

2021-2022  
UK Gender  
Pay Report

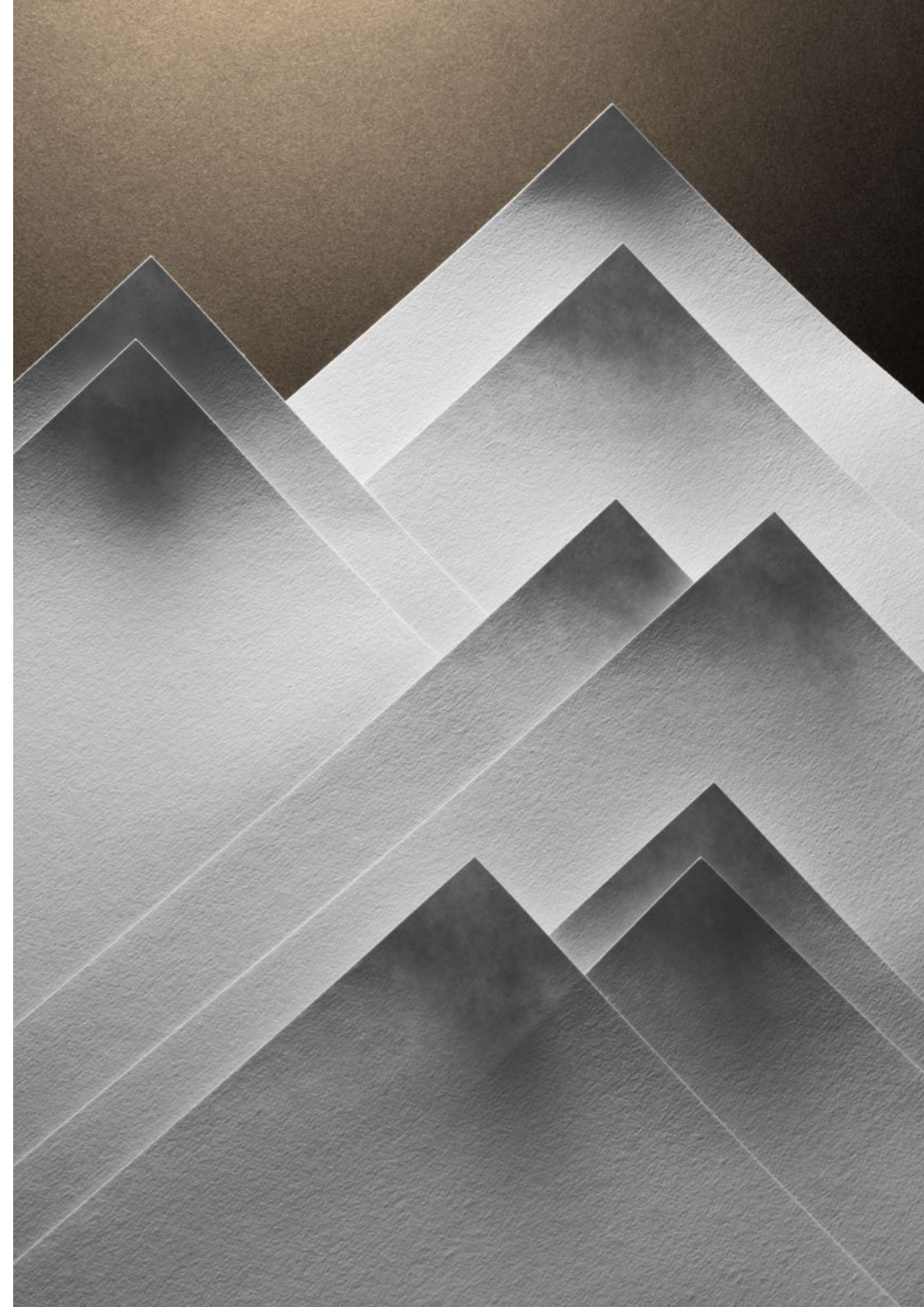


# Introduction

As an organisation, we are committed to fostering an inclusive and equitable workplace, where diversity can thrive. We recognise that gender diversity is one of several aspects to consider when achieving representation within our organisation to reflect the global world we are a part of. Just as we hold companies we invest in to account on gender diversity, we too realise that it is vital that we are held accountable ourselves.

