

# 2020-2021 UK Gender Pay Report



*We believe that having an inclusive culture, where our people feel respected, valued and supported to be who they are regardless of their background, is the foundation that enables diversity to thrive across our business.*

# Introduction

Drawing on our organisational values, we encourage and promote diversity, equity and inclusion throughout our business, and acknowledge the many different dimensions of diversity that contribute to achieving this.

We also recognise the challenge we face in achieving better and broader diversity, including gender diversity, in our business and wider industry. Although there is not one single solution to reaching this goal, we realise that we need to hold ourselves to account, as much as we hold the companies we invest in to account on this subject.

In addition to our current initiatives focused on recruitment, sharing parental responsibilities and the gender balance and composition of our Boards, we are actively looking at and implementing steps that we can put in place globally to attract, retain and develop the women we have in our business at all stages of their careers.

In April 2017, the UK Government introduced legislation that requires 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.

This is now the fifth year of publishing our data, and overall we are encouraged by the progress we have recorded in several areas since reporting began. Nonetheless, whilst there have been some improvements over the five year timeframe, there still remains work for us to do to further reduce the gender pay gap over time.

Over the past year in particular, we have placed a growing emphasis on developing our strategy across the broader framework of Diversity, Equity and Inclusion (DEI). As such, we have progressed a range of DEI activities, awareness-building and events throughout our global employee base. We see this focus only increasing as we look ahead.



# Gender pay observations

From looking at our gender pay data over the last five years, we can see that although improvements have been made in most metrics, there still remains a sizeable gender pay gap.

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 the gender pay 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.
- 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, the statistics may include pay awarded and agreed up to three years before.

Although a gender gap still remains, we have been making improvements over the last five years.

- Our median pay gap has reduced by 6.1%, and our mean pay gap has reduced by 8.3%
- Our median bonus pay gap has reduced by 21.4%, and our mean bonus pay gap has reduced by 7.5%
- The percentage of women in the upper and second quartiles has increased by 7.5% and 3.4% respectively.
- The percentage of women in the bottom quartile has decreased by 5.4%.

This improvement over the last five years suggests that our focus on appointing and promoting women to senior positions, particularly 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.

We need to do more work to make the same improvements within our investment teams as well as maintaining our focus on senior management and client-facing roles to build on this positive progress. We also acknowledge that the percentage of men in senior, higher paid roles is still greater and remains an industry-wide issue and that we must continue our focus on attracting and developing female talent to keep making progress.

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**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 employee base. We can see that over the five year period our gender pay gap has reduced.

The figures show the difference in gender pay for 2020-2021, and the previous four years. We can see that over this five year period:

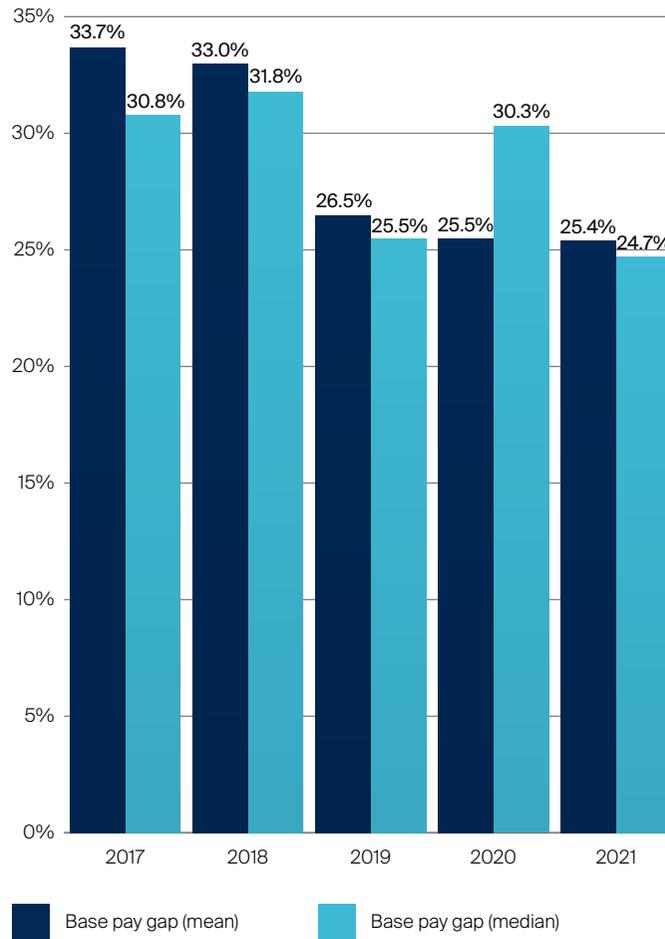
- **Median pay gap**  
Reduced by **6.1%**
- **Mean pay gap**  
Reduced by **8.3%**
- **Median bonus pay gap**  
Reduced by **21.4%**
- **Mean bonus pay gap**  
Reduced by **7.5%**

