

UK Gender Pay Report

2022-2023



Introduction

As a global organisation, we value the impact a diverse and inclusive culture has on our business, how it can inspire us to be more connected and collaborative and drive us to deliver better results for our clients.

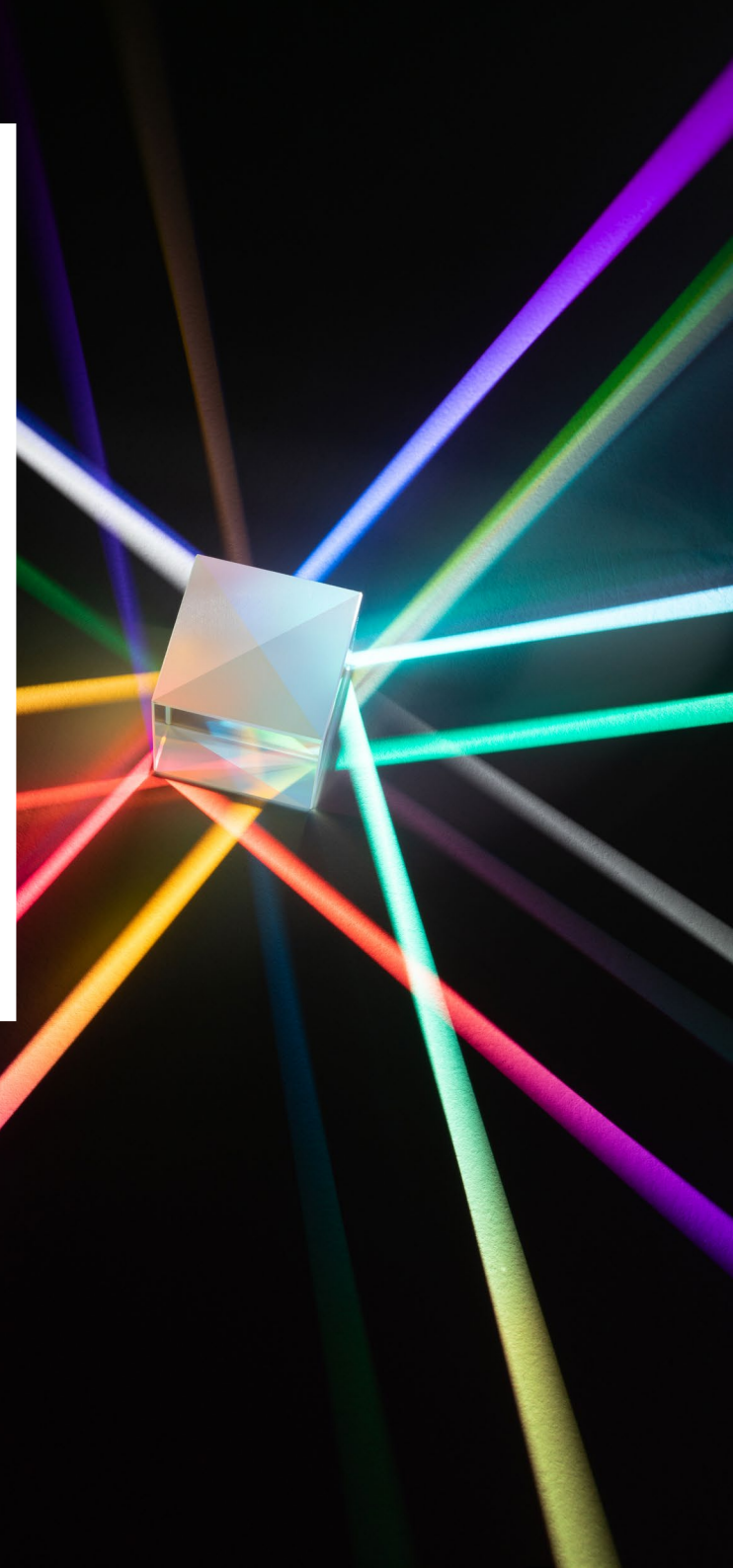
We are committed to fostering an inclusive and equitable workplace, where diversity can thrive. Gender is just one aspect of diversity that we consider in developing a workforce that is representative of the markets and societies in which we operate.