The UK Government introduced legislation in April 2017 requiring UK organisations with more than 250 employees to annually publish gender pay analysis. This report discloses the gender pay figures for the UK-based workforce of First Sentier Investors. We are now in the sixth year of publishing our data, and whilst some strides have been made since we began reporting, further work remains for us to do in order to reduce the gender pay gap over time.

We have developed our Diversity, Equity and Inclusion (DE&I) strategy, as part of our core priorities within our overall business strategy. As a result, we have implemented a range of DE&I initiatives, enhanced our policies and processes, deepened our expertise and increased our overall DE&I awareness throughout the global workforce. As collective change agents driven by sustainable change, we are invested in progressing our DE&I agenda.



# Gender pay observations

Although some improvements have been made from reviewing our data over the last six years, there still remains a gender pay gap within our organisation.

From an equal pay\* perspective, gender is not a factor that determines pay in our organisation. However, from a gender pay perspective, we know that differences in gender pay\*\* arise mainly as a result of the current gender distribution across roles of our organisation and our industry.

- Our median pay gap has reduced by 19.9% since 2017, and our mean pay gap has reduced by 15.5%
- Our median bonus pay gap has reduced by 29.4% since 2017, and our mean bonus pay gap has increased by 1.3%
- The percentage of women in the upper and second quartiles has increased by 7.9% and 4.4 % respectively since 2017
- The percentage of women in the bottom quartile has decreased by 8.4% since 2017

This improvement over the last six years suggests that our focus on appointing and promoting women to senior positions, particularly in senior management and client-facing roles has led to positive changes to improve the balance, as well as increasing women's pay across the quartiles.

However, in senior leadership positions and in senior investment management roles, both of which offer higher than average pay packages, we have fewer women.

In part-time roles, we have more women 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).

We need to do more work to increase progress within our investment teams as well as improving our focus on senior management positions. Additionally, we acknowledge that the percentage of men holding senior, higher paid roles still remains greater and continues to be an industry-wide issue. We must continue making a concerted effort to attract, retain and develop female talent to keep making progress.

\* **Equal pay:** this refers to paying men and women the same for doing similar work or work of equivalent value

\*\* **Gender pay:** the measurement of comparing the average pay by gender of all roles collectively, regardless of level or type



# Gender pay data

The gender pay gap compares average earnings for men and women across our UK workforce. Over the period of the last six years, our gender pay gap has reduced.

The figures in the graph show the difference in gender pay for 2021–2022 and from 2016–2017.

Over this six-year period, we can see that:

- **Mean pay gap\*** – reduced by **15.5%**
- **Median pay gap\*\*** – reduced by **19.9%**
- **Mean bonus pay gap** – increased by **1.3%**
- **Median bonus pay gap** – reduced by **29.4%**

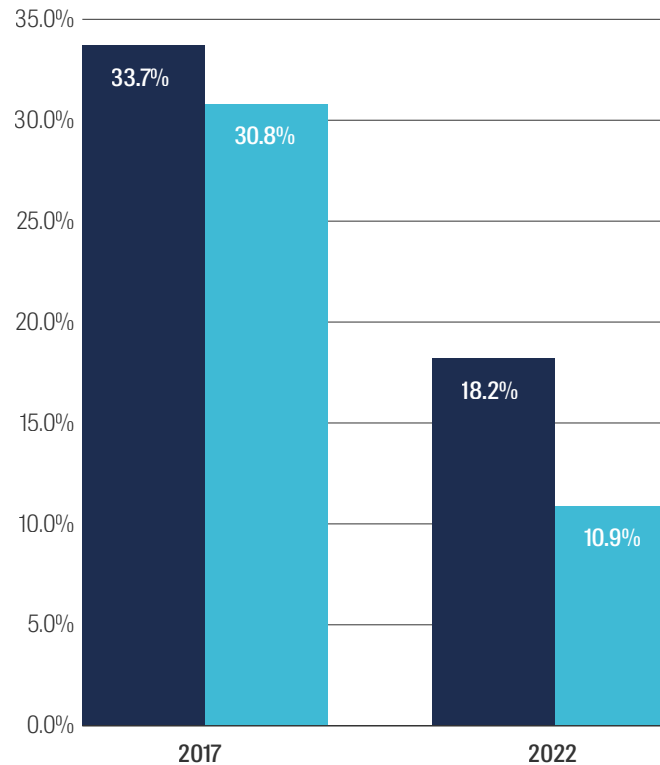
From 2021–2022 within our organisation, 86.5% of male employees and 90.6% of female employees received a bonus.