In 2020-2021, 93.5% of male employees and 92.2% of female employees received a bonus.

**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.

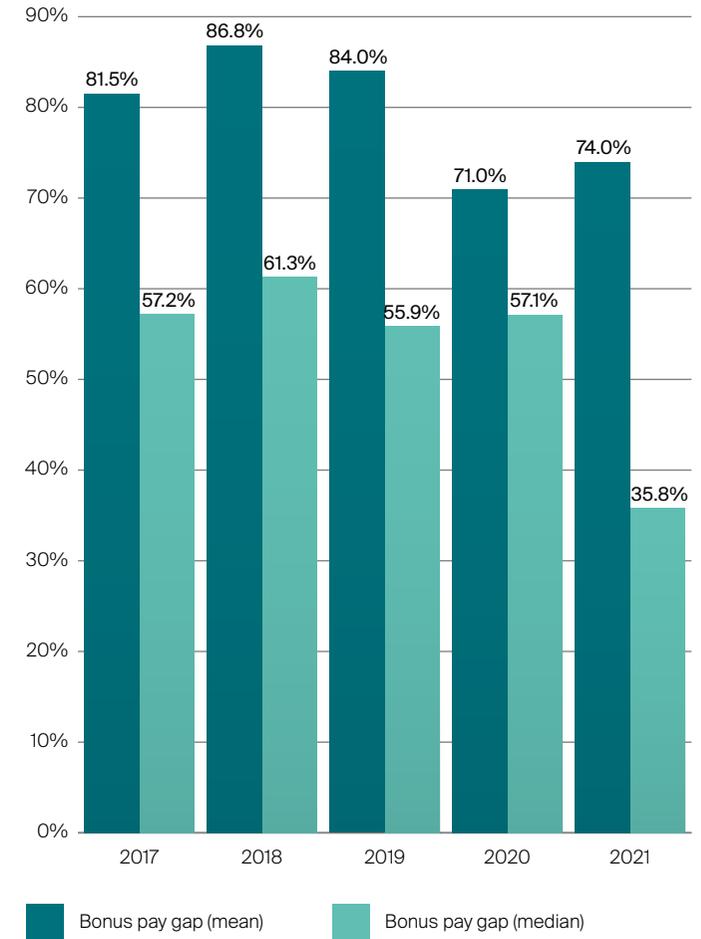
**Figure 1. Base remuneration**

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



**Figure 2. Bonus pay**

Difference in bonus pay between male and female employees



All data is based on UK-based employees and covers the period 6 April 2016 to 5 April 2021.