As long-term investors, we know that the decisions we make today impact communities today, tomorrow and years from now. That's why it is imperative that we have a focused and long-term approach to building diverse teams where different perspectives and experience can lead to better decisions and outcomes. We apply this focus both to the companies in which we invest, and internally within our own business.

We are committed to fostering an inclusive and equitable workplace, where diversity can thrive.

Our Diversity, Equity & Inclusion (DE&I) strategy is fundamental to our business priorities. By implementing this strategy across the business, our aim is to deepen the impact of our efforts and raise awareness of inclusion as a driver of business success. As we develop our DE&I maturity, we will consider the inclusion of other pay gap analysis, such as ethnicity.

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 seventh year of publishing our data and this pay report is an important tool for us to measure and maintain focus on progressing towards a gender diverse and equitable workplace culture.



Gender pay observations

This reporting period has highlighted a continued trend towards progress since 2017. However, we note that within the most recent 12 month reporting period, the gap has slightly widened across base and bonus pay.

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 and levels of our organisation and our industry.

- Our median pay gap has reduced by 14.6% since 2017 and our mean pay gap has reduced by 13.1%.
- Our median bonus pay gap has decreased since 2017 (57.2 to 42%) and our mean bonus pay gap has increased by 2.0%
- The percentage of women in the upper and second quartiles has increased by 6.7% and 11.5% respectively since 2017
- The percentage of women in the bottom quartile has decreased by 4.8% since 2017.

A further analysis of this data, with a comparison against the most recent reporting period, is detailed on pages 4–6.

The general progress over the last seven years confirms that our focus on appointing and promoting women to senior positions has led to positive changes that have improved gender balance, as well as increased women's pay across the four quartiles.

However, in the most recent reporting period, we have seen a slight slowing of this progress with business reorganisation and role consolidation. This has impacted some senior leadership positions where roles typically offer higher than average pay packages. We also recognise some of the unique challenges and opportunities we face as a global business, operating across multiple timezones and the impact this can have on sustainable career development.

We have more women than men employed in part time roles which impacts the average bonus pay for women, as this is lower than men's average pay (the statistics provided are based on actual bonus pay, rather than full-time equivalent bonus pay).

In line with the overall industry, we also find that men continue to hold a majority of the most senior and highly paid roles within the organisation. We also note that by creating career pathways for women to enter the industry at junior levels, this creates a short term 'role gap' which has a subsequent impact on our pay gap.

To achieve more significant progress within the investment and senior management roles, we need to do more. Our efforts remain focused on adapting processes and practices to ensure we are attracting and retaining female talent into investment and senior management positions, and that we continue to create a diverse, long-term talent pipeline into these roles.

Gender pay data

The gender pay gap compares average earnings for men and women across our UK workforce. Over the period of the last seven years, our gender pay gap has reduced. Whilst this shows continued progress, we have seen the gap widen slightly over the past year partly due to organisational restructuring.