We note that the improvements over time in our base pay gap over the past six years can be partly explained by an increase in the number of females to the upper and second quartiles, as detailed on the next page. This demonstrates a rising number of senior female professionals being either newly appointed or promoted internally.

Remuneration packages for those in senior management and investment roles may also include a proportion of longer-term or deferred pay. Therefore, the statistics may include pay awarded and agreed up to three years before.

**Figure 1. Base remuneration**

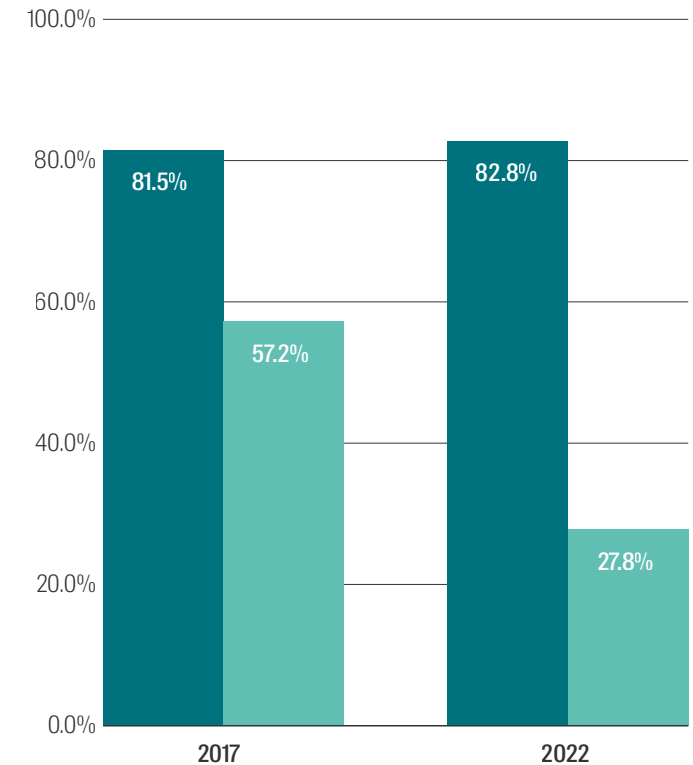
Difference in base pay between male and female employees (hourly pay)



■ Base pay gap (mean) ■ Base pay gap (median)

**Figure 2. Bonus pay**

Difference in bonus pay between male and female employees



■ Bonus pay gap (mean) ■ Bonus pay gap (median)

All data is based on our UK-based workforce and covers the period 6 April 2016 to 5 April 2017 and 6 April 2021 to 5 April 2022

\* **Mean pay gap:** The difference between average male pay and average female pay

\*\* **Median pay gap:** The difference between the mid-point in male and female pay