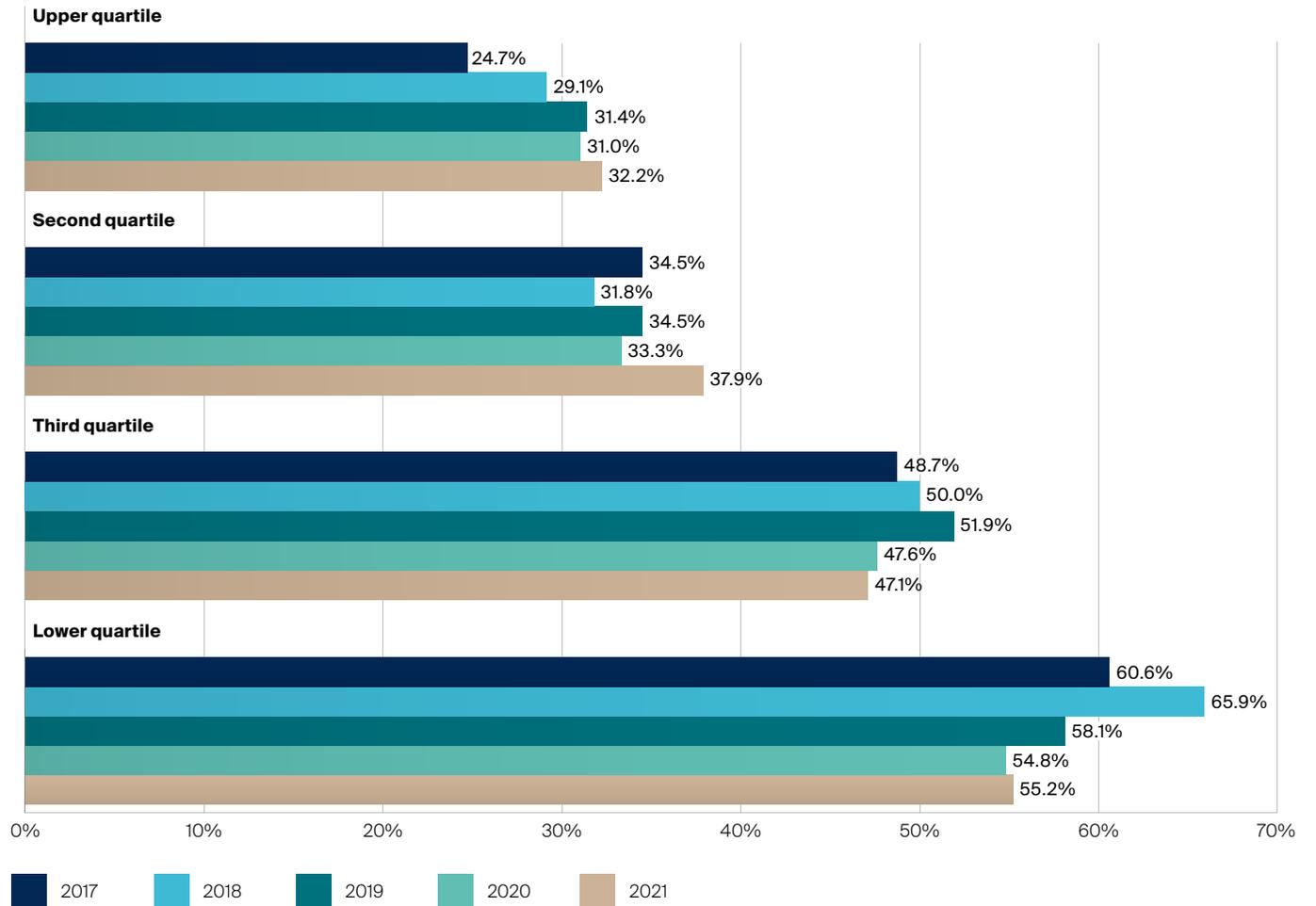
# Quartile pay

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

The figures show the the difference in gender pay for 2020-2021 and the previous four years, shown in quartile bands. We can see that over this five year period:

- % of women in upper quartile  
Increased by **7.5%**
- % of women in second quartile  
Increased by **3.4%**
- % of women in third quartile  
Decreased by **1.6%**
- % of women in fourth quartile  
Decreased by **5.4%**