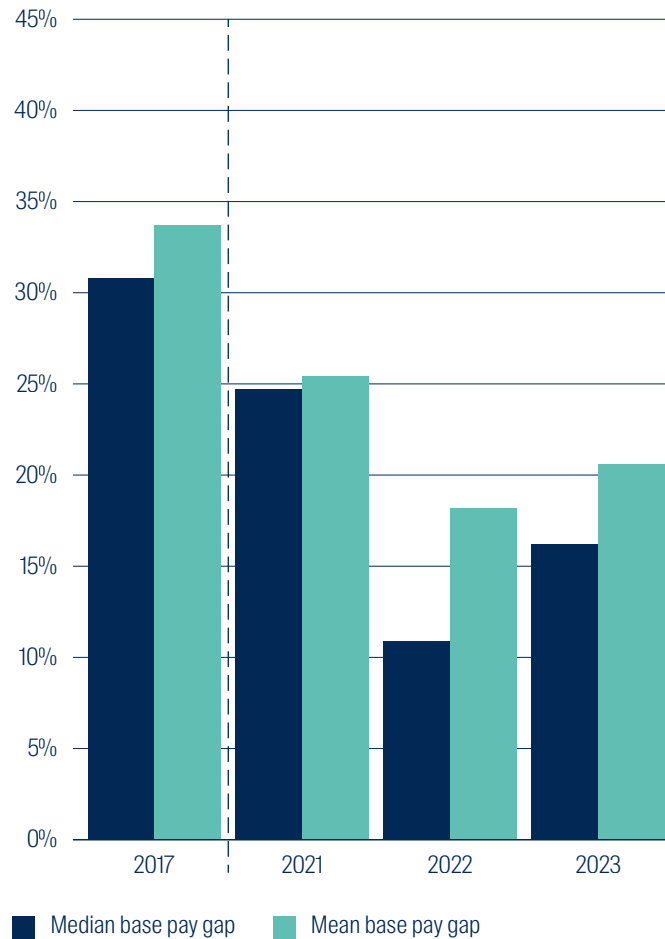
From 2022–2023 within our organisation, 91.2% of male employees and 90.1% of female employees received a bonus. Since the previous reporting period, this represents an increase of 4.7% for male employees and a reduction of 0.5% for female employees.

During the current reporting period, we also note the departure of a small number of senior female employees. This has impacted the pay gap results as there are now fewer females accounted for in the upper quartile (base pay). The reason for these departures includes location moves (remaining within the business however no longer based in the UK), or business reorganisation. Due to the higher percentage of males in this quartile, this has a disproportionate effect on the gap.

In addition to this, our largest employee demographic in the UK is now London-based males (30% of UK workforce population), which is a higher paying market and therefore has a disproportionate impact on gender data.

Figure 1. Base remuneration

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



Median base pay gap

% change 2022 to 2023
+5.3%
 % change 2017 to 2023
-14.6%

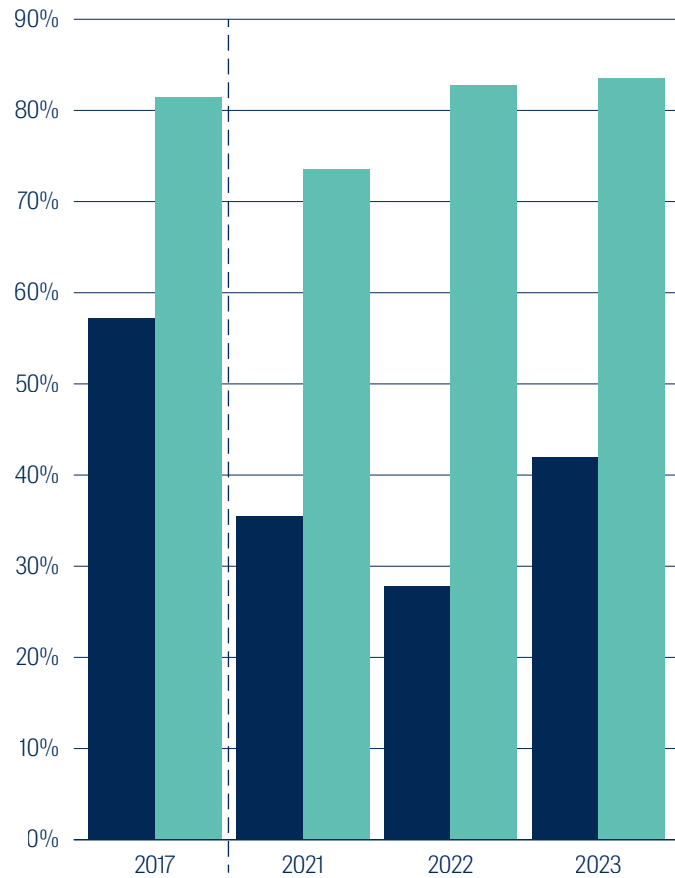
Mean base pay gap

% change 2022 to 2023
+2.4%
 % change 2017 to 2023
-13.1%

All data is sourced from First Sentier Investors and is based on our UK-based workforce covering the period 6 April 2017 to 5 April 2023.