# Quartile pay

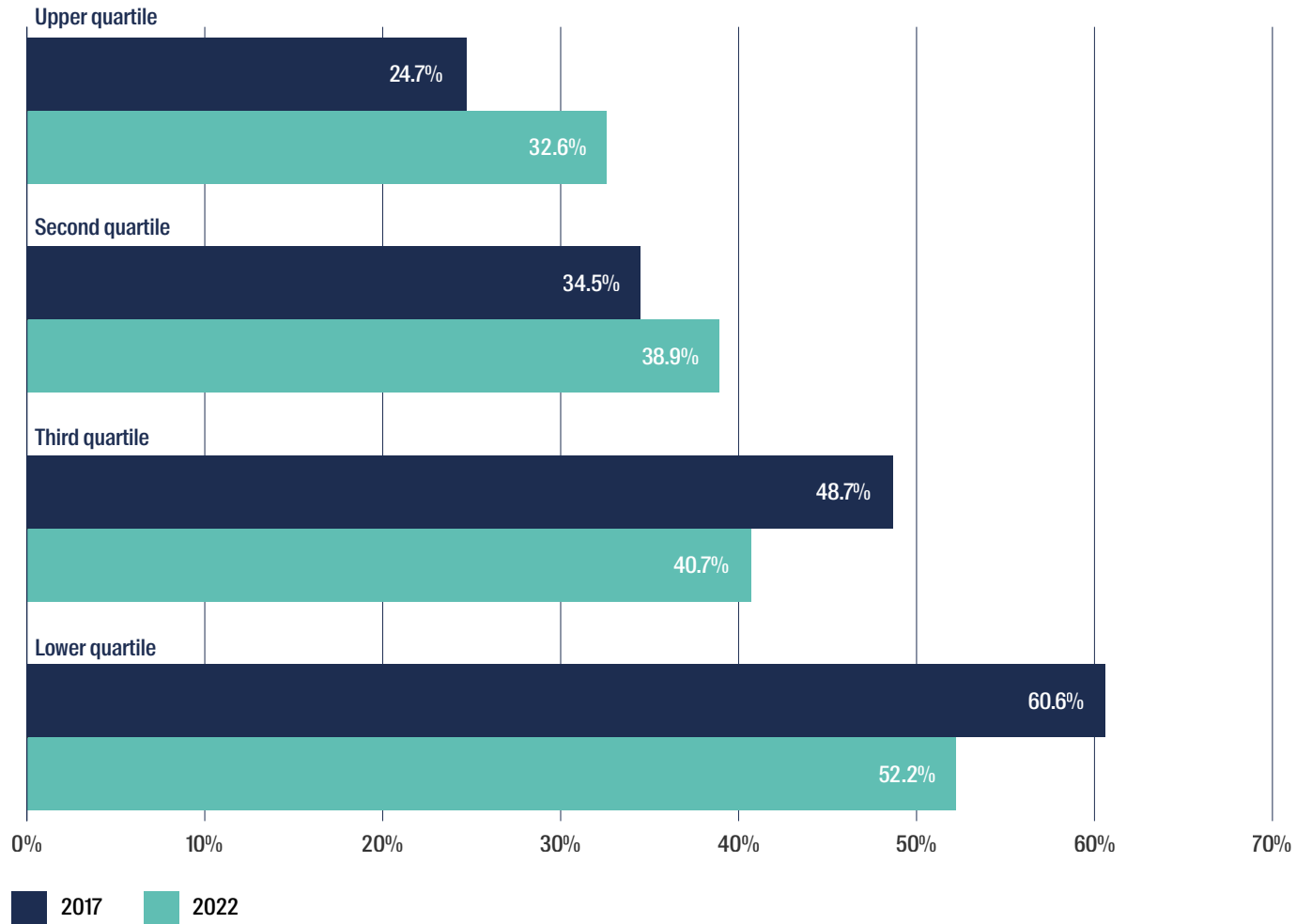
Quartile pay refers to the proportion of male/female employees split into four equal pay bands with upper quartile representing the highest paid and lower quartile being the lowest paid. Each quartile represents 25% of employees.

The figures in the graph show the difference in gender pay for 2021–2022 and from 2016–2017, shown in quartile bands.

We can see that over this six-year period:

- % of women in upper quartile – increased by 7.9%
- % of women in second quartile – increased by 4.4%
- % of women in third quartile – decreased by 8%
- % of women in fourth quartile – decreased by 8.4%