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



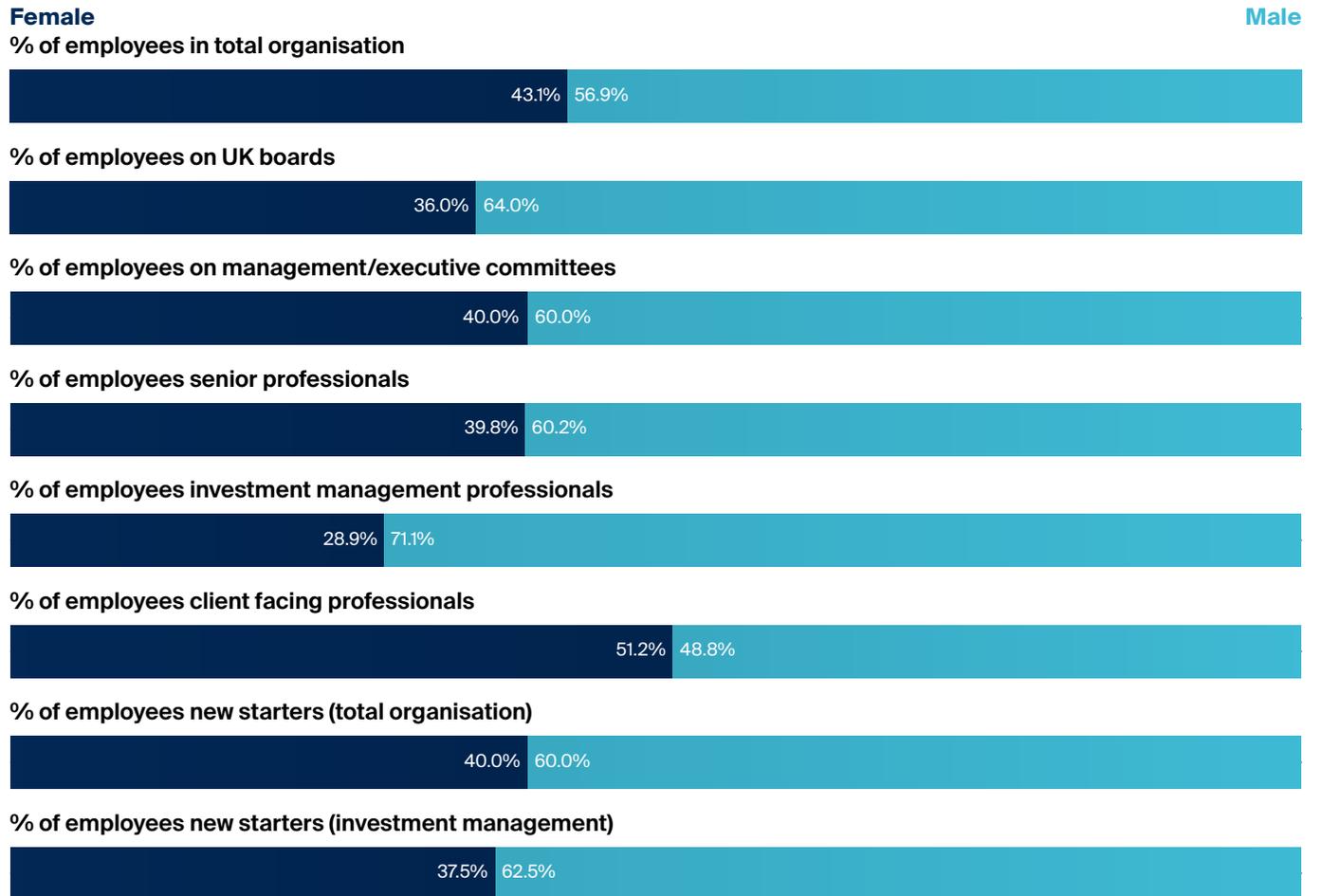
All data is based on UK-based employees and covers the period 6 April 2016 to 5 April 2021.