Figure 2. Bonus pay

Difference in bonus pay between male and female employees



■ Median bonus pay gap ■ Mean bonus pay gap

All data is sourced from First Sentier Investors and is based on our UK-based workforce covering the period 6 April 2017 to 5 April 2023.

Median bonus pay gap

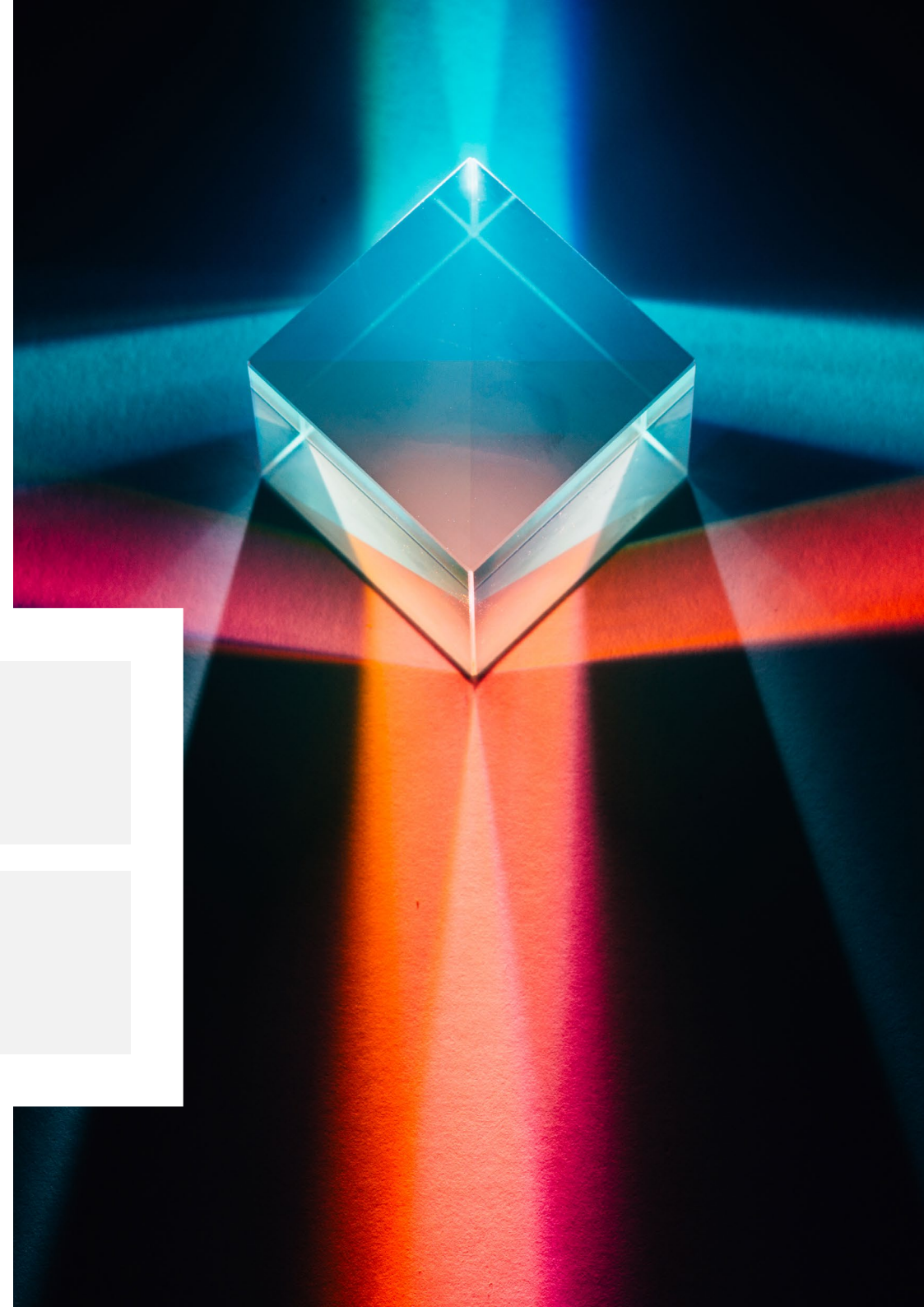
↑ % change 2022 to 2023
+14.2%

↓ % change 2017 to 2023
-15.2%

Mean bonus pay gap

↑ % change 2022 to 2023
+0.7%

↑ % change 2017 to 2023
+2.0%



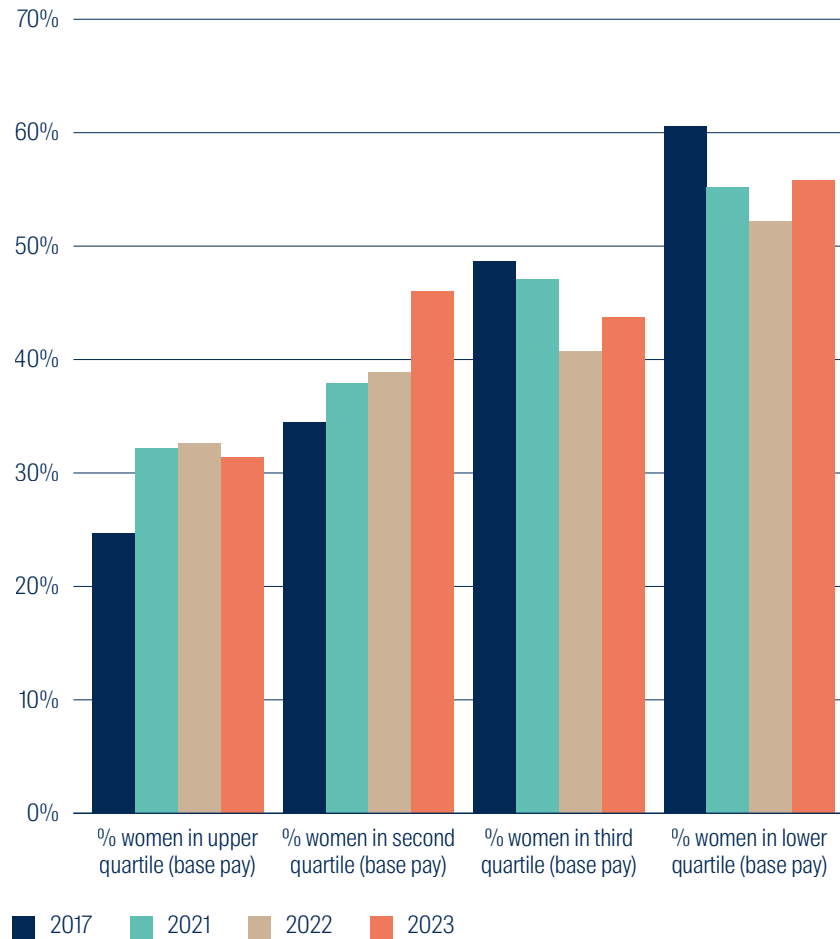
Quartile pay

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 2021-2023 and from 2017-2023, shown in quartile bands.

Figure 3. Quartile bands for women according to base pay

Percentage of women in each quartile



% women in upper quartile (base pay)

↓ % change 2022 to 2023
-1.2%

↑ % change 2017 to 2023
+6.7%

% women in second quartile (base pay)

↑ % change 2022 to 2023
+7.1%

↑ % change 2017 to 2023
+11.5%

% women in third quartile (base pay)

↑ % change 2022 to 2023
+3.0%

↓ % change 2017 to 2023
-5.0%

% women in lower quartile (base pay)

↑ % change 2022 to 2023
+3.6%

↓ % change 2017 to 2023
-4.8%

All data is sourced from First Sentier Investors and is based on our UK-based workforce covering the period 6 April 2017 to 5 April 2023.