**Figure 3. Quartile bands for women according to base pay**  
Percentage of women in each quartile



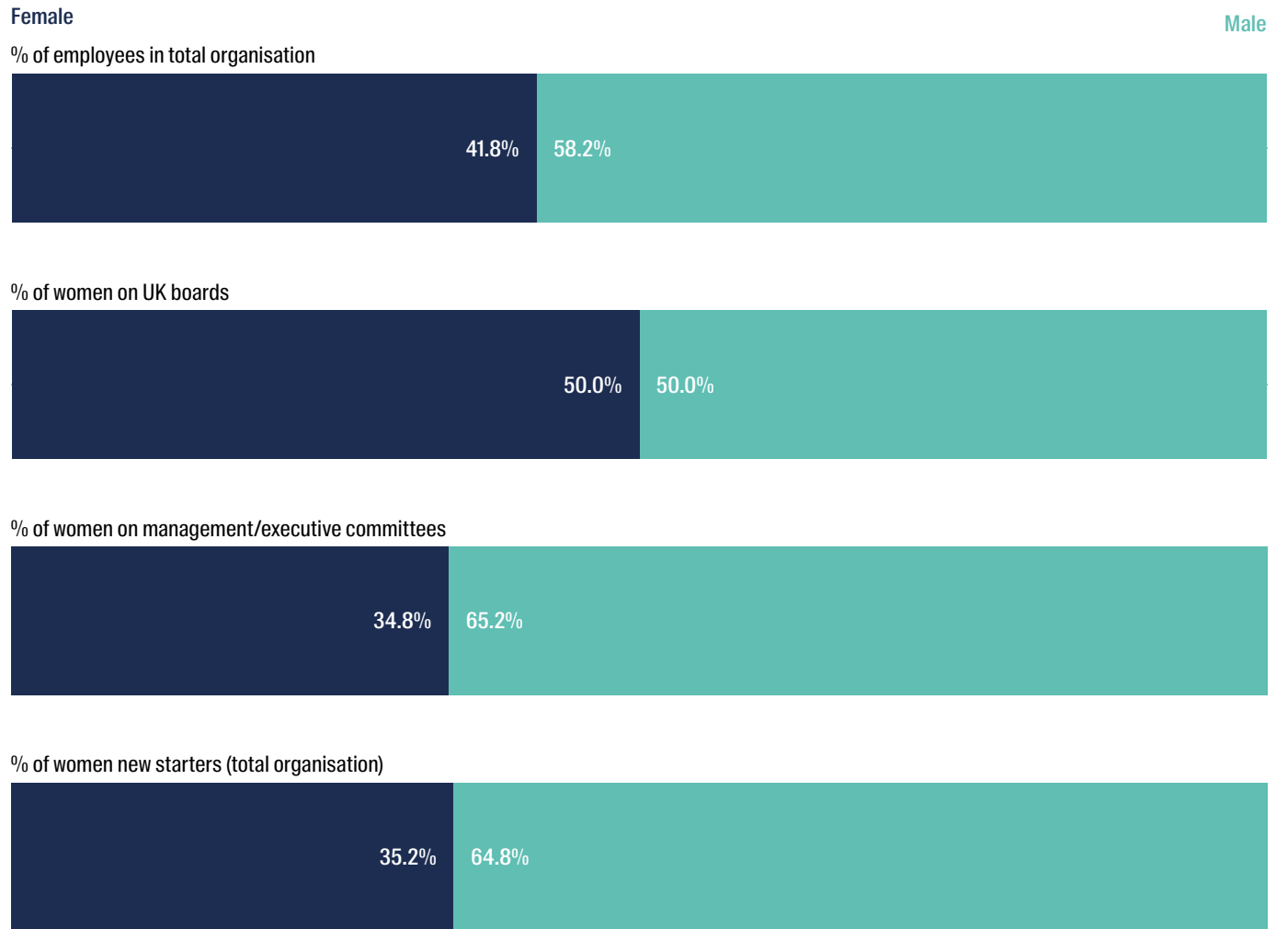
All data is based on our UK-based workforce and covers the period 6 April 2016 to 5 April 2017 and 6 April 2021 to 5 April 2022

# Gender diversity analysis by category

These statistics provide further insights into the structure of our business and give greater context when reviewing our gender pay data.

From this, we can see a clear link between our gender pay gap and the number of male and female employees working across different categories, and at different levels, in our organisation. We continue to work on increasing the diversity of our talent pool, and to attract, develop and retain women at all positions within our business.

Figure 4. Gender diversity analysis by category



All data is based on our UK-based workforce and covers the period 6 April 2021 to 5 April 2022.

# Our diversity, equity and inclusion commitments

We are committed to fostering an inclusive and equitable culture, where diversity can thrive. We recognise that there is diversity beyond (binary) gender, such as but not limited to: race, ethnicity, disability, sexual orientation, socioeconomic background, age and more. We understand that taking an intersectional approach to DE&I is imperative to ensure we exercise the necessary nuance in alignment with best practice. As collective change agents, we seek to improve diversity internally and externally, as this will deliver better outcomes for our people, our clients and society.