# Gender diversity analysis by role

These statistics provide further insights into the structure of our business and provide 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 in different roles, 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**



All data is based on UK-based employees and covers the period 6 April 2020 to 5 April 2021.

# Our diversity and inclusion commitments

At First Sentier Investors, we think about diversity beyond the lens of gender, including factors such as ethnicity, socio-economic background, sexuality, neurodiversity and disability. We are committed to improving diversity within our own firm, as well as advocating for change externally. We also believe that diversity can only be achieved in an inclusive and equitable environment.

In 2021 we commenced a review of our global strategy which included input from many stakeholders including our board, leadership team and employees.

This new strategy will focus on diversity, equity and inclusion (DEI) across all regions with pillars focusing on:

- Fostering an inclusive culture
- Levelling the playing field
- Engaging our people
- Aligning with our Responsible Investment and Corporate Sustainability strategy

## Diversity Census

An important step was our inaugural Diversity Census, designed to help us better understand the composition of our global workforce and look for areas to improve.

## Launch of our employee DEI networks

We established employee communities in six areas: Gender, Ethnicity, Neurodiversity, LGBTQ+, Socio-Economic and Disability. These communities have been established initially in EMEA and the US and are sponsored by management team members; they act as forums to raise specific initiatives and discuss the lived experience and needs of our wider workforce at all levels.

## Appointment of our Global Chief People and Culture Officer

Melanie Halsey was newly appointed as Global Chief People and Culture Officer, a senior leadership role within FSI which reinforces our ongoing commitment to the area of DEI. The role has the strategic focus of designing and implementing strategies that will attract, engage, and develop employees and help FSI build a high-performance culture, based on its values and reflecting the evolving changes in workplace culture globally.

## 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 DEI commitment through the recruitment and onboarding process to ensure that they understand our culture and are able to effectively contribute to it. Through our induction programme, new starters are reminded of and actively encouraged to join one or more of our DEI networks.

## 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 and carers**

We recognise the important role parents and carers play in our society and how the impact of the COVID-19 pandemic affected families disproportionately, with many employees juggling home-schooling as well as caring for elderly relatives alongside their workloads. Throughout the pandemic we encouraged our employees to use the different types of leave available to them, to make use of flexible and realistic working patterns, as well as above all to prioritise their mental and physical wellbeing. More generally, we endeavour to support our employees who are starting their families 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.

### **Focus on women's health and wellbeing**

We are currently exploring what more we can be doing to support women's health through different life stages. Our Gender-focused network aims to raise awareness of the health and wellbeing struggles women face during certain periods of their lives and/or careers such as struggles relating to menstrual pain, IVF, endometriosis, and menopause.

### **Flexible working**

A strong flexible working culture can be an important factor in retaining and attracting individuals into roles at all levels, and flexible working should not be seen as a barrier to recruitment to senior positions or progression to senior roles. Our developing hybrid approach to working will become the norm and allow us to have a more agile workforce overall. Although currently we have a greater percentage of our female workforce working part-time we know this means we need to do more to encourage men to take advantage of flexible working patterns to promote a family-friendly and flexible culture for all.

### **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. We are working to improve female representation within FSI, as well as engaging with companies about their number of women in leadership roles. We have particularly focused on how we ensure women's full and effective participation in leadership at all levels of decision-making in the companies in which we invest.

### **Board representation**

We remain committed to a more balanced gender representation on our internal boards and to increase the number of women who are appointed. 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. In 2021, 36% of our UK Board Directors were women, up from 17% in 2020.



# Diversity, Equity and Inclusion (DEI) Initiatives

Both in relation to gender and other areas of diversity, we have a responsibility to make our organisation and industry more inclusive. We believe that collaborating with others is an effective way of achieving progress more quickly.



