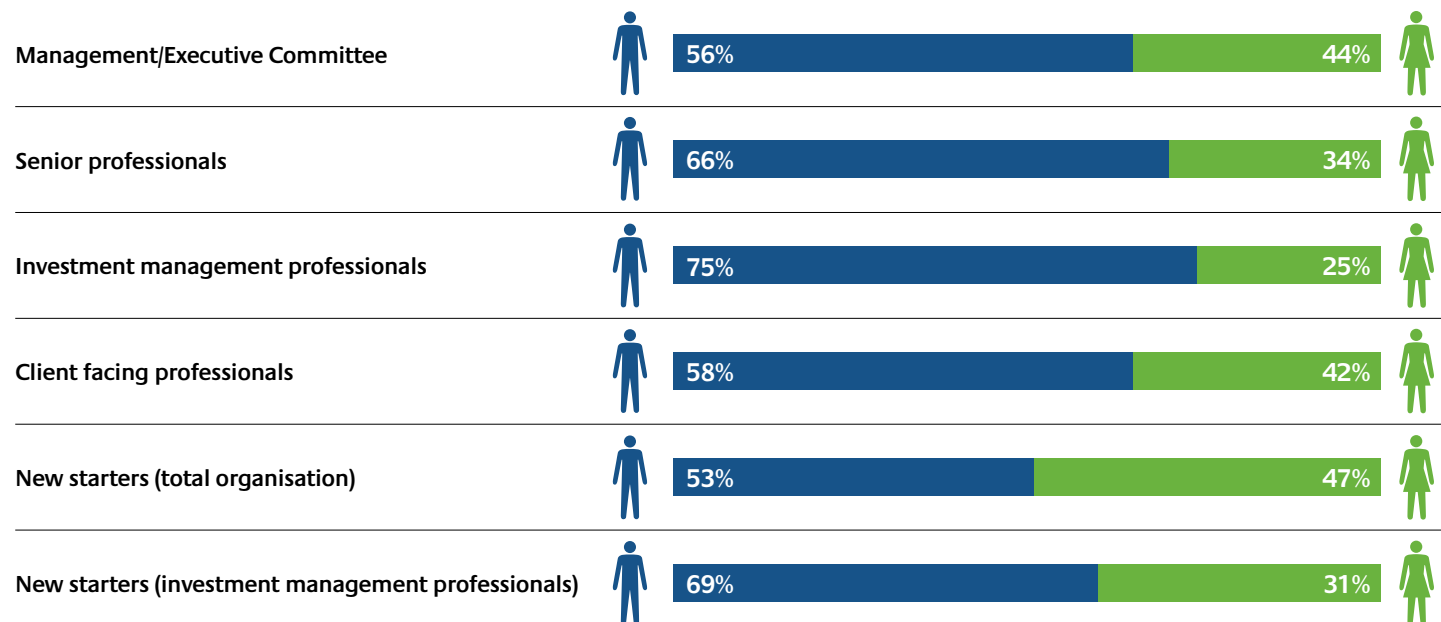


Reporting period to: 6 April 2018 to 5 April 2019.

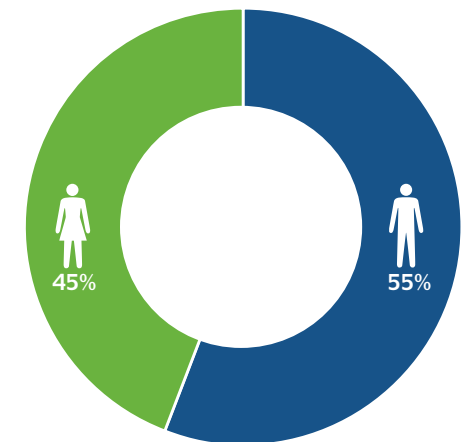
Gender diversity analysis by role

The statistics below provide further insights into the structure of our business and provide helpful context against which to consider our gender pay analysis. From this, we can see a clear link between our gender pay gap and the number of male and female employees working in different roles, and at different levels, in our organisation.

Our overall picture of gender diversity across First State Investments, UK



Total organisation



All data is based on UK-based employees and covers the period 6 April 2018 to 5 April 2019.

Other diversity and inclusion initiatives

In the UK, we have a number of initiatives in place to support our broader diversity and inclusion objectives.

Gender

In 2017, First State established and co-funded the Future Asset conference, a one day conference for girls in their fifth year of high school across Scotland, designed to underline the fact that gender should never be seen as a barrier to progressing in any career choice. Since the inaugural event in 2017, the event – now led by Didasko, a Scottish financial education charity – is hosted annually and in 2019, Future Asset worked with 484 girls and 113 teachers from 87 schools across Scotland to consider the benefits of possible future careers.

Ethnicity

As part of our commitment to achieving ethnic diversity in our organisation, and following our acquisition by Mitsubishi UFJ Trust and Banking Corp in 2019, we have introduced Japanese intercultural training for all employees globally. In the UK, we have marked Black History Month and encouraged employees to attend events exploring BAME voices in the media and challenges, opportunities and learnings of BAME in the workplace.

Disability

We look to partner with organisations who can offer support to people with disabilities and help to challenge preconceptions about disability. We are corporate sponsors of Surrey Cricket Board's Disability Cricket Programme, which aims to increase participation in cricket for people with disabilities; and 'Back Up Trust' which supports people with spinal injuries. This year, through our internal charity, First Foundation, we have established a new partnership with JFK School in East London. We work with Create Art to fund and run a creative arts programme with the students with severe learning disabilities.

LGBT+

First State is proud to be a corporate member of InterInvest, an organisation made up of LGBT+ people and allies that work in the investment industry, and drives LGBT+ equality and inclusion across the investment industry in the UK. Established in 2018, InterInvest provides a forum for members to discuss LGBT+ issues, attract and retain LGBT+ talent into the investment industry and share best practice across the sector.

Cognitive

We are corporate partners with 'Aspirations' which supports people with autism. As active partners and advocates, we have hosted neurodiversity awareness training workshops, presented at industry forums and participated in career workshops for students on the autism spectrum. Our partnership with Aspirations aims to build awareness of cognitive diversity, provide entrants on the autism spectrum support with entering the workforce and create a workplace which is supportive of individuals with neurodiverse backgrounds.

Social Mobility

We held open days in both our Edinburgh office and London offices to provide an insight into the asset management industry and the type of roles that exist within our organisation. The days were open to students across the education sector, with a particular objective to encourage attendance from local authority schools, in line with our aspiration to broaden the social and economic backgrounds of people entering investment management and demonstrate the inclusivity of our working environment.

We are also members of Investment 2020, a scheme established to bring more diverse talent into all aspects of investment management. As corporate members since 2013, we have recruited and trained a number of school leavers to support their ongoing career planning and development and in our open days, include a typical Q&A panel to discuss a typical day at work, review an investment decision case study and client meeting simulation. We also actively participate in a number of cross-industry events including speaking at events to encourage meaningful work experience and supporting students with career advice, preparation and interviewing skills.

Summary

At First State, we remain true to our core values of responsible investment and stewardship. Fostering and promoting a culture of diversity and inclusion is critical in delivering this commitment. Understanding and embracing difference in the workplace allows us to harness our talent at all levels across the business and ultimately achieve the very best investment returns for our clients.

We remain focused on, and committed to nurturing talent and achieving gender parity within our organisation, specifically in senior roles, for and over the long-term. We look forward to sharing our progress in the future.


Signatories



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Lindall West
Chief Human Resources Officer



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