In 2022, we officially launched our global DE&I strategy in collaboration with our board, executive team, DE&I Steering Committee, DE&I Working Group and employees. Our DE&I strategy is rooted in four pillars:

- **Belonging** – fostering an inclusive culture
- **Equity** – levelling the playing field
- **Engaging** – helping our people engage and understand
- **Alignment** – connecting with our Responsible Investment and Corporate Sustainability principles

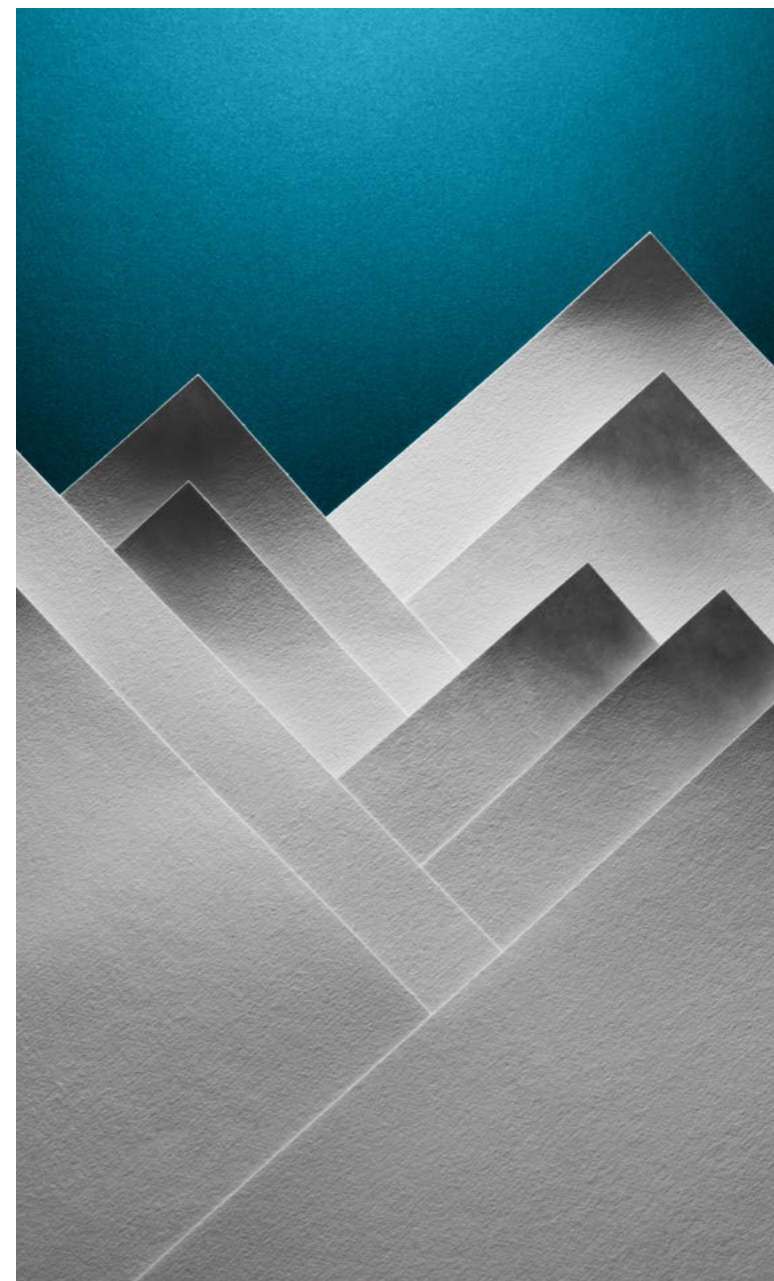
Some of our DE&I successes over 2022 include but are not limited to:

## **Recruitment of Global DE&I team**

We set up a dedicated global DE&I function, led by a global Head of DE&I and two DE&I Managers. They are subject matters experts who lead the implementation of the DE&I strategy, reinforcing our ongoing commitment to embedding DE&I throughout the organisation.

## **Diversity Census**

We delivered our second annual Diversity Census, a data collection exercise providing us insight into the demographic landscape of our global workforce. In 2022, in addition to improving our participation rate from 2021, we enhanced our methodology to also seek out and analyse qualitative data, revealing emerging themes. The Diversity Census allows us to ensure that the solutions we design and execute as a result are evidence led. We are now able to respond better to specific diversity data requests from our clients and to support broader industry initiatives.



### **Enhancing our global Employee Communities**

We developed a new governance structure for our Employee Communities, focused on longevity and success. We refreshed our six EMEA/US Employee Communities and launched one new Employee Community within our Australia region. The newly formed governance structure includes members of our Executive Leadership Team serving as Executive Sponsors and the appointments of Employee Community Leads who drive the day-to-day operations. The Employee Communities act as forums to drive specific initiatives and create opportunities for those of shared identities and allies to work in solidarity to improve the workplace culture. They supported on the delivery of key marker activities like Women’s Health Week, International Women’s Day, Pride, UK Black History Month, World Menopause Day, International Day of Persons with Disabilities and many more.