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 gap data.

From this data, we can see a significant increase in the number of female new starters in the business. This is in addition to an increased number of females in management and executive roles, with stable progress in Board representation. We continue to review ways to create sustainable career pathways for female talent into the full breadth of roles and levels of seniority across the organisation.

Figure 4. Gender diversity analysis by category



All data is sourced from First Sentier Investors and is based on our UK-based workforce covering the period 6 April 2017 to 5 April 2023.

Our diversity, equity and inclusion commitments

We are committed to fostering an inclusive and equitable culture, where diversity can thrive. We recognise there is diversity beyond binary gender and we include multiple characteristics as part of our data collection, to help us build a comprehensive workforce diversity profile. Through data analytics, we are also building capability to view diversity through intersectionality, giving us a better understanding of the dynamic between identity and equity.

We acknowledge the value of both lived and learned experience and their role in shaping our perspectives, beliefs and behaviours. By creating a culture of inclusivity, our people have greater opportunity to reach their full potential and our business benefits from the rich diversity of thought and experience.

Our CEO and Executive Leadership Team are responsible for the DE&I strategy and modelling our culture, leading by example with inclusive leadership practices and holding others accountable.

We have two Executive Sponsors, the Chief People & Culture Officer and the Managing Director Americas, who are accountable for the development and implementation of this strategy.

Our DE&I strategy is based on 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 2022–2023 include but are not limited to:

Policy and measurement

Gender neutral parental policy

We recognise that becoming a new parent is a significant experience for many of our employees. To ensure we provide our people with support at this important stage of life, we developed an enhanced parental policy. Our global policy applies to all employees with new births, surrogacies, adoptions, and long-term/permanent fostering arrangements regardless of gender, sexual orientation or how one becomes a parent. The entitlement offers 26 weeks' paid leave with access to parental coaching and support for return to work in addition to care for stillbirth, miscarriage and medical requirements.

Engagement survey

We ran our annual engagement survey which allows us to regularly assess the impact of our work, and to ensure the initiatives we put in place are fostering an inclusive culture where people feel valued and supported to succeed. Key results:

- 85% of people completed the survey, up 1% from the completion rate in 2022
- The overall engagement score remains at 7.7 and continues to be in the middle range of the Financial Services benchmark

- The Diversity & Inclusion Score remains at 8.1, also in the middle range of the Financial Services benchmark.
- The verbatim comments from employees acknowledged progress made in respect of DE&I and provided invaluable insights into where employees believe we need to focus in the coming years.

Diversity reporting

We have built a DE&I dashboard to collate data from both our diversity census and HR platform, displaying this in real time for team leaders. This has allowed us to more closely monitor changes in team diversity, with the ability to provide relevant interventions as required. The data can be viewed across teams, locations and levels with gender, tenure and ethnicity profiling. These DE&I updates are provided to the Board and ELT on a regular basis.

Talent acquisition

We continue to seek gender balanced shortlists for all roles and we are working with external agencies to ensure DE&I principles are embedded in candidate sourcing processes. Internally, we are reviewing our end-to-end hiring practices to identify bias and ensure our processes are equitable and inclusive.

Building advocacy

Diversity Festival

In 2023, we held our inaugural Diversity Festival with the core objective of inspiring, educating, and challenging our understanding, as well as increasing our advocacy and action for DE&I at First Sentier Investors. The two-week festival featured a series of global events with external thought leaders, members of our Employee Communities, and individuals from our wider global First Sentier Investors workforce.

LinkedIn Learning programme

We have curated a dedicated DE&I LinkedIn Learning collection, designed to help our people navigate the evolving workplace and their role in fostering an inclusive culture at First Sentier Investors. Available to all employees, learning is delivered by experts with practical tips on real life situations, how to manage mistakes and what great allyship really looks like. Topics include: confronting bias; inclusive mindset; becoming an ally to all; and unconscious bias.