## Gender

### Future Asset

Through the Stewart Investors investment team, we helped establish [Future Asset](#) in 2017, which strives to inform girls in Scotland about careers in investment management, enthuse them about opportunities in the sector, and widen the talent pipeline to improve diversity in the industry. A number of our employees have been actively involved in various conferences, workshops and initiatives over the year.

### Girls are Investors (GAIN)

[GAIN](#) is an industry-wide UK initiative, which aims to inspire, and encourage young women to join the investment industry. We participated in their Empowerment Investment Internship programme, taking on two interns into our Stewart Investors investment team.

### Women's Enterprise Scotland (WES)

We ran a pilot skills-based volunteering programme with [Women's Enterprise Scotland](#), where employees from a variety of different departments provided mentoring support for female entrepreneurs in Scotland.

### Menopause in the Workplace

Through our partnership with the [Financial Services Skills Commission](#), we contributed to the launch of an industry-wide report on the impact of menopause for women in financial services.

## International Women's Day

We organised a panel event with our female independent non-executive directors, profiled senior female leaders in mini-blogs, and also ran a video campaign internally and on our [social media channels](#), showcasing insights from our female investment managers.



## Disability

### Surrey Cricket Disability Cricket Programme

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

### Sign Language Sessions

We provided employees the opportunity to participate in British Sign Language (BSL) Taster sessions hosted by [RNID](#). These sessions provided employees a taster of BSL and increased their appreciation for deaf awareness.

### Accessibility Technology Sessions

Our IT and HR teams hosted an interactive workshop on how to use our existing technology to improve accessibility for people with disabilities. As an extension, we now provide subtitles or captions on all of our internal and external videos as standard.



## Ethnicity

### UK Black History Month

We curated a virtual programme celebrating Black history in the UK. This included sharing various events, workshops, online resources and highlighting personal stories of employees. We also held a virtual storytelling initiative via [New York Cares](#), where staff volunteered to read children stories which celebrated icons from Black history.

### 100 Black Interns

We participated in the [100 Black Interns](#) industry initiative in our Direct Infrastructure investment team. This programme provides black students and graduates an opportunity to learn about investment management first-hand, as well as developing a range of skills and opportunities to network.



### Neurodiversity

#### Super 7 Challenge

As part of World Autism Acceptance Week, employees participated in the Super 7 fundraising activities for the [National Autistic Society](#) and Irish charity [AsIAm](#).

#### Education Session

We ran a neurodiversity, neurodivergence and autism training session with [Auticon](#) for employees.



### LGBTQ+

#### InterInvest

We are corporate members of [InterInvest](#), an organisation which aims to drive LGBTQ+ equality and inclusion across the UK investment industry. 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.

#### Pride Month

We celebrated Pride Month during June by organising an internal visual campaign, changing our external logo and profiling a number of staff and allies. We also provided staff the opportunity to attend ally training sessions on how to better understand microaggression, bias and how to become a better ally to the LGBTQ+ community.



### Socio-economic

#### Investment 2020

We are 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 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 Founder Members on 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 and inclusion.

# Summary

In reviewing our five year numbers, we are encouraged to see the positive progress we have built in some areas, helping us create a more gender balanced and diverse workforce. We need to do more to continue to attract and develop our female talent into more senior roles and across our investment teams to improve even more on this year's figures.

Achieving a more diverse workforce remains an important strategic focus for our organisation. We believe that having a more level representation of men and women across all parts of our business, will result in more informed and balanced decision making and better business outcomes.

Our ultimate goal is to attract and retain people with different backgrounds and perspectives to better reflect society and to develop a high-performing culture that is as inclusive as possible. With a number of key initiatives set out in this report now in place, we are closer to reaching this goal which will enable our employees to maximise their potential, support our wider corporate responsibility aims, and to deliver the best outcomes for our clients and wider society.



**Gary Cotton**  
Managing Director, UK



**Melanie Halsey**  
Chief People and  
Culture Officer