### **Updated and designed new people policies**

With a focus on levelling the playing field, we developed and/or enhanced several policies, with accompanying resources and training materials including:

- Menopause Statement
- Reasonable Adjustments
- Compassionate Leave
- Flexible Public Holiday
- Life Event Leave

### **Recruitment and Onboarding**

We require gender-balanced shortlists for all recruitment, with a targeted focus in specific areas such as investment teams. All interview panels must comprise at least one female employee. New starters and hiring managers joining our businesses are made aware of our DE&I commitment through our recruitment and onboarding process to ensure that they understand our culture and can effectively contribute to it. Through our induction programme, new starters are reminded of and actively encouraged to join one or more of our Employee Communities.

### **Executive Team Inclusive Leadership Programme**

Recognising that whilst DE&I is an organisational collective responsibility, behaviour demonstrated from the organisation’s most senior leaders sets the tone and the workforce follows by example. We commenced with a bespoke inclusive leadership training programme for our executive team to further develop their capabilities.

### **Pay Equity Analysis**

We conducted a firm-wide pay equity analysis comparing the pay for women and men undertaking the same/similar work of comparative value. We did this to better understand our current state and develop an action plan to achieve true pay equity across our global workforce.

### **Gender Diversity Research**

Our Realindex team also conducted research on the value of gender diversity on company performance. The study [Beyond Lip Service: tracking the impact of the gender diversity gap](#) investigated a cross-section of corporations internationally, including more than 30 countries and over 2,500 large size enterprises, and spanning more than a decade, beginning in 2009. The report found that increasing female presence in senior management teams resulted in higher profit margins and better firm performance.



# Partnerships

## **GAIN (Girls are Investors)**

We officially partnered with GAIN through one of our Stewart Investors businesses to take part in their annual Empowerment Investment Internship programme. This aims to encourage and support young women who are curious to learn more investment management and is an industry-wide initiative to support women into investment roles. Similarly to the summer of 2021, during the summer of 2022, we welcomed two new interns to the Stewart Investors investment team. They were given a broad overview of the operations within an investment team and also had the opportunity to network with key departments across the business, all the while being supported and encouraged by their mentors.

## **#10000BlackInterns**

In 2021, we joined an industry-wide initiative to support 10,000 Black interns in investments roles and welcomed our first cohort that summer. We concluded our second intake of interns during the summer of 2022. Our internships help Black students across the UK kick-start their career in investment management by giving them an opportunity to learn about the industry first-hand, as well as developing a range of skills and networking opportunities.

## **Investment 20/20**

We are members of Investment 2020, a scheme established to bring a wide range of talent into all aspects of investment management. As corporate members since 2013, we have recruited and trained a number of school leavers and university/college graduates to support their ongoing career planning and development. We have also supported the programme by participating at career events and providing speakers at various trainee workshops.