Neurodiversity champions programme

An initiative of the neurodiversity Employee Community, this programme provided training for volunteer team members to understand the variations of neurodiversity, typical behaviours and ways to enhance the employee experience for neurodiverse individuals. As Champions, this cohort acts as a support resource for the business, providing knowledge and guidance as well as advocating for neurodiverse talent in the workplace.

Consultation on industry regulations

As part of our commitment to maintaining industry standards, we have participated in the Financial Conduct Authority (FCA) proposal to introduce a new regulatory framework on diversity and inclusion in the financial sector. We have also contributed to the Financial Services Skills Commission member survey, to provide insight into the evolving skills required for our business and the financial services industry.

An initiative of the neurodiversity Employee Community, this programme provided training for volunteer team members to understand the variations of neurodiversity.

Partnerships

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 they need 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 teams through our ongoing participation with InterInvest as well as sharing best practice among our peer community.

Investment 20/20

We are members of Investment 20/20, 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.

Plan International UK

The First Sentier Foundation, supports the BOOST programme with Plan International UK. The BOOST is focused on building young women's skills and confidence so they are not limited by gender stereotypes when choosing school subjects or careers, with a particular focus on those from low-income and diverse backgrounds.

The programme champions future female leaders in STEM and typically male-dominated sectors, giving them the confidence and BOOST they need.

Surrey Cricket Foundation

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.

The Prince's Trust

Prince's Trust vision is that every young person should have the chance to succeed, regardless of their start to life. Through the First Sentier Foundation, we support the Achieve Programme. The programme targets students at risk of Not in Education, Employment or Training (NEET) who struggle with mainstream education, from schools in areas of deprivation and with high levels of free school meals.

The programme is delivered in small clubs in schools by trained teachers, and supported by a dedicated youth worker – over 300 experiential and practical modules which students can participate in for up to two years, and can ultimately obtain qualifications.

The Sutton Trust

The Trust was established to address educational disadvantage and promote social mobility from birth to the workplace. We fund their Pathways to Banking & Finance programme through the First Sentier Foundation.

This is a two-year programme, supporting high-achieving 16–18-year-old students from low socio-economic backgrounds to gain the skills, advice and experience to access top educational opportunities and careers.

This programme partners with a number of universities to deliver: university taster sessions, organisation insight days, dedicated mentors, work placements, academic booster sessions and a national conference.

Summary

The results of this gender pay report have highlighted the need for more robust practices that are designed to not only attract female talent into investment and senior management roles, but to retain this talent for the longer term. We recognise some of the unique challenges and opportunities we face as a global business, operating across multiple timezones and the impact this can have on sustainable career development. We have made progress in attracting new female employees and our gender targets continue to provide an aspirational goal for the business. Our approach remains to attract, retain and develop diverse talent, with a renewed focus on retention of women at all levels.

Looking ahead, all people leaders across the business will participate in training specifically designed to enhance their skills and confidence, ultimately fostering a more inclusive and high-performing organisational culture. This is a significant investment for our business with content tailored to address the needs and challenges faced by our people leaders in an evolving multi-generational and diverse workplace.

As we continue to develop our DE&I maturity and data architecture, we expect to report on the intersection of gender with other elements of diversity, to understand the landscape of pay equity in more depth. This will include ethnicity as we look to better reflect cultural representation at senior levels.

Diversifying our workforce will remain a strategic priority for our business. We know workforces with greater diversity cultivate innovative environments, creating bridges between levels of awareness, understanding and acceptance of difference.

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. In doing so, we can better reflect society and develop a high-performing culture that is truly inclusive.



Adele Swan
Interim Chief People and
Culture Officer



Gary Cotton
Managing Director, EMEA

UK Gender Pay Report
2022–2023

Copyright © (2024) First Sentier Investors. All rights reserved.

Designed by the EMEA/US Design Team – PC0348