## **Financial Services Skills Commission**

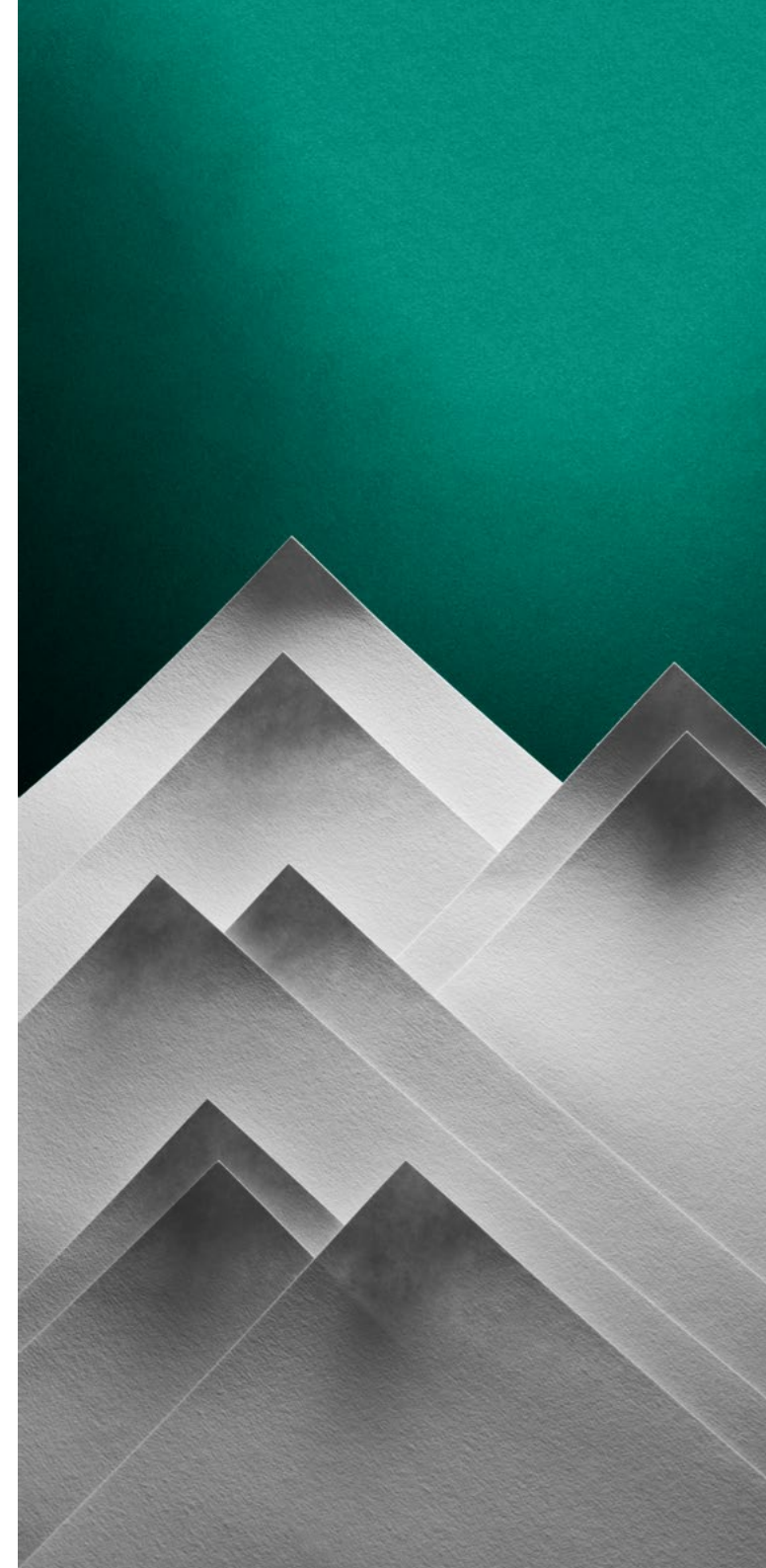
We are a founder member of the Financial Services Skills Commission. The commission aims to work across the industry to ensure that businesses have the talent and skills it needs for the future – this includes widening access to talent and promoting diversity, equity and inclusion.

## **InterInvest**

We are corporate members of an industry LGBTQ+ network, InterInvest. We are able to offer a wide selection of events and seminars to our staff through our ongoing participation with InterInvest as well as sharing best practice among our peer community.

## **Surrey Disability Cricket**

We have been partners with the Surrey Cricket Foundation Disability Cricket Programme since 2015. This programme aims to increase participation in cricket for people with disabilities. We support several of their professional teams including the Surrey Pan-Disability and Visually-Impaired squads, and have invited them to provide various employee education sessions on disability and inclusion.



# Summary

Looking back on our data over the last six years, we recognise that there has been some positive progress in the pursuit for a more gender-balanced workforce, particularly with women newly joining the business. However, we recognise the work that is needed to improve representation especially for women in the executive team and senior management. We know there are enhancements we can continue to make to our recruitment processes and partnerships to attract, retain and develop female talent across all levels.

We also understand that as we continue to develop our DE&I maturity and data narrative and architecture, we hope in the future to nuance how we engage with and report on pay gap analyses, considering comparative data beyond gender – for example, race, ethnicity, disability and non-binary people. Diversifying our workforce will continue to remain a strategic priority for our business. We know more diverse workforces cultivate innovative environments, resulting in better decision-making and business outcomes.

Ultimately our goal is to attract, retain and develop people from a variety of backgrounds and perspectives, and to create a culture where everyone feels valued to bring their best and authentic selves to work. In doing so, we can better reflect society and develop a high-performing culture that is truly inclusive.



**Gary Cotton**  
**Managing Director, UK**



**Melanie Halsey**  
**Chief People and Culture Officer